

2023 ANNUAL CITY REPORT

APRIL 2024

Annual City Report for Year Ending 2023
City of Hutchinson



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Overview

The City of Hutchinson's Annual Report provides an overview of the services provided over the previous year. This report is attempting to measure the "performance" of the City on an annual basis. All data and information referenced is accurate from January 1, 2023 through December 31, 2023. 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, Mission Statement and Vision Statement
- Priorities within the annual budget
- Trend data impacting City services

Limitations of Performance Measure

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

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

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

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

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

2023 Annual Report

Executive Summary

I'm pleased to present to you the fourth 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 all of the City's core values, with a goal to build upon that in future reports.

While 2022 was a year of sustained growth within the City, in which we were setting our sites on being the most attractive regional center in outstate Minnesota, 2023 was a year of preparing ourselves for the future. While I have a lot of hope for the future and I'm excited for what is in store for us, I cannot be naive to what is going on around us. While the "State of the City" continues to remain healthy, I believe there will continue to be challenging times ahead. Higher interest rates and higher costs associated with inflation are putting pressures on families to meet daily needs. On top of that, we are still in a very competitive labor market which is also pushing wages up, which has a significant impact on our budget. State mandates are also raising costs not only for the City, but for local businesses as well. Even noting those challenges, there is a lot of exciting development going on within the community with hope for more. As I look to the year ahead of us, I know this community will continue to be resilient with the challenges it will face and it will find a way to weather the storm. I strongly believe that we will tackle any challenges head on, boldly preparing the community for what the future holds.

The City's average monthly unemployment rates continue to remain low with an average monthly rate of 3.4% in 2023. These rates continue to remain in line with the State (3.0%) and below the Federal (3.6%) 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 \$244,000 last year to \$261,750² in 2023, the eleventh straight year of an increase. Home resales continue to remain high (as inventory presents itself) and home foreclosures (lack thereof) continue to remain low. While home resales continue to remain high, we have seen a tighter housing market, which has resulted in new homes continuing to be constructed in town. We issued 20 building permits for new homes in 2023, the eleventh straight year in where we have issued 20 or more new home permits. Permits issued would have been higher if not for the high cost of supplies and labor and the difficulty in getting materials.

² Source: Minneapolis Area Realtors

The new homes being built this past year will push our ten-year total over 280. Last year, the completion of the townhomes near the Century 9 Theater moved our total to at least 292 new rental units opening up over the past seven years. All of that pushed our estimated population from the State Demographer's over 15,000 in its latest estimate. Along with new housing, we saw several new businesses open up in town including Five Below, Due North Carwash and Zephurs Financial to name a few with several others doing remodels or expansions. MITGI began moving their operations downtown (old Shopko building) and the Midwest AC Building and the Civil Air Patrol opened facilities this past year as well. We also saw RD Machine and Curtiss-Wright expand operations in town. Along with private investments, Burich Arena finished its remodel and the new Police Station/DMV opened up as well. The City has added over \$360 million in new value to the community over the past ten years as well, and we are anticipating continued growth in the next year.

2024 hopes to continue the recent trend of investments within the community. 2024 should see the completion of the commercial building on Century Avenue and potential industrial business expansions. MITGI's remodel will be completed next year and new businesses and business expansion should continue on Main Street. More single-family homes will be constructed and the first phase of the Michael Court Apartment Complex should open next year with work beginning on the second phase. The City will continue to market the Industrial Park and we are hoping that some of the work that took place with our growth area study will spark interest in additional commercial/industrial or residential growth. Work will also begin on a new downtown plan in 2024.

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 2023 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

2023 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

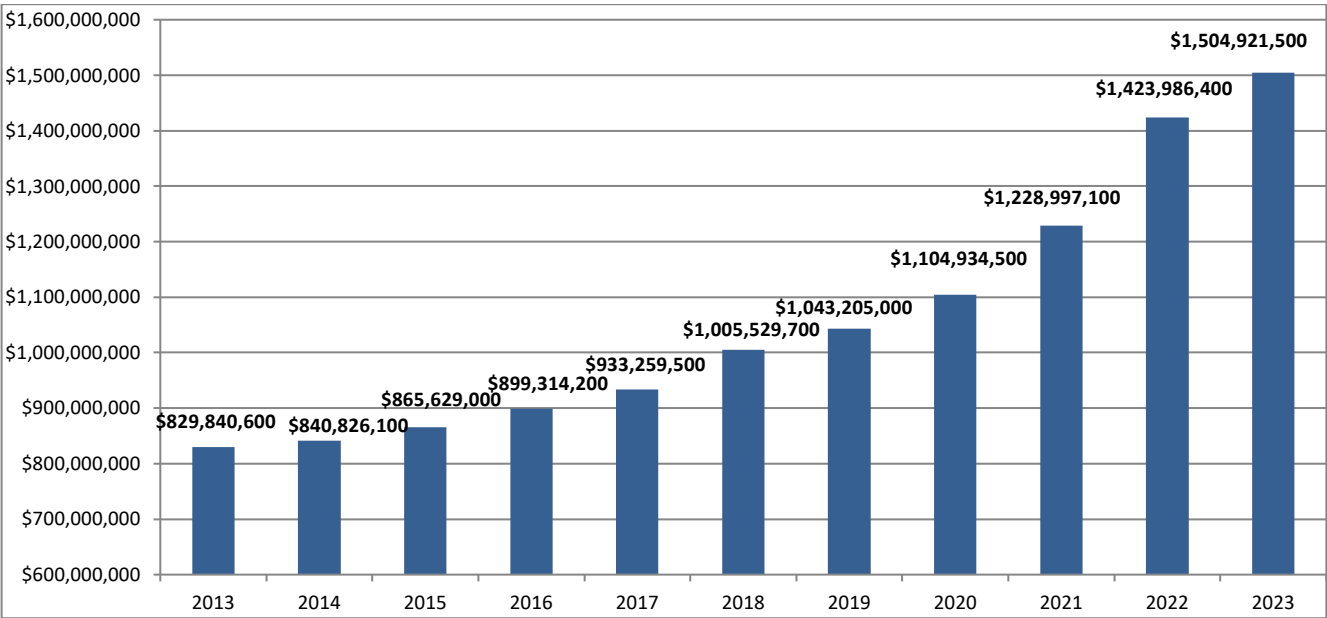
Our vision for the City of Hutchinson is that we will continue to be an involved, progressive and innovative community that promotes our regional prominence while preserving our hometown character and delivering quality, cost-effective services

2023 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 5.7% in 2023. Residential values increased 5.9%, commercial/industrial values remained steady, agricultural values increased 4.5%, and apartments saw the largest increase at 15.2%. 2023 was the eleventh straight year that the assessed market value of the City increased.

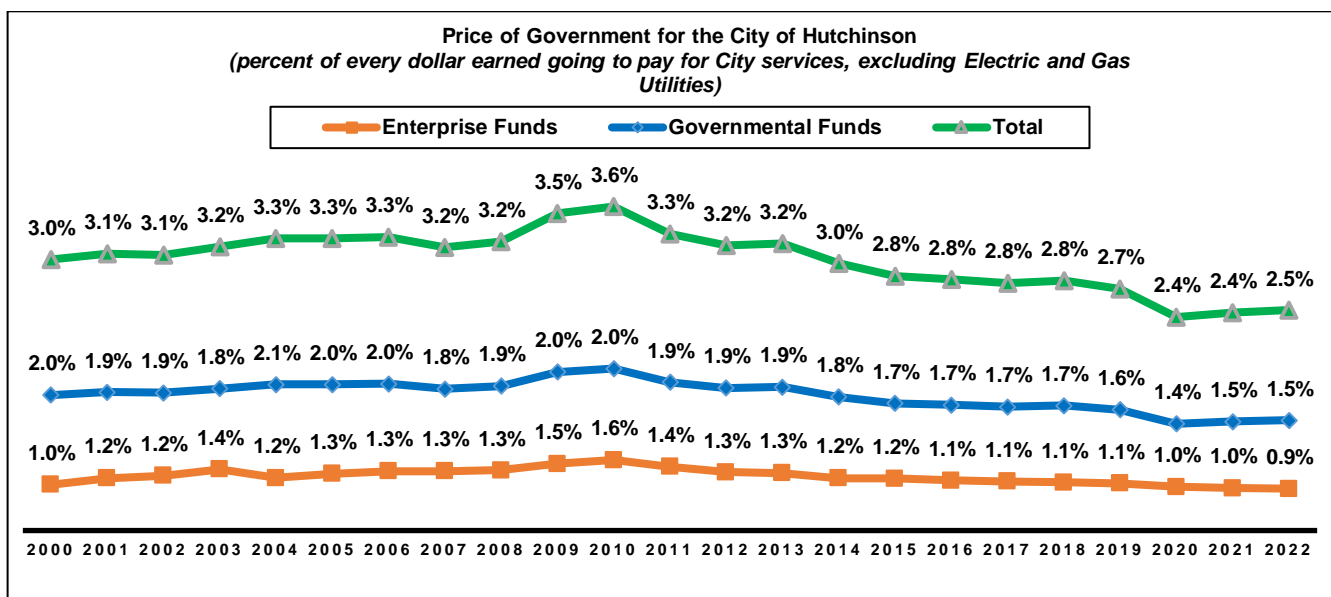
The bottom years of 2013 and 2014 reflect the “great recession” and values have increased 81% since 2013; an average of 5.7% each year. Current values are at all-time high for the City. The market value for each year is determined as of January 1 based on prior year sales. It is anticipated that the 2024 assessed market values will also show an increase.

Price of Government

In recent years the City has tracked it’s “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 2022, Hutchinson Citizens spent 1.5% of each dollar earned on the day to day operations of the City and 0.9% on the City's enterprise funds. In total, approximately 2.5% of each dollar earned by Hutchinson citizens was spent on City services.



Bond Rating

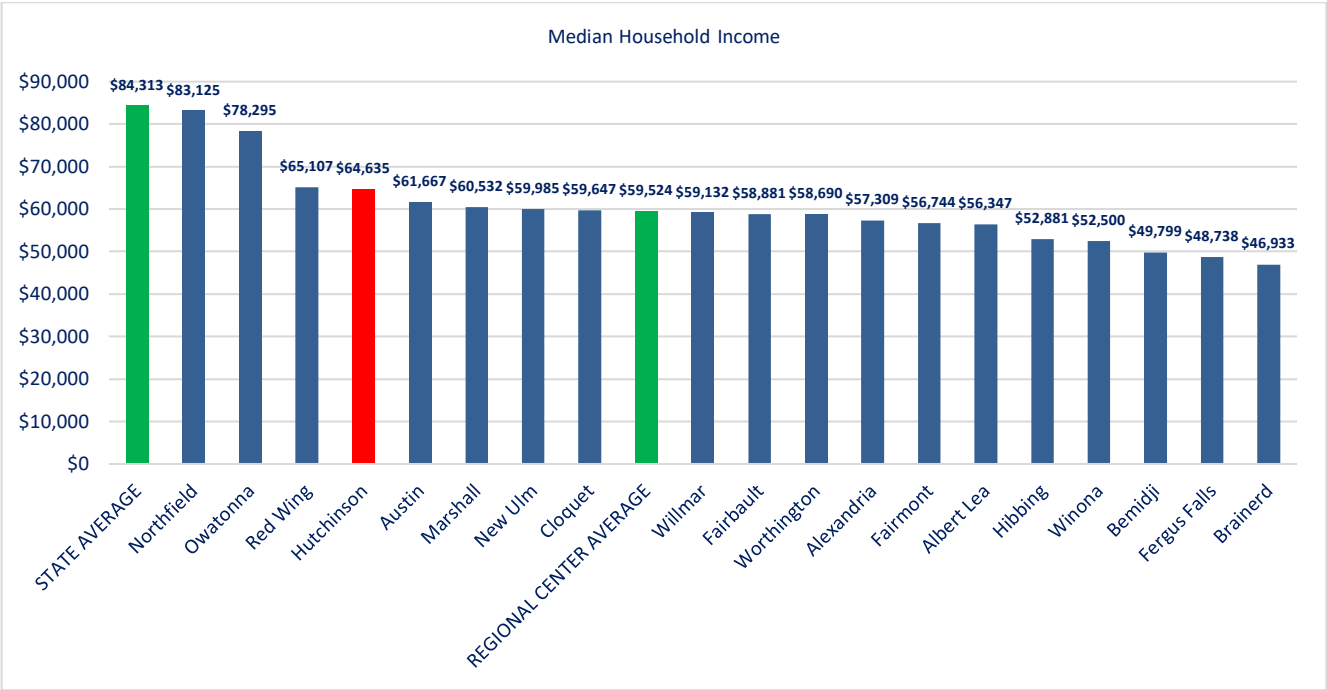
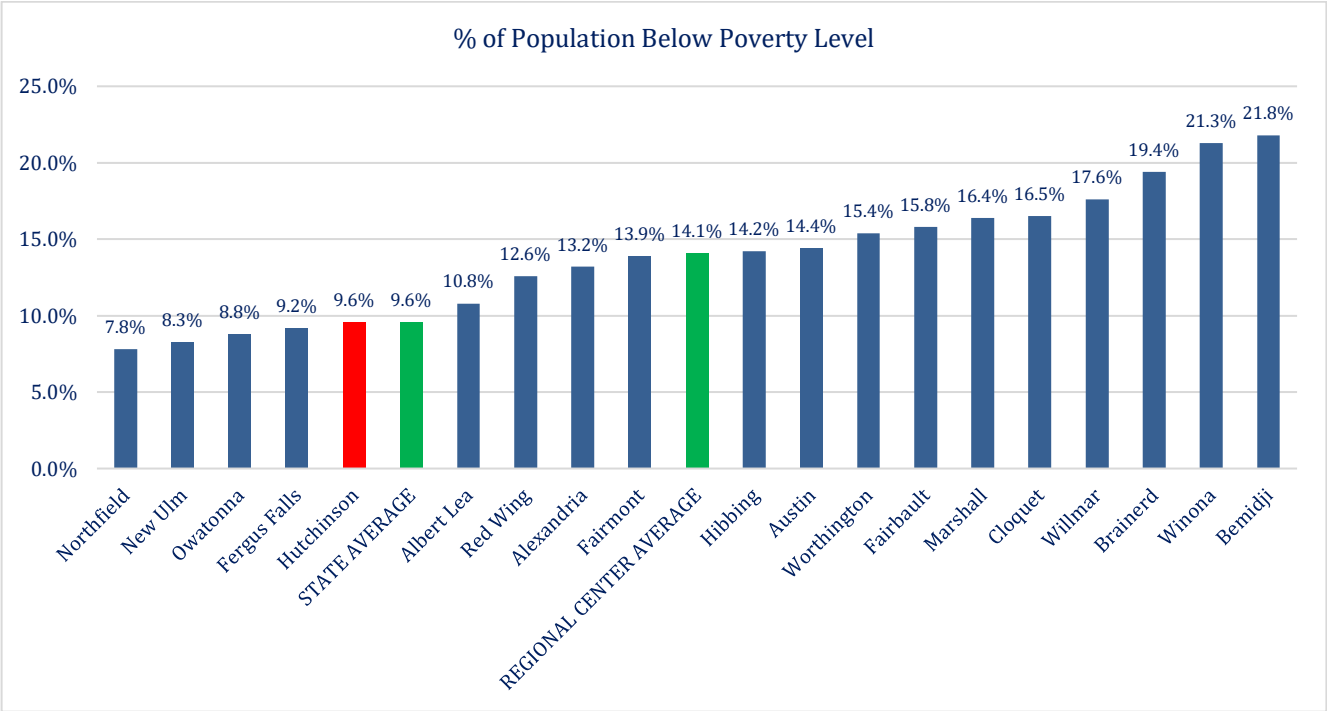
An important indicate of financial stability is the credit rating assigned by independent rating agencies.

In 2023, Standard & Poor's (S&P) Rating Services reaffirmed its AA- rating for the City of Hutchinson. This rating is 4th strongest on S&P's rating scale and identifies the City has having a "stable outlook". The independent evaluation of a municipalities credit risk is one of the single most important indicators of prudent financial and administrative management. The evaluation considers many factors including the local economy, budgetary management, debt load, and budgetary performance.

Poverty Levels and Household Incomes³

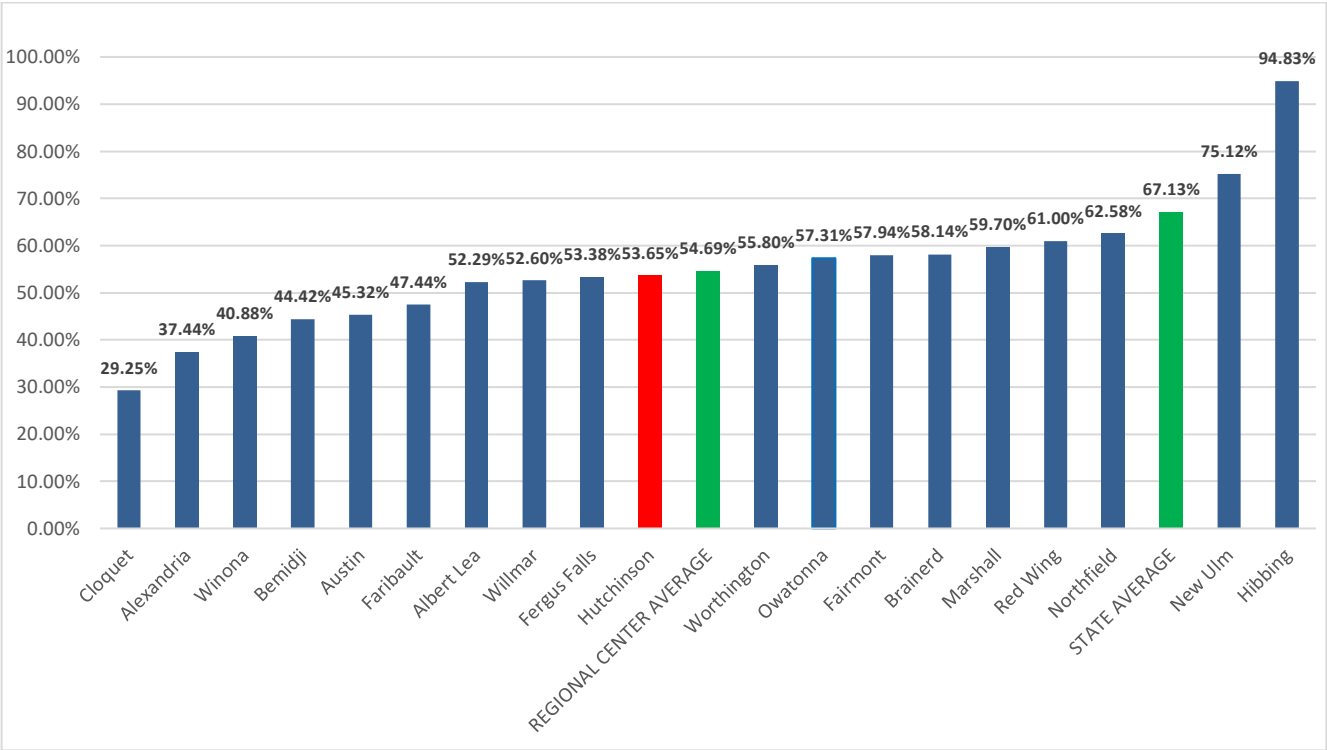
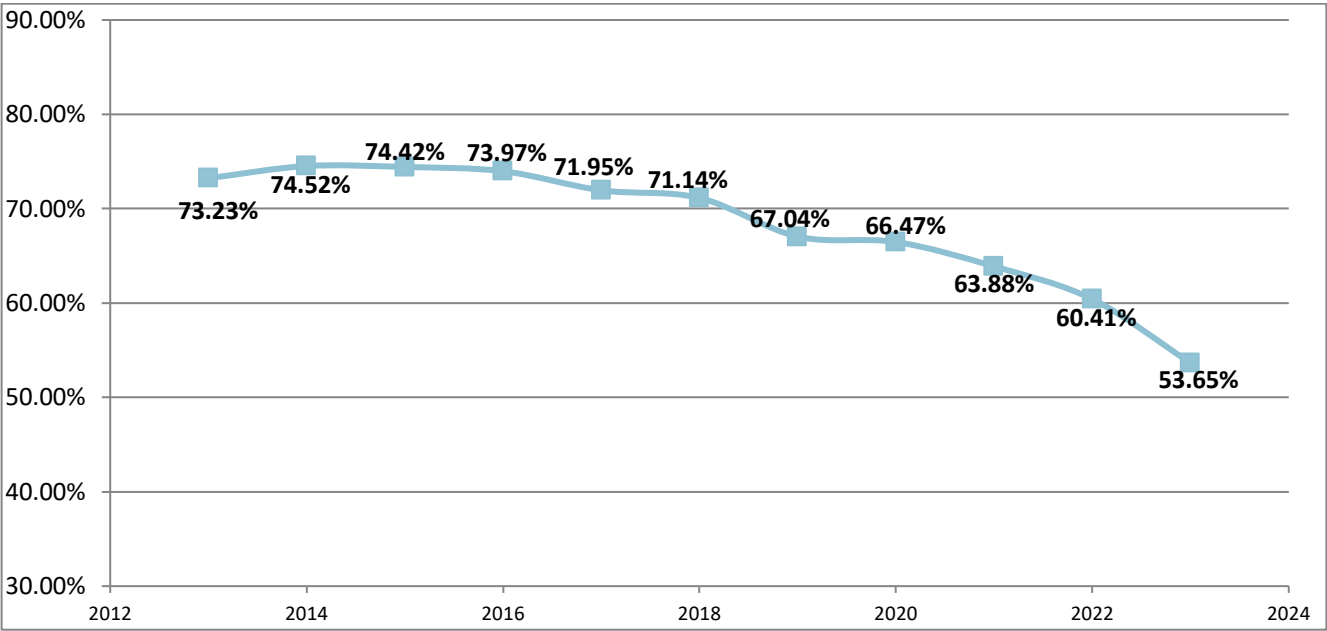
³ Poverty and household income data was from the 2022 Census Estimate information.

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 show's the trend of the City's tax rate since 2013. The second is a comparison of the 2023 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 2023 city tax rate for city services with other outstate regional centers. Hutchinson's tax rate was the tenth highest out of the 19 regional centers.

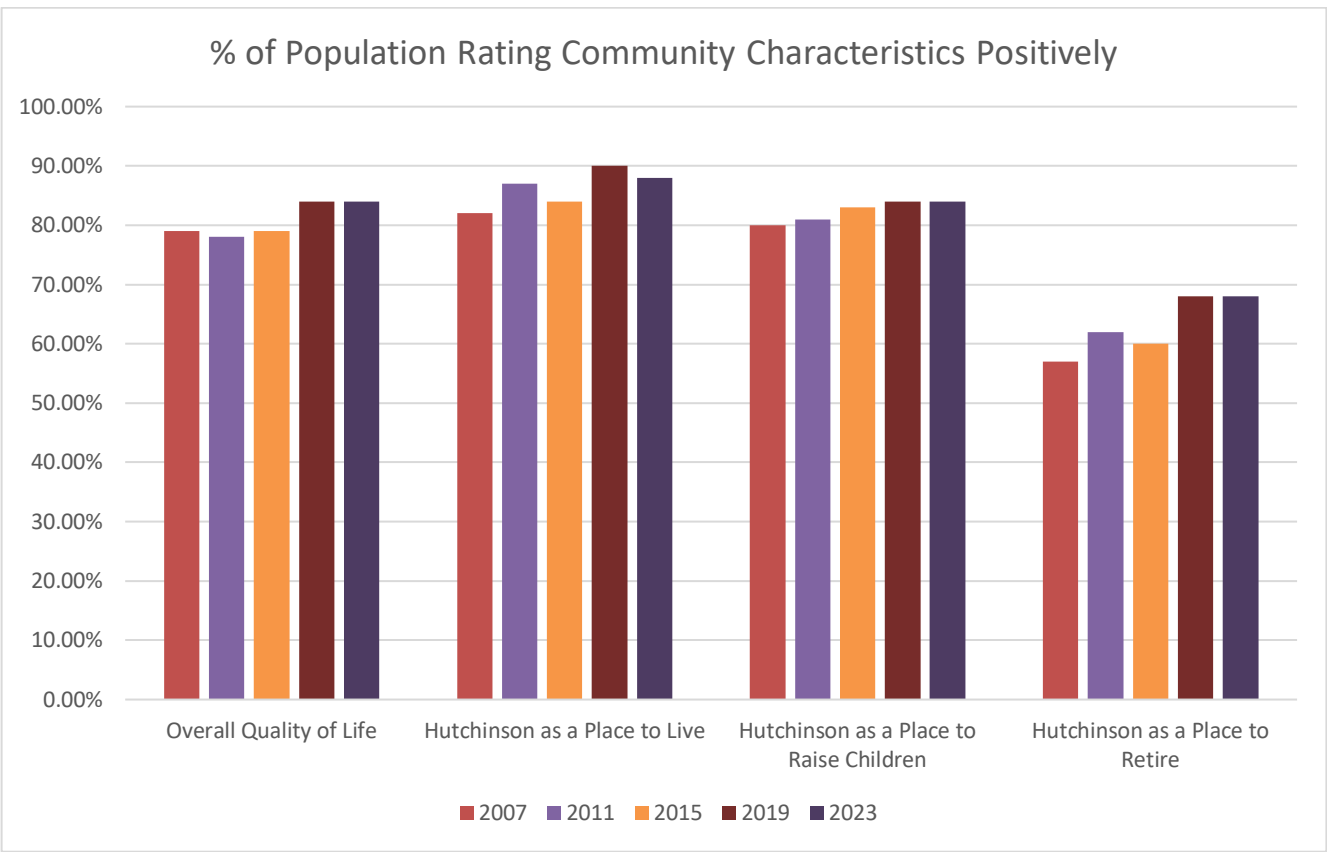
	<u>19 Regional Centers</u>	<u>2023 Tax Rate</u>	<u>2022 Tax Rate</u>
1	Cloquet	29.25%	33.94%
2	Alexandria	37.44%	40.06%
3	Winona	40.88%	41.46%
4	Bemidji	44.42%	51.13%
5	Austin	45.32%	53.31%
6	Faribault	47.44%	51.68%
7	Albert Lea	52.29%	60.68%
8	Willmar	52.60%	46.24%
9	Fergus Falls	53.38%	58.35%
10	Hutchinson	53.65%	60.41%
11	Worthington	55.80%	61.16%
12	Owatonna	57.31%	62.10%
13	Fairmont	57.94%	61.36%
14	Brainerd	58.14%	70.32%
15	Marshall	59.70%	59.82%
16	Red Wing	61.00%	68.32%
17	Northfield	62.58%	59.80%
18	New Ulm	75.12%	81.18%
19	Hibbing	94.83%	95.61%
	Average of 19 Regional Centers	54.69%	58.79%

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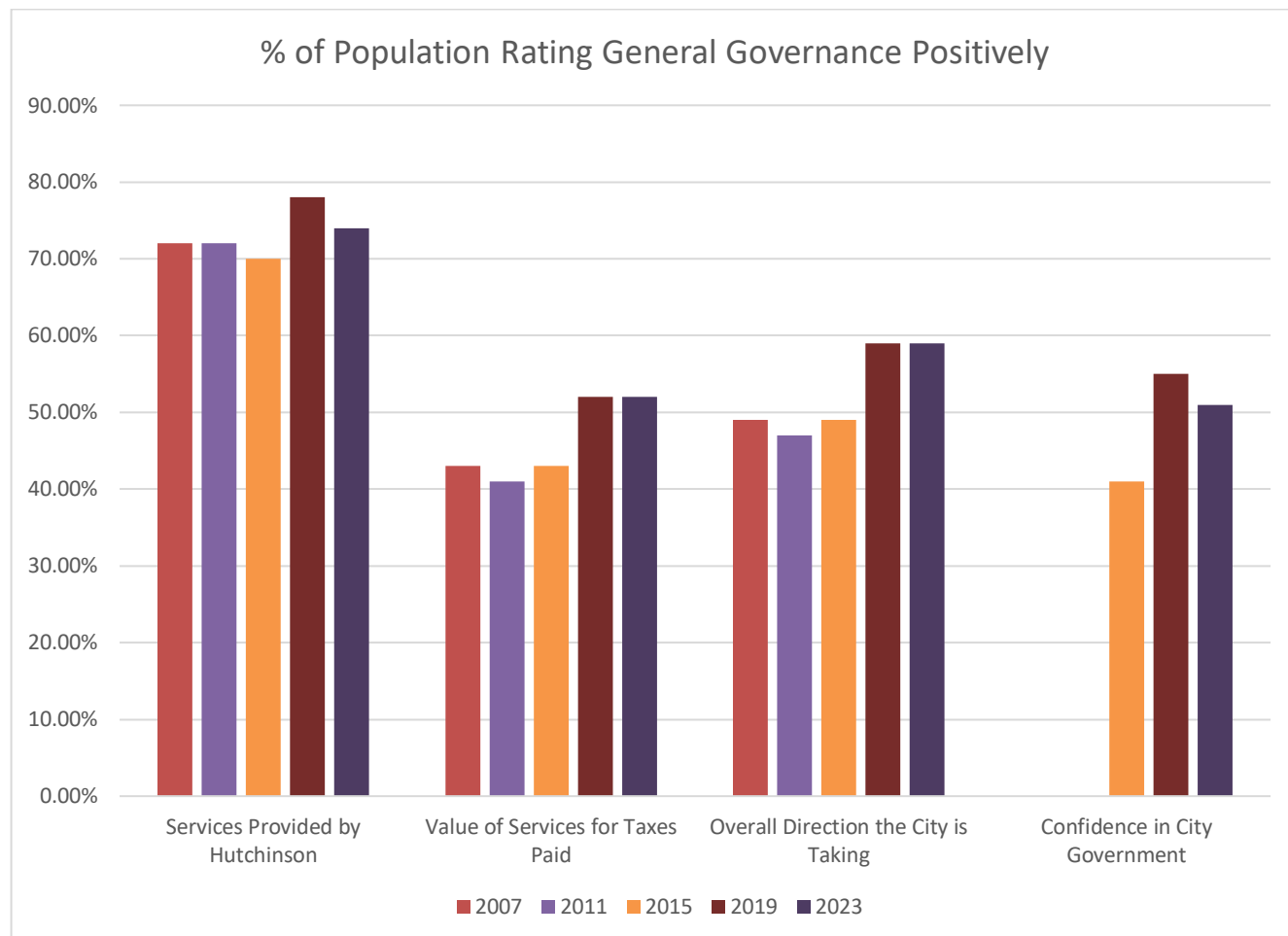
Community Surveys

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

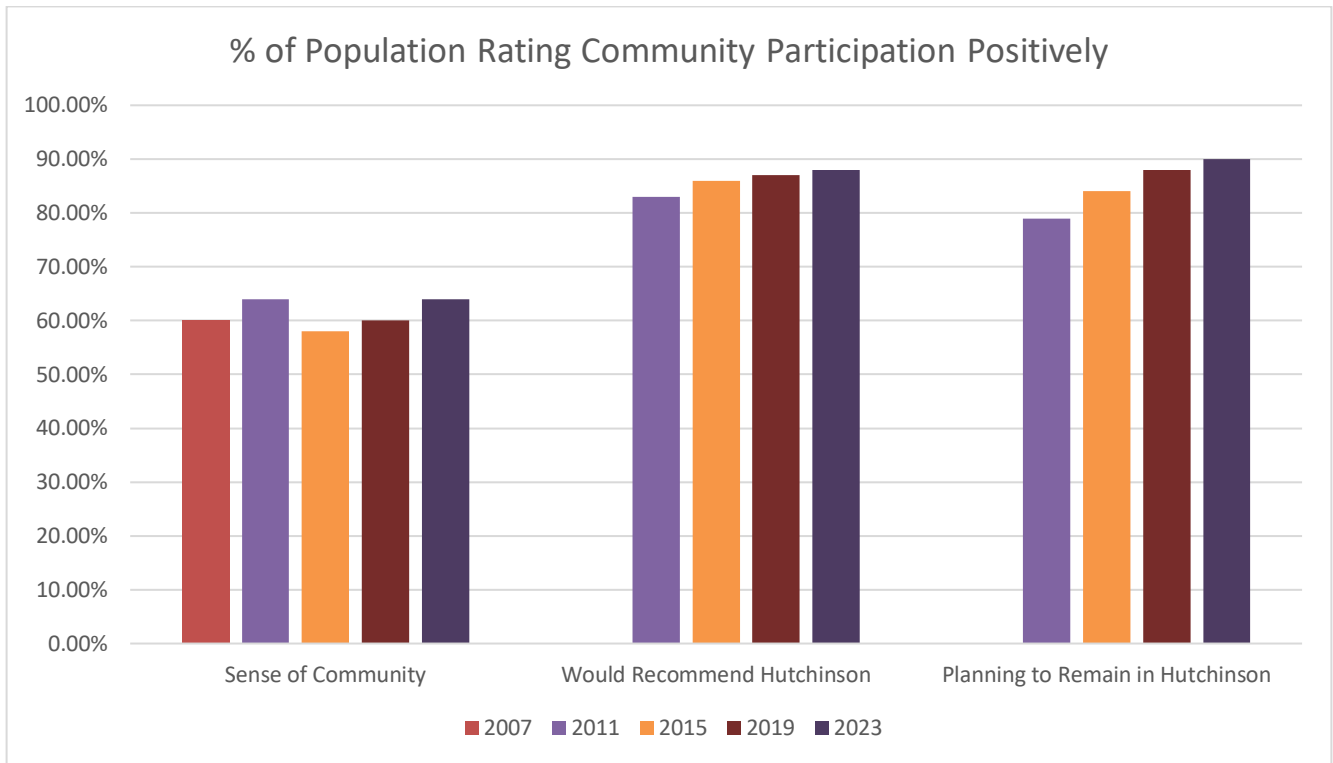
When it comes to aspects of making a community livable, attractive and a place where people want to be, the latest survey (2023) showed that the percentage of residents responding “excellent” or “good” stayed pretty steady from previous years. The majority of our residents (84%) rated the quality of life in Hutchinson as excellent or good; 88% 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.



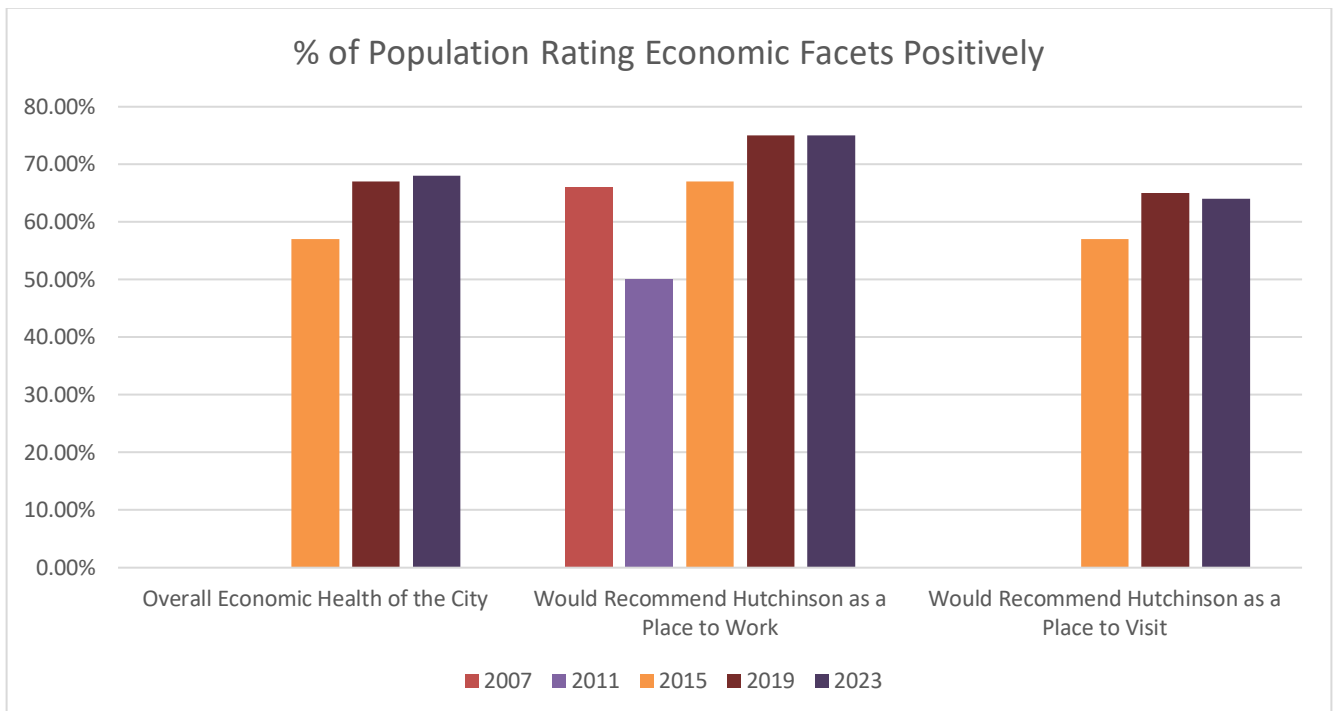
When it comes to how well the government of Hutchinson meets the needs and expectations of its residents, the latest survey showed that the percentage of residents responding “excellent” or “good” remained relatively steady from previous years. The majority of our residents (74%) rated the overall quality 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. 59% rated the overall direction city government is taking as excellent or good, and 51% viewed confidence in city government as excellent or good.

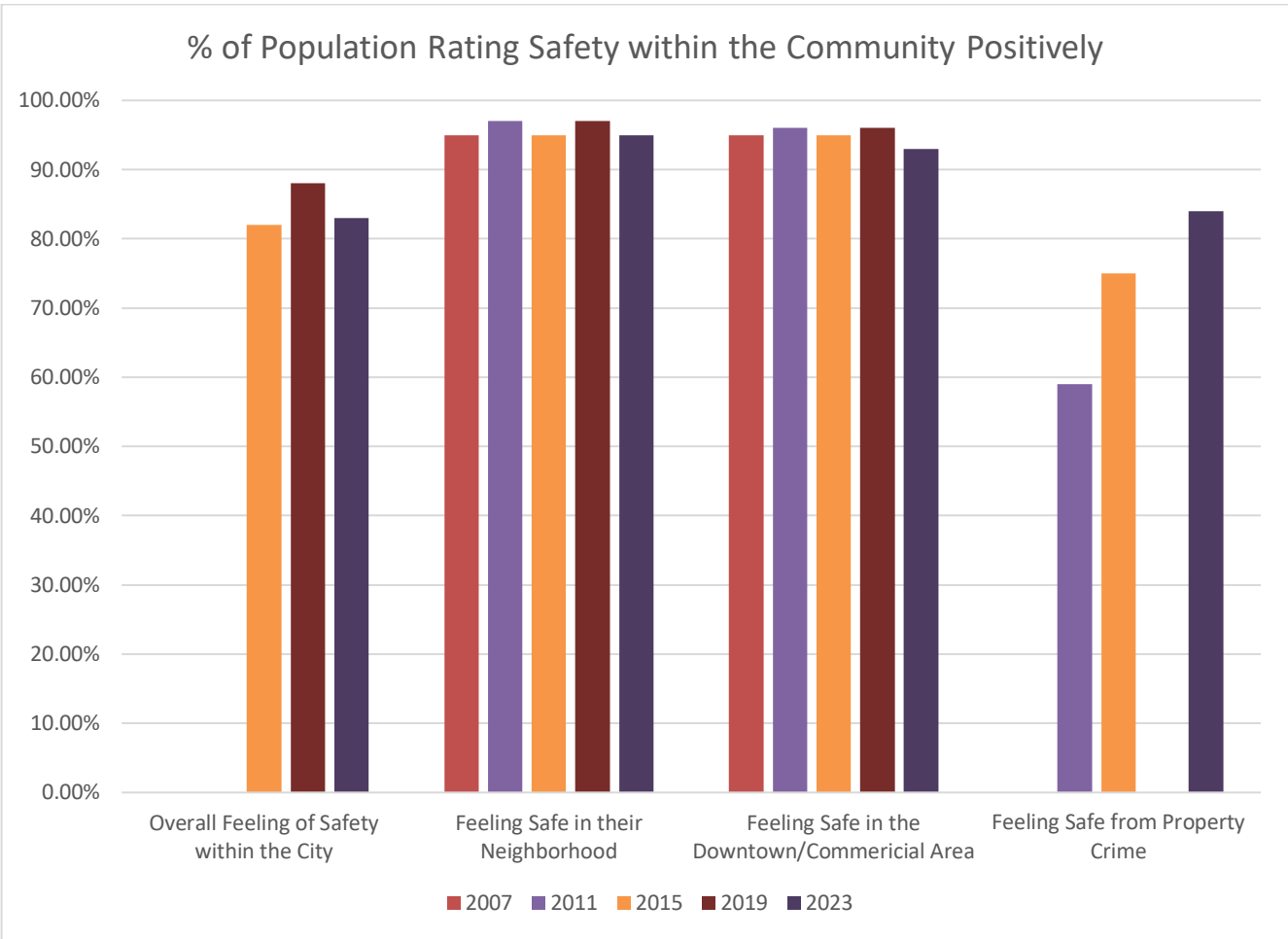


When it comes to how well the residents of Hutchinson are connected to the community and each other, the survey showed that the percentage of residents responding “excellent” or “good” improved from the previous surveys. 64% of our residents rated the overall sense of community as excellent or good, while 88% of the residents would recommend living in Hutchinson to someone else and another 90% planned to remain in the community for the next five years.



The last two graphs show how residents feel about two important aspects of the community, the economy and safety. The data highlights that the percentage of residents responding “excellent” or “good” remained steady or improved from the previous surveys on these two important topics.



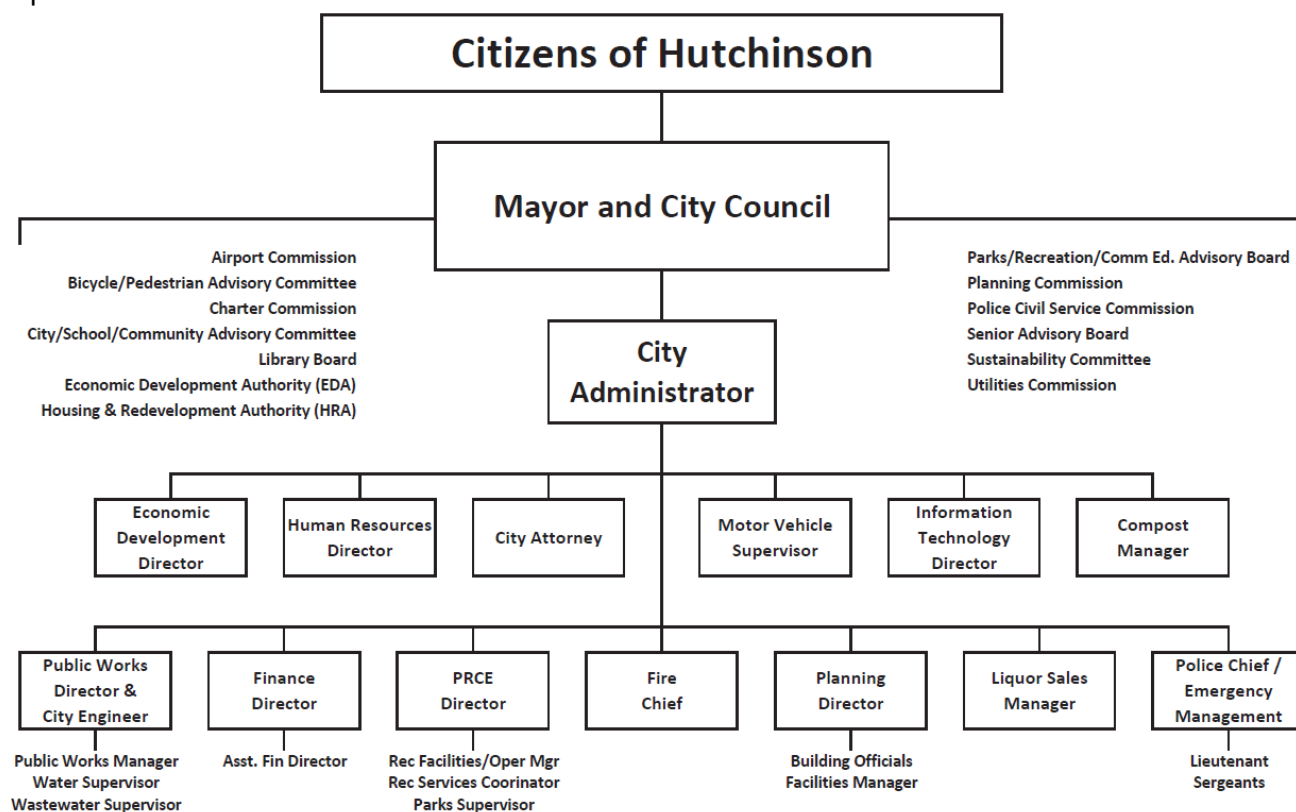


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Organization of the City

The city of Hutchinson is governed by a home rule charter and operates as a Council-Manager/Administrator form of local government. The city council 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.



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Grants and Donations

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

Parks & Art

• Burich Foundation donation for River Fountain –	\$50,000
• Various donations for Fireman's Park –	\$9,600
• Grants and donations for Shady Ridge Park –	\$12,675
• Donation from Kiwanis for park improvements –	\$26,401
• Various grants and donations for Bike Fleet project –	\$2,999
• Lions Club annual donation for upgrades made to Lions Park –	\$1,620
• Police Memorial Park donations –	\$400
• Private donations to public arts –	\$750
• SWIF Grant for AFS Statue Restoration –	\$1,500
• Hutch Huskies donation to new fence at VMF –	\$3,000

Public Safety

• One-time State Public Safety Aid –	\$643,408
• Burich Foundation grant for police armor plates –	\$6,454
• General donations to police department –	\$625
• State Training Aid for police department –	\$24,244.76
• State DARE monies –	\$1,767.74
• State grant to police department vests and body armor –	\$8,335.49
• State grant to police department for "Toward Zero Deaths" –	\$2,736.09
• General donations to the fire department –	\$400
• State grants for fire training –	\$19,508

Transportation

• Municipal State Aid (General Maintenance) –	\$29,280
• Municipal State Aid (Roberts Road) –	\$1,135,779.16
• Municipal State Aid (Pavement Management) –	\$505,723.93
• Municipal State Aid (Bridge Maintenance) –	\$470,205.24
• State Grant for Civil Air Patrol Taxiway (pass-thru) –	\$41,963
• Federal grant for new Airport hangar –	\$219,541.97
• State grant for new Airport hangar –	\$2,875

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- Federal grant for Airport lighting and Navigational Aids – \$51,750
 - Airport Aid – \$27,445

Recreational Program Sponsorships/Contributions

- Youth Sports – \$20,005
- Senior Center activities – \$1,644.50
- Civic Arena sponsorships – \$18,900
- Sponsorships of various parks – \$1,624.85
- Waterpark umbrella sponsors – \$2,700

State Pension Aid

- Police Pension Aid – \$246,826.92
- Fire Pension Aid – \$142,925.73

Housing

- 2023 State Affordable Housing Aid – \$246,826.92
- FEMA Grant – Franklin Street homes purchased and demolished – \$661,626.14

Other

- DNR Tree Grant – \$8,661.80
- County Grant for Refuse Receiving Scale at Creekside – \$12,958.25
- State grant for new SSOM process – \$31,594.42
- State bonding grant – Lakes and River Basin Project – \$213,591
- State one-time monies for the DMV – \$35,400.30
- State child care grant (EDA) – \$35,000
- State Job Creation Grant – pass thru to Uponsor – \$275,504

In total, the City received **\$5,078,608.29** in grants, donations, and state and federal aid in 2023.

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City Partnerships

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

Administration

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

Finance Department

- Partners with the County in the area of Assessing Services. The City pays the County about \$61K per year to annually assess the City's 5,850 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)
- Minnesota State Fire Chief's Association (membership, meetings, training, resources)
- Minnesota State Fire Marshal's Office (fire code review)
- Meeker/McLeod Fire Safety Trailer (shared regional trailer for teaching fire safety, resource housed at our station and used throughout our multi-county region)
- Minnesota Department of Human Services (conduct fire safety inspections for daycare and foster care centers and homes)
- McLeod County Fair (inspections, grand stand event coverage, facility usage for training)
- McLeod County Sheriff's Dept. (emergency calls, resources & equipment)
- McLeod County Social Services (protection services, child/vulnerable adult)
- McLeod County (community service partnership for troubled youth)
- Project Life Savor (McLeod county partnership, resources housed at our station)
- Regional Disaster Response Unit (Partnership with Immanuel-St. Joseph's Hospital Mankato, resources housed at our station)
- Allina ambulance (emergency calls, joint training)
- Minnesota State Fire Department Association (membership, meetings, training, resources)
- McLeod County Toward Zero Death Coalition (membership, meetings, roadway safety outreach)
- Hutchinson Schools (fire safety/prevention education)

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- 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.
- 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 (2023 was last year of contract):
 - 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 2nd 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.

2023 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.

Park and Recreation Department/Fire

- Minnesota Recreation and Park Association (MRPA) Award of Excellence for the Fireman's Park Project
- Sara Witte and Lynn Neumann received the MRPA's Meritorious Service Award

Environment

- City reconfirmed its status as a step 4 & 5 city of the Green Steps City Program
- 44th year as a Tree City USA Community

Finance

- 27th Straight year being recognized by GFOA for Excellence in Financial Reporting

City Administration

Primary Services

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

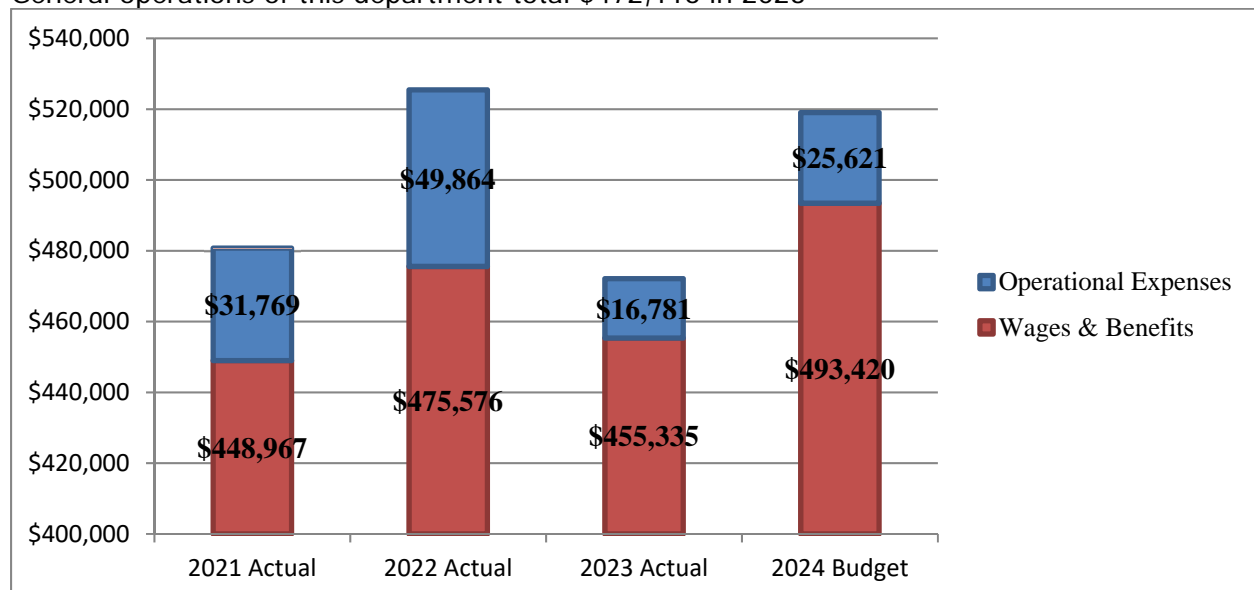
- Directs the general operation of city government and oversees the day-to-day operations of the City
- Provides overall organizational leadership and direction
- Provides direct supervision to all department directors
- Provides staff assistance to the mayor and city council in research, investigation,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

2023 Staffing Levels

3.40 Full-time Equivalent Staff

Budget

General operations of this department total \$472,116 in 2023



2023: The Year in Review

2023 Accomplishments

- Worked with the City Council on putting together the City's "Legislative Priorities" for 2023.
- Settled both union contracts (one new and one a wage reopener) with our Officers and Sergeants.
- Completed 13 employee performance reviews of the City's Management Team.
- Hired Mike Stifter as the new Public Works Director.
- Completed an update of the City's End Statements/Core Values document.
- Successfully completed the 2023 National Citizen Survey.
- Worked with the Police Chief on the School Resource Officer issue related to legislative decision made at the State.
- Entered into a Letter of Intent to purchase with Hutchinson Health on the Event Center.
- Worked with Legal and the Police Department on putting together a Cannabis Ordinance for the City.
- Updated the City's Public Arts Commission ordinance.
- Worked with PRCE Staff and the Facility Manager on putting together plans and specs for a new grandstand at VMF.
- Updated the City's Parking Ordinance to change the timeline from 24 hours to 72 hours.
- Put together an RFP and hired a Realtor to assist the City in selling the old Police Station/EOC buildings.
- Oversaw the 2024 budget preparation process and delivery of a balanced budget with a tax levy increase at 7.2%
- Put together the Truth-in-Taxation presentation and budget message for the 2024 budget.
- Produced several reports as requested by the Council on various issues relating to the city and the budget process.

2024: A Look Forward

The 2024 goals for the Administration Department are as follows:

- Work on getting state bonding debt associated with the Event Center forgiven.
- Finalize purchase agreement with Hospital on the Event Center building.
- Sell the old Police Station/EOC Buildings.
- 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.
- Conduct strategic planning sessions with the Council to establish a new 5-year plan.
- Establish a plan for the use of the Public Safety Aid and Housing Monies.
- 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.
- Conduct a "So you want to be an elected official" community forum for potential new council members.

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

2023 Accomplishments

- Coordinated response to data practices requests
- Ensured timely publishing of council agenda packets and meeting minutes
- Began bi-annual codification process
- Began compilation of new City policy book materials



No elections in 2023! Year of planning for 2024!

City Clerk's Office

Response Statistics

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

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.

Number of Licenses

License Type	
On-Sale Intoxicating/Sunday Liquor	13
Off-Sale Malt Liquor	5
On-Sale Malt Liquor	1
Brewer/Taproom	1
Wine/Strong Beer	2
Caterer	1
Taxi Services	2
Massage	13
Tobacco	15
Tattoo	1
Food Vendor	1
Pawn Shop	0
Garbage/Hauling	3

Economic Development Authority

EXECUTIVE SUMMARY

2023 was a generally successful year for economic development in Hutchinson. Significant progress was made on downtown redevelopment projects, several manufacturing projects advanced, and the EDA began taking steps to help address the growing shortage of childcare in the community. Highlights for the year included:

- Support provided for downtown **(\$14,262)**
 - Four Sign & Awning grants totaling \$6,872
 - One Façade Improvement grant for \$7,390
 - New downtown Plan authorized
- 13 BR&E visits completed
- Innovative Foam graduated from the Enterprise Center, purchasing its own 8,000 sf building
- RD Machine graduated from the Enterprise Center
- Laser Dynamics purchased by GVL Medical, provided with a new lease at Enterprise Center
- RD Machine completed a 21,000 sf expansion with help from the EDA (TIF District)
- \$53,821 grant obtained for infrastructure on Lot 1140
- Five houses acquired and removed as part of Hutch Uptown Grand project
- Developer identified for the former Franklin House site
- Childcare Business Forgivable Loan Program launched

GOVERNANCE

EDA Board

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

Table 1 – Economic Development Authority Board of Directors, 2023

Member	Position	Years Service	Affiliation
Mike McGraw	President	19	State Farm Insurance
Jonny Block	Vice-president	11	Hillyard
Chad Czmowski	City Council liaison	15	City Council/Outdoor Motion
Jack Daggett	Commissioner	2	Pride Solutions
Pat May	City Council liaison	1	City Council

Corey Stearns	Commissioner	9	Stearnswood
Mike Cannon	Commissioner	8	Citizens Bank
Jeremy Carter	Ex-officio		Hutchinson Utilities Comm.

Taking care of the financial aspects of the Economic Development Authority is the EDA Finance Team. Comprised of two EDA Board members and six other members of the community, the Finance Team provides recommendations to the EDA Board on everything from budgets to proposed financial incentives. Attorney Dan Mahon was appointed to a 1-year term in March.

Finance Team membership for 2023 is detailed in Table 2, below.

Table 2 – EDA Finance Team, 2023

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
Josh Karg	Member	Titan Machinery
Eric Lipke	Member	MITGI
Josh Laffen	Member	MBFC
Dan Mahon	Member	McGraw-Mahon Law Office

DOWNTOWN

Downtown Hutchinson remains a key area of focus for the Hutchinson Economic Development Authority. To that end, the EDA continues its support of downtown with three financial assistance programs and a variety of on-going redevelopment projects, including the Jorgensen Hotel and two sites on Franklin Street adjacent to the Crow River.

Sign & Awning Grant Program

The EDA's Sign & Awning Grant program provides grants up to \$2,000 for business owners to purchase signs and / or awnings for their downtown businesses. No match is necessary. In 2023, four grants were awarded totaling \$6,872 as shown in Table 3, below:

Table 3 – Sign & Awning Grants

Approved	Recipient	Amount
2/24/2023	Gruenhagen Insurance & Financial Services	\$2,000
8/23/2023	Masonic Temple Lodge	\$1,642
10/25/2023	Hutchinson Area Chamber of Commerce & CVB	\$1,230
11/29/2023	Crow River Electrolysis	\$2,000

TOTAL \$6,872

Façade Improvement Program

The Façade Improvement Program is a matching grant whereby property owners can receive a dollar-for-dollar match up to \$7,500 to make necessary repairs and / or improve the curb appeal of their buildings.. In 2023 one matching grant was awarded totaling \$7,390 as detailed in Table 4, below.

Table 4 – Façade Improvement Matching Grants

Approved	Recipient	Amount
5/24/2023	Clint Scherping	<u>\$7,390</u>
		TOTAL \$7,390

Commercial Rehabilitation Loan Program

The purpose of the Commercial Rehabilitation Loan Program is to preserve the building stock of downtown Hutchinson by providing low interest loans to compliment traditional bank financing.

No downtown loans were provided in 2023.

Change in Downtown Program Funding

To address declining assets in the Downtown Revolving Loan Fund (RLF), the EDA changed the funding source for its grant programs from the Downtown Revolving Loan Fund to the EDA Operations Fund. This reallocation aimed to preserve and rebuild the Downtown Loan Fund's assets while aligning recurring expenses with recurring revenues for better financial management. New line items for these programs will be added to the 2024 EDA Operations budget, with annual amounts budgeted for each. Any remaining line-item balances will be transferred to the Downtown Revolving Loan Fund at year end, helping grow the Downtown RLF.

Downtown Redevelopment Projects

In 2023 the EDA continued its downtown redevelopment efforts with several ongoing projects:

Property Acquisitions / FEMA Grant / Uptown Grand

While significant progress on the redevelopment of Block 41 (the former clinic site) in downtown Hutchinson was made in 2023 the year ended in disappointment as a planned development project was derailed by a challenging economic environment.

On the plus side, all five residential properties on the west side of the block were successfully acquired. To facilitate the purchases, the City leased the properties back to the owners for a

limited amount of time over the summer. By early fall all residents affected had successfully relocated and the five buildings were demolished.

Three properties were acquired with the aid of FEMA grant dollars, which covered 75% of the purchase price and demolition costs. The 25% local match was covered by a combination of TIF and ARPA dollars allocated to the project by the City Council.

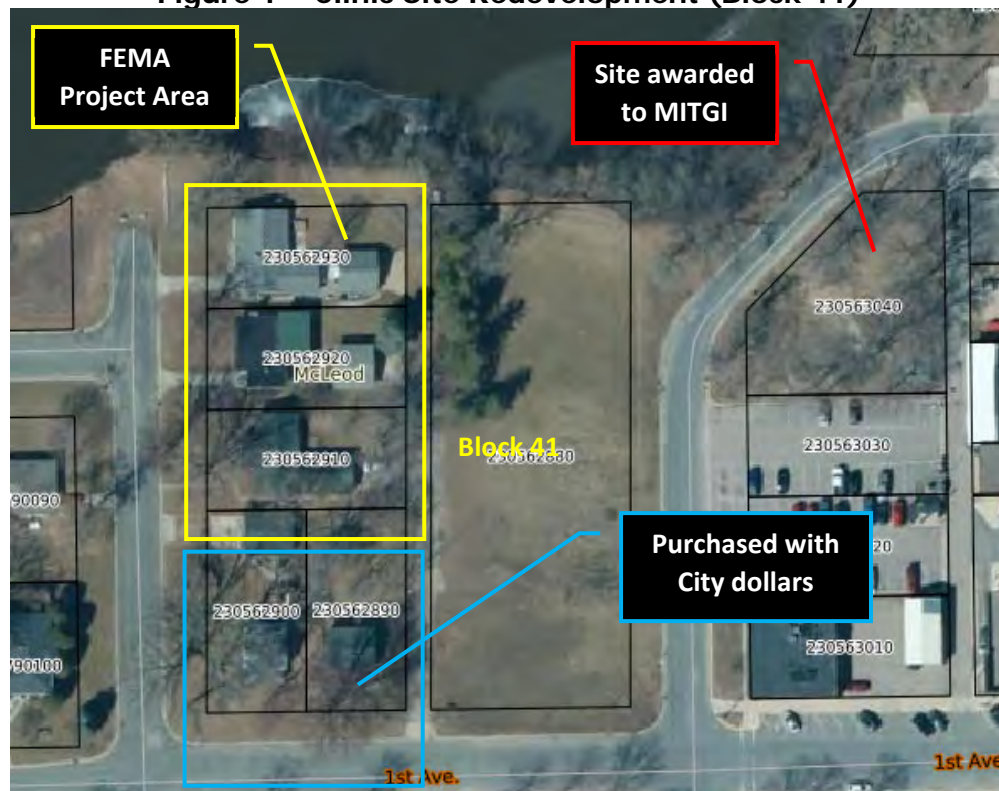
The potential of moving and reuse of some of the buildings was explored by the EDA, but this was ruled out by FEMA.

Two of the houses [145 & 135 1st Ave. NW] were purchased exclusively with City dollars. Of these one was gifted to the city's HRA, which relocated and refurbished the building for use by a new family.

Implementation of the FEMA grant was completed in 2023, with reimbursements totaling \$661,626 received by the City.

In December, unhappily, the project's Developer indicated that he'd let the existing Development Agreement with the City expire, citing current economic conditions. In response to this, the EDA updated the Request for Proposals (RFP) and distributed it to multiple developers. Proposals are due in May, 2024.

Figure 1 – Clinic Site Redevelopment (Block 41)



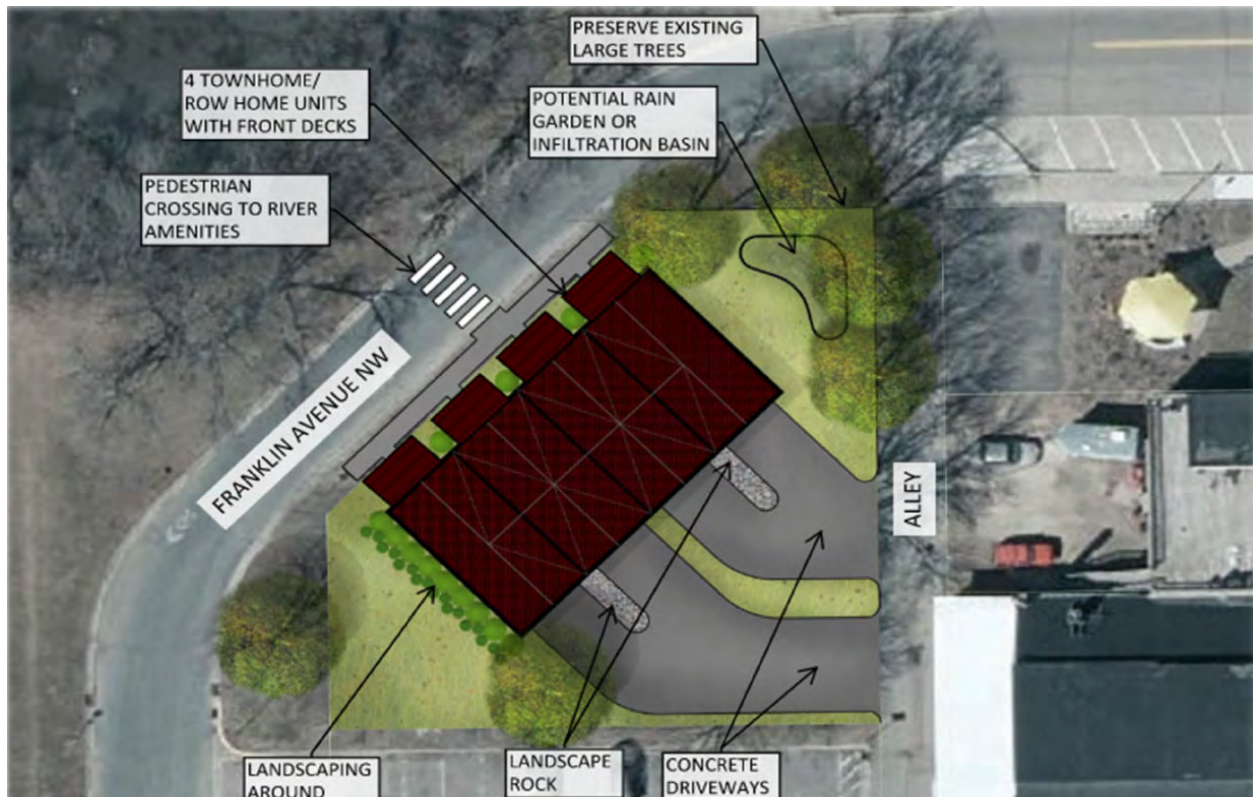
Franklin Site Redevelopment

In early 2023 the EDA decided to pause the proposed redevelopment of the Franklin Site (135 Franklin Street NW) over concerns that the lot may be needed for parking for the adjacent Hutch Uptown Grand. In the event all the needed properties could not be acquired, an back-up plan would be necessary.

Ultimately, purchase Agreements for all the needed properties were acquired and in May the EDA decided to reopen the RFP submission period for the Franklin site. Two redevelopment proposals were submitted and the EDA awarded the site to MITGI, citing its larger scale, higher market value, and better alignment with the adjacent Uptown Grand project.

By the close of the year MITGI was in the process of completing Phase I and II environmental reviews of the site. A Development Agreement will be signed in 2024 with the project potentially getting underway by the fall of the year.

Figure 2 – Franklin Site Redevelopment Concept



Downtown Plan Update

In September the EDA authorized \$42,950 to develop an update of the Hutchinson Downtown Revitalization Plan. Total cost of the update is \$85,900 and will be divided equally between the City and the EDA. The EDA will advance its share from the Downtown Loan Fund, and this will be repaid over the following two years through a designated line-item in the EDA's operations budget. Hoisington-Koegler Group, the consultant that developed the city's downtown plans for 2013 and 2002, was selected to lead the update effort. The new downtown plan should be completed sometime in the fourth quarter of 2024.



INDUSTRIAL DEVELOPMENT

Business Retention & Expansion

Business Retention & Expansion (BR&E) is the core strategy for local economic development. In any community, the growth of existing businesses is the biggest source of new job creation and tax base expansion. In recognition of this, the Hutchinson EDA maintains a robust BR&E program, visiting local manufacturers on a 12 to 18 month rotation. Thirteen BR&E visits were completed in 2023 and these are summarized in Table 5, below.

Table 5 – Business Retention & Expansion Visits, 2023

Date	Company	Emp.	Notes
3/13/2023	Stamp-N-Storage	35	2020 & 2021 were records years / busy
4/18/2023	Stearnswood	16/7	Busy / added a robot / new building operational
6/8/2023	UPONOR	84	Demand is down, but steadily building back
6/22/2023	Fire Lake Manufacturing	5/2	Going well / potential for major ramp up
7/13/2023	Rite Way Conveyors	10	Orders down 80%
7/17/2023	Warrior Manufacturing	95	Busy / Nebraska operations brought to Hutchinson
7/21/2023	Impressions, Inc. [Millrock]	65	Jorgensen family sold / \$1 million + in new equipment
8/29/2023	Resonetics	170	Growing / looking to add equipment and jobs
9/1/2023	Zephyr Wind Services	30	Very busy / need about 30,000 sf additional space
10/18/2023	Redline Systems	1/1	Busy / eCommerce is good / would buy building
10/23/2023	Our Savior's Lutheran Daycare		Adding 10 infant slots
10/24/2023	Kids' Inc. Daycare	5/10	Open to expansion
11/17/2023	Kids Junction Daycare	10	Doing well overall

Hutchinson Enterprise Center

Business Plan updated

Taking into consideration the experience gained from the first five years of Hutchinson Enterprise Center operations, the EDA updated the incubator's business plan. Changes included revising the application process to include a presentation by applicants to the EDA Board and adding an annual base rent escalator for tenants, so base rents (per square foot) will be \$2 in year one, \$3 in year two, \$4 in year three and \$5 psf in year four, etc. Finally, graduating companies may qualify for a cash grant – funded by the rent escalator – if they keep their businesses in Hutchinson upon graduation.

Tenants Graduated

Two companies, RD Machine and Innovative Foam, graduated from the Enterprise Center in 2023. RD Machine added 21,000 square feet to its main building and relocated its waterjet cutting operations there. Innovative Foam purchased and remodeled an 8,000 square foot building just outside of city limits.

Laser Dynamics purchased by GVL Medical

In the third quarter of 2023 GVL Plastics of Litchfield purchased Laser Dynamics' assets and established a new company named "GVL Medical, LLC." On the premise that this was essentially a new company the EDA Board authorized a new three-year lease in the incubator for GVL Medical. Over the next three years the company's goal is to expand revenue to \$5 million annually and increase employment to 20-25 individuals.

Loan Forgiveness Provided

The EDA provided partial loan forgiveness for leasehold improvement loans held by Laser Dynamics and Innovative Foam.

The loans were initially provided to help both companies with needed leasehold improvements when they moved into the Enterprise Center. Laser Dynamics installed an epoxy floor and Innovative Foam constructed needed offices. Loan forgiveness was predicated on both companies buying or building a facility with city limits upon graduation.

For both companies this condition proved to be impossible because no suitable buildings were available and neither could afford to construct a new one. Recognizing the situation, and noting that the improvements made were permanent improvements to the Enterprise Center, the EDA agreed – with City Council approval – to forgive 41.8% of both loans. For Innovative Foam this worked out to a forgiveness amount of \$6,000 and for Laser Dynamics the amount was \$9,614. For Innovative Foam the balance of the loan will go into repayment in December 2025 while Laser Dynamics paid off its remaining balance of \$13,386 as part of obtaining a new three-year lease.

Industrial Park Activity

RD Machine Expansion

In 2023 RD Machine completed a 21,000 square foot expansion of its building on Michigan Avenue.

The \$4.2 million expansion came about as a direct result of RD Machine's lease of space in the Hutchinson Enterprise Center. Because they didn't have the space at their main building, RD Machine approached the EDA in 2018 about leasing space in order to test the addition of waterjet cutting to its menu of services. This would allow the company to meet its own waterjet cutting needs and offer the service to other companies. If the pilot project proved successful it would trigger an expansion of the company's main building. The project turned out to be a resounding success and RD Machine undertook a major expansion as a result.

To help offset the cost of bad soils on the site and make the project economically feasible, the City established a nine-year economic development TIF District in January 2023.

In addition to the 21,000 square foot expansion, the company installed a new roof and new metal siding on the exterior of its existing 15,000 sf building.

Figure 3 – RD Machine Addition & Remodel



Rite Way Conveyors Closed

Unhappily, Rite-Way Conveyors ceased operations at the end of 2023. While the exact circumstances of the company's failure remain unknown, it is suspected that the recent COVID pandemic played a significant role. During the pandemic, companies concerned about future availability of equipment placed immense orders for conveyors and related equipment. This resulted in warehouses full of unused material handling equipment. When the pandemic ended

these large inventories remained, eliminating the need for new orders. As a result, orders for new conveyors collapsed in late 2022 and by late 2023 Rite Way Conveyors had run out of cash.

EDA staff partnered with the Chamber of Commerce to help Rite Way employees connect with existing job openings in the community.

At the close of the year, the EDA was working with the owner of the building (Systems-West Builders of Litchfield) to find a new tenant.

Lot 1140 Development

To increase its inventory of shovel-ready industrial park lots the EDA began work to bring its lot at 1140 5th Avenue SE up to more attractive development standards. Needed improvements include the construction of a storm-water retention pond and a suitable driveway from 5th Avenue SE. An existing gravel approach on the south side of the lot would also be removed. In the fall of 2020 the EDA contracted with the engineering firm Short Elliot Hendrickson (SEH) to complete the design work for the needed improvements.

Total cost of the improvements is estimated to be about \$100,000.

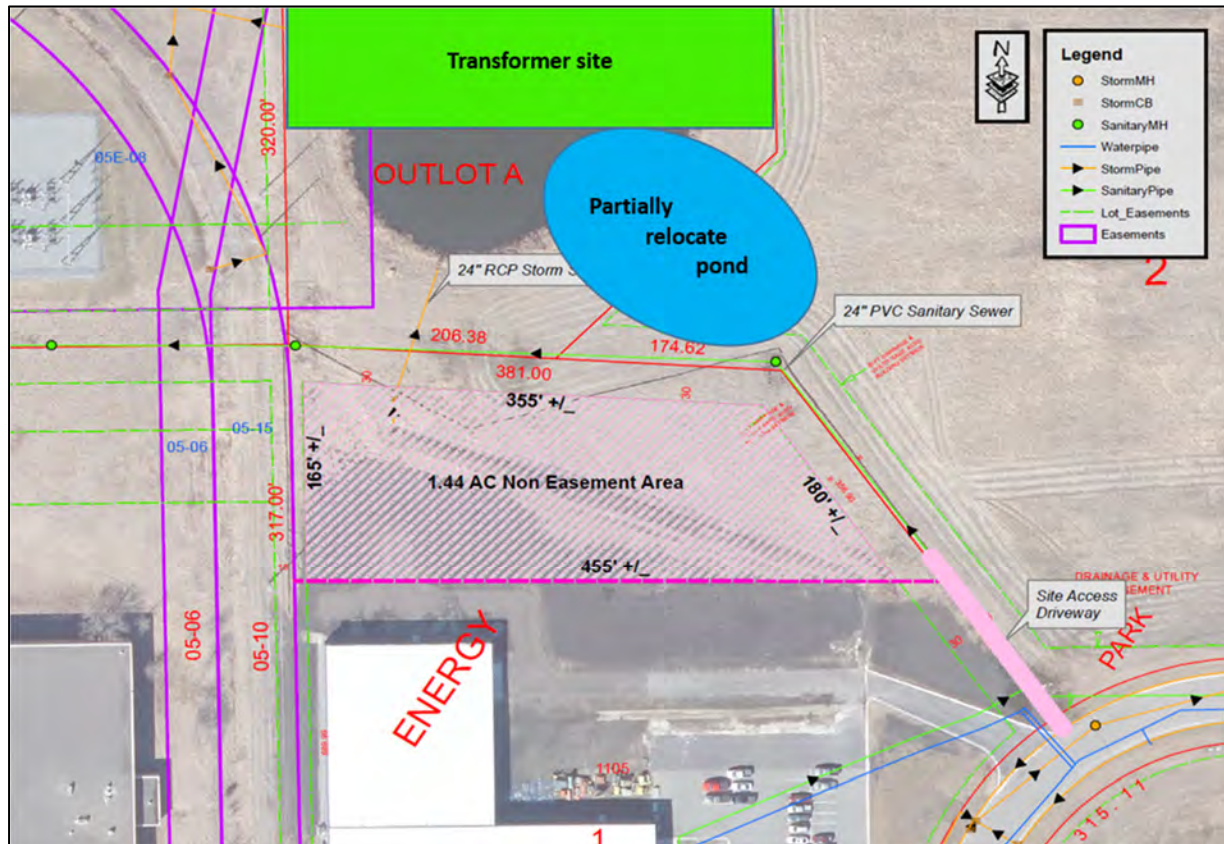
In 2023 the EDA successfully obtained a grant of \$53,821 from Minnesota's Department of Employment and Economic Development (DEED) which will cover about 50% of the construction costs for the needed improvements. The other half of the project funding will come from dollars pooled from economic development TIF Districts in the city. In the near-term funding will be advanced from the EDA's Economic Development Loan Fund, and will be repaid plus interest over the next 8-9 years from available tax increment dollars. Construction is expected to occur in early 2024.

**Figure 4 – Planned Improvements for Lot 114
Hutchinson Utilities Commission Project**



The Hutchinson Utilities Commission (HUC) is planning for a project in the Industrial Park to construct a new step-down transformer, requiring approximately 100' x 100' (about ¼ acre) of space. This development aims to provide redundancy and additional capacity for HUC to efficiently serve future customers in the industrial park. Initially, there was contemplation of a land sale from the City to HUC, but it was discovered that the City owns all the land upon which HUC infrastructure rests, rendering a sale unnecessary. The EDA and HUC collaborated to identify a suitable location for the new facility (the very northwest corner of the industrial park) that won't impede future development prospects. HUC will cover all costs associated with establishing the site.

Figure 5 – HUC Step-Down Transformer Site Concept



WORKFORCE DEVELOPMENT

Project 9500

In 2022 the EDA developed Project 9500, a marketing campaign aimed at luring some of the 9,500 workers that commute daily to jobs outside McLeod County to instead take jobs in Hutchinson. The project was put on hold in 2023 however due to a slowdown of local hiring by 3M and UPONOR. The project may be revived if and when local worker demand increases.

Human Resources Roundtable

In an effort to provide support for local human resources professionals, the EDA sponsored six 'Human Resources Roundtables' over the course of the year. Meeting formats vary, with guest speakers interspersed with meetings built around topics provided by the participants themselves.

TigerPath

TigerPath continued to gain notoriety in 2023. In conjunction with the Southwest Initiative Foundation (SWIF), the Hutchinson Chamber of Commerce and the School District, the EDA hosted the TigerPath III Conference in April. Over 200 people attended from across Minnesota to learn how Hutchinson was partnering with the local school district and area businesses to provide the best possible outcomes for local high school students, thereby helping address local workforce needs.

In addition, EDA staff presented on TigerPath at the Missouri River Energy Services conference in Sioux Falls.

Locally, the EDA continued its support of TigerPath by coordinating the development of an updated TigerPath Parent's Guide and working with the TigerPath Advisory Committee to launch an annual open house event.



What is TigerPath? (per ChatGPT) TigerPath is an innovative initiative focused on enhancing educational pathways and opportunities for students. The program aims to provide students with clear, structured pathways to explore their interests, develop relevant skills, and prepare for future career opportunities. Through TigerPath, students have access to a wide range of career-focused courses, industry certifications, and experiential learning opportunities aligned with their career interests. The program emphasizes collaboration between educators, industry partners, and the community to ensure that students receive comprehensive support and guidance throughout their academic journey. TigerPath actively engages students, parents, and stakeholders in the process of shaping and improving educational pathways for all students at Hutchinson High School.

Child Care

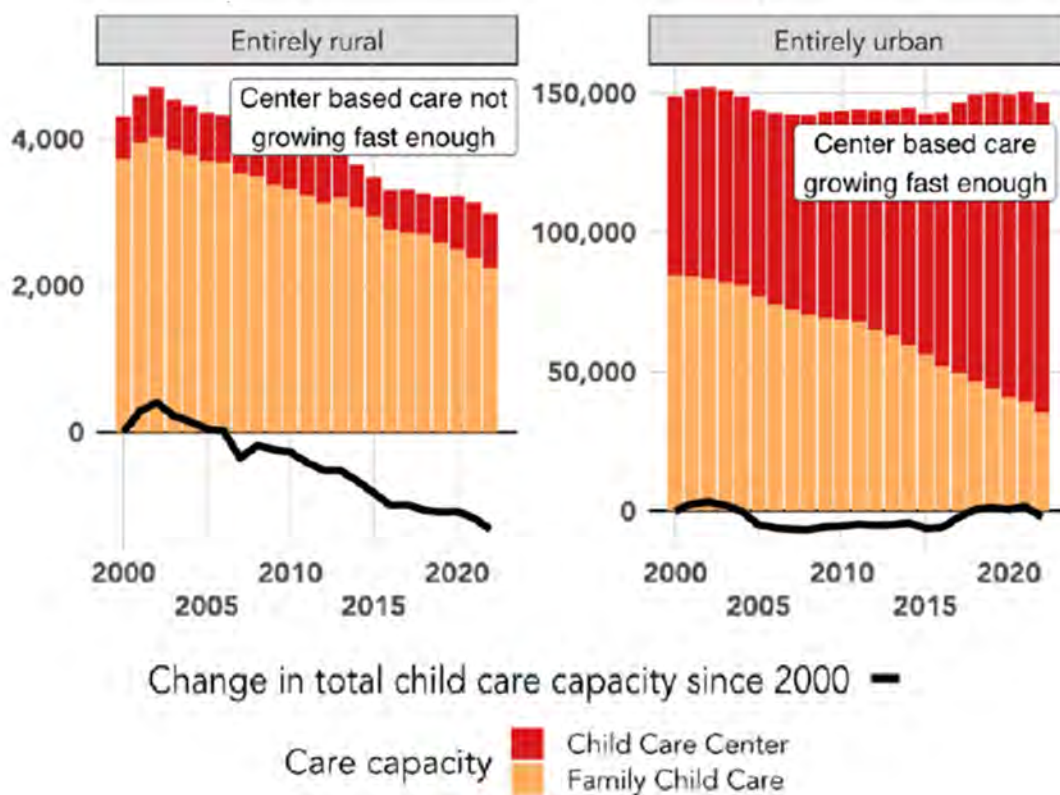
In 2023 the availability and affordability of child care become a significant concern for the City. According to study conducted by First Children's Finance, a national childcare advocacy group, Hutchinson has about one-half of the childcare slots it actually needs, with an identified need for roughly 400 additional child-care slots.

The EDA became interested in the issue because it impacts workforce availability in the community. Childcare workers are the 'workforce behind the workforce' because they make it possible for people to work outside the home.

The Childcare Challenge

As can be seen in the graphic below, the total availability of childcare services in rural areas (black line) has been steadily declining since about 2003, while in urban areas it's been largely holding steady. In both rural and urban areas, the number of Family (home-based) childcare providers (orange bars) has been declining steadily for the past two decades. The difference is that in urban areas child care centers (red bars) have been filling the need, while in rural areas the number of child care centers has remained mostly constant. The result is a net decline in childcare availability in rural Minnesota that has now reached crisis proportions.

Figure 5 – Change in Total Child Care Capacity Since 2000



Source: Minnesota Department of Human Resources

Local Responses

In the first Quarter of 2023 the Hutchinson Chamber of Commerce successfully applied to First Children's Finance for participation in its Rural Child Care Innovation Program (RCCIP). The purpose of the program is to raise awareness of the child care shortage in the community and spark conversations and action towards addressing the issue.

Additionally, the Chamber applied for and received an RCCIP Grant from First Children's Finance in the amount of \$30,000. The EDA agreed to provide up to \$15,000 as part of the required 2:1 local match, with the understanding that the amount could be reduced if other local partners contributed. In the end, 3M came through with \$10,000 towards the match, reducing the EDA's share to \$5,000.

With grant dollars obtained, the EDA and Chamber partnered to establish a Childcare Forgivable Loan Program to incentivize the creation of new childcare slots in the community. Applicants get up to \$10,000 as a forgivable loan if they make at least 10 new childcare slots available to the public. Loans would be forgiven immediately once documentation of qualified expenses was provided to the EDA and the childcare slots created.

In late summer, a \$5,080 forgivable loan was provided to Our Savior's Lutheran Early Learning, facilitating the creation of 12 infant slots.

By fall 2023 the EDA was exploring possible partnerships with New Horizons Daycare and local childcare providers to increase the supply of childcare slots in the community.

In December EDA staff presented a proposal to promote the establishment new in-home childcare provider businesses. The plan involved launching a Facebook advertising campaign to attract interested individuals, followed by workshops to guide them through the process of setting up a childcare business. Financial support for these ventures would be offered through the Childcare Forgivable Loan Program.

MARKETING

In 2023 the EDA continued growing its social media presence, primarily as a way to increase the visibility of the EDA website on the internet. For the year, 117 postings were made on Facebook and the EDA's reach on the platform went from 780 follows to 868, an increase of 11.2%. The EDA discontinued its use of Twitter due to a perceived lack of outreach effectiveness.

In addition, 38 updates of the EDA website were completed.

ADMINISTRATIVE

Strategic Plan Update

Over the course of the year the EDA reviewed and updated its Economic Development Strategic Plan. As part of this, the Strengths/Weaknesses/Opportunities/Threats (SWOT) analysis was updated, current strategies reviewed and two new ones added: Childcare and Workforce Housing Development.

Hay Land Rental

The City leased out unused industrial park land for hay production, resulting in rental revenue for the year of \$3,323

BUDGET & FUND REPORT

New Budget Policies

In 2023 the EDA implemented two new policies to improve the finances of the organization.

First, to ensure that a healthy budget reserve of at least 60% was maintained, the EDA implemented a policy whereby each year's operating budget will include a line item to allocate dollars to build up the fund reserve. A healthy budget reserve is considered to be an amount of at least 60% of next year's projected expenditures. The amount in the reserve must grow each year to maintain that 60% balance: as the EDA's annual budget grows, the reserve (as a percentage of next year's budget) will naturally shrink in proportion. Over time, this leads to budget reserve that is smaller than is considered desirable.

Second, to address declining assets in the Downtown Revolving Loan Fund (RLF), certain recurring expenditures were moved from the RLF to the EDA operations budget. These were the Sign & Awning Grant Program, Façade Improvement Grant, and funding for downtown studies. This reallocation aimed to preserve and rebuild the Downtown Loan Fund's assets while aligning recurring expenses with recurring revenues for better financial management.

Starting in 2024, these three activities will be funded on a "pay-as-you-go" cash basis with any unused year-end balances then transferred to the Downtown Revolving Loan Fund. Combined with annual interest earnings, this will lead to steady growth of the Downtown RLF over time.

EDA Levy

For 2024 the City Council authorized an EDA levy in the amount of \$272,842, an increase of \$14,673 or 5.68 % over the 2023 amount of \$258,169.

EDA Operating Budget

For the year EDA revenues were \$302,145 and expenditures were \$207,312 resulting in a positive cash flow of \$94,833. This was significantly higher than normal for several reasons: (a) \$30,000 was from the RCCIP Child Care Grant obtained from First Children's Finance; (b) vacancy of the EDA Program Manager position, with resulted in significant savings in the Wage & Benefits budget line-item; and, (c) unutilized marketing funds that had been set aside for a planned workforce marketing effort that ultimately wasn't launched (due to a significant slow-down of local hiring).

At year end this amount, less the \$30,000 RCCIP grant, went to bolster the EDA's budget reserve.

Economic Development Loan Fund

The Economic Development Loan Fund finished 2023 with total assets of \$516,404 and a cash balance of \$217,142. Business Loans receivable totaled \$84,354 with a further \$207,407 owed to the fund by the Enterprise Center (as part of the initial construction of the building).

Total assets in the fund were down slightly from the previous year due to a partial forgiveness of the loan to Innovative Foam in the amount of \$8,355.

Downtown Revolving Loan Fund

The Downtown Revolving Loan Fund finished the year with total assets of \$1,068,930 – up by \$19,216 from the previous year's total of \$1,050,281.

Three downtown loans were paid off during the year, leaving 12 active loans by year end. All loans were performing as required.

The Downtown RLF's cash position improved significantly over the course of the year, from \$370,798 at the start of the year to \$427,085 at year end, an increase of \$56,287.

A total of \$201,329 remained invested in the 3rd Avenue redevelopment site (former Cenex fertilizer plant).

Minnesota Investment Loan Fund

The EDA's Minnesota Investment Loan Fund finished the year with total assets of \$18,377 and cash available of \$13,133.

There was one active business loan which had a year-end balance of \$5,244. This loan was performing as required.

Hutchinson Enterprise Center

The Hutchinson Enterprise Center finished the year with a very slight operating budget deficit of \$371. This was due primarily to two tenants moving out at the end of the 3rd quarter.

At year end the Enterprise Center had total assets of \$44,555 which included \$27,155 in cash and \$13,400 in a building maintenance fund.

Liabilities totaled \$212,181 – the bulk of which was a loan from the Economic Development Loan Fund with a year-end balance of \$207,407. The Enterprise Center made loan principal payments totaling \$19,518 for the year.

SHOPKO TIF District

The SHOPKO TIF District finished the year with total assets of \$500,297. This was made up of \$434,772 of interfund loans due from other TIF Districts, a reimbursement due from FEMA in the amount of \$51,375 and finally, cash on hand of \$14,150.

SUMMARY

Overall 2023 was a good year for the Hutchinson Economic Development Authority. Significant progress was made downtown in redeveloping the Block 41, the old medical clinic site on Franklin Street. In addition, a developer was identified for the former Franklin House site. The completion of those two projects over the next 2-3 years will dramatically change downtown Hutchinson. In the industrial park, the loss of Rite-Way Conveyors was a significant setback. This was offset however by the graduation of two tenant companies from the Hutchinson Enterprise Center and the sizable expansion of RD Machine.

BONUS ITEM: Chat GPT's Appraisal of Hutchinson

As an experiment, EDA staff logged onto Chat GPT and directed it to: "Write one paragraph about Hutchinson as Minnesota's Manufacturing City." This is what it came up with:

Hutchinson has earned the moniker of Minnesota's Manufacturing City due to its robust manufacturing sector and significant contributions to the state's industrial landscape. With a diverse array of manufacturing companies spanning various industries such as plastics, metal fabrication, and medical devices, Hutchinson serves as a vital hub for production and innovation. The city's strategic location, skilled workforce, and supportive business environment have attracted numerous manufacturing firms, fostering a dynamic ecosystem for industrial growth and development. Hutchinson's manufacturing prowess is further underscored by its dedication to workforce training and development initiatives, ensuring that the local labor force remains well-equipped with the skills needed to thrive in the modern manufacturing landscape. Overall, Hutchinson's thriving manufacturing sector continues to play a pivotal role in driving economic growth, job creation, and innovation within the region and beyond, solidifying its status as Minnesota's Manufacturing City.

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 and Payroll functions
- Utility billing
- Submit work orders to Public Works staff for Water and Sewer services and repairs
- Coordinate with the refuse hauler for carts related to new service or change in cart sizes
- 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 purchasing 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 2024 Finance budget.

	<u>2022 Actual</u>	<u>2023 Actual</u>	<u>2024 Budget</u>
Wages & Benefits	\$323,084	\$320,550	\$344,253
Supplies	1,525	1,642	1,500
Services & Charges	66,969	71,539	80,620
Miscellaneous Expenses	1,144	1,146	1,450
Total Expense Budget	<u>\$392,722</u>	<u>\$394,877</u>	<u>\$427,823</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

2023 Accomplishments

- 1) Received the GFOA's Certification of Achievement for Excellence in Financial Reporting for the 2022 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 2022 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 a lighter than average project scope. We issued GO Bonds with a par value of \$1,350,000 compared to our typical issuance in the range of \$2.2M to \$2.5M. The smaller project scope and bonding was purposely planned after adding \$11,225,000 of new debt for the Police Facility.
- 5) Took advantage of rising interest rates to increase the City's total annual investment income by approximately \$666,000 when compared to 2022. The General fund's investment income increased by \$134,600, outperforming the budget by \$185,800.
- 6) Managed the City's cash on hand for various large projects during the year, including the Police Facility construction, Civic Arena HVAC replacement, Water/Wastewater SCADA projects and the Airport Hangar and Lighting/Navigation Aid projects.
- 7) Renewed the City's insurance policies for general liability, property and workers compensation.
- 8) Worked with LMCIT insurance adjusters on various auto, property and liability claims.
- 9) System setup, testing and billing for the new Water and Sewer rate structure. Managed the installation process for irrigation water deduct meters, communicating between property owners and employees within the Water and Building Inspection departments.
- 10) Replaced the Utility Billing Clerk position after the previous clerk left for Hutch Utilities. The transition included training the new clerk on the various duties and responsibilities.
- 11) Worked with Public Works to make improvements to the airport hangar rental collection process, including updates to the rental agreements.
- 12) 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.
- 13) 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

- 14) Increased electronic payment customers for Utility Billing by 201, a 5.5% increase from year-end 2022.
- 15) Updated the Financial Management Plan for revisions to several City policies.
- 16) Started the conversion of the accounting system from BS&A to Caselle in October with full completion in March/April 2024.

2023 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 90 electronic purchase orders totaling \$3,177,362, compared to 103 totaling \$2,888,984 in 2022
- Use of departmental procurement cards totaled \$241,353, up 10.9% from 2022
- Issued 4,183 disbursement checks totaling \$31,791,004 compared to 4,257 checks totaling \$39,570,681 in 2022
 - 2022 activity was higher due to the new Police Facility construction payments in addition to large capital improvement projects at the Wastewater facility

Utility Billing

- Implemented the new Water and Sewer rate structure. This included talking with many customers calling to question their new billings
- Billed an average of 5,192 accounts on a monthly basis with 20 new accounts added during the year due to new construction
- Coordinated the monthly billing process with the third-party printer/mailer
- Averaged 20 accounts per month (14 in 2022) that had water disconnected due to failure to pay
 - Averaged 113 shut-off letters each month (94 in 2022), resulting in 93 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
- 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 5.5% in 2023
 - 74.8% of our accounts are now paying electronically, up from 71.2% last year
- Increased the number of paperless customers by 14.5%, to a total of 1,696

Payroll

- Issued 345 W2s compared to 374 in 2022
- Total gross wages paid was \$8,747,852 compared to \$8,355,847 in 2022
- Hired and terminated 105 summer seasonal employees compared to 116 in 2022

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. Upon completion of the new Police Facility in June 2023, Finance worked with AJG to discontinue the builder's risk policy and bring that facility onto the City's property policy with LMCIT. A separate flood coverage policy that was in place throughout the PD construction project will continue since it sits within the 100-year floodplain.

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 deposited locally at Citizen's Bank, with several accounts to manage our various operations. We maintain cash balances sufficient to address our working capital needs and capital improvement projects, with idle cash invested in various options as highlighted below. Several large projects over the past two years resulted in having more liquid cash to pay the various contractors and essentially have funds available for contingencies. With those projects complete, Finance was able to invest additional monies, taking advantage of the higher rates to increase future investment earnings. The City's bank balances 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 maximize investment income by actively managing the City's cash. We maintain a portfolio with our investment custodian (Oppenheimer & Co.) consisting of Certificates of Deposit, Municipal bonds, and Federal Agency bonds. We also maintain a money market account at Citizen's Bank that yields a rate that is .40% below the six-month Treasury rate. Investment yields continued at higher rates throughout 2023, driven by four increases to the federal lending rate after seven rate increases in 2022. The federal rate ended the year at 5.50%, up from 4.50% in December 2022 and 0.25% in December 2021. Finance was able to reinvest \$6,240,000 during the year for an average annual return of 4.5%. For comparison purposes, investments that matured in 2023 had an average annual return of 2.6%.

Investment rates stabilized in late 2023 and actually decreased in the last quarter. The 5-year Treasury peaked at 4.95% in October and finished the year at 3.84%, down over 1.1%. The federal lending rate is expected to decrease to the mid 4% range by the end of 2024 which will result in lower yields on monies invested during the year.

The table below shows the result of increasing investment rates over the past year. Overall, the City earned an additional \$601,061 when compared to 2022, with the General fund receiving an additional \$119,828. Earnings should be somewhat stable over the next few years but will slowly decrease if rates continue to come down.

	Annual Investment Earnings		
	12/31/2022	12/31/2023	Change
Investment Account	\$372,716	\$609,480	\$236,765
Citizen's Bank	\$281,985	\$711,277	\$429,292
Total	\$654,700	\$1,320,757	\$666,057
General Fund	\$131,172	\$265,828	\$134,657
Budget	\$80,000	\$80,000	\$0
Budget Surplus	\$51,172	\$185,828	\$134,657

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 the 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, 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 – late May
- Department budget – July/August
- Preliminary budget – September
- Truth in Taxation budget – early December
- Final Approved budget – end of December

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.

2024 Finance Department Goals

- 1) Financing the 2024 roadway and infrastructure improvements including potential funding for housing developments.
- 2) Compile a document containing the various bonding alternatives that cities are allowed to use, including types of projects each bonding type can finance.
- 3) Continue to analyze and structure the funding of the EDA's Franklin Street project
- 4) Close-out the Police Facility project, including funding the shortfall with other city monies.
- 5) Compile the sales tax refund request and submit to the State related to the police facility project. Estimated refund of \$220,000.
- 6) Complete the conversion to Caselle software, with Utility Billing the main focus in February/March. Staff learning the system and becoming proficient is critical.
- 7) Work with Public Works staff in completing the first year of residential water meter replacements.
- 8) Work with IT to incorporate LaserFiche into the storage of Accounts Payable and Cash Receipt images for greater efficiencies than through our accounting software
- 9) Work with PRCE and IT for credit card payments at recreational sites and Creekside. This will help with customer convenience and to reduce the City's risk of cash loss.
- 10) Look for cost effective software options for tracking the city's fleet and maintenance costs.
- 11) Continue to look for process efficiencies and budgetary savings.
- 12) Receive the GFOA's Certification of Achievement for Excellence in Financial Reporting for the 2023 audit report
- 13) Receive an unmodified (clean) opinion from the City's independent auditors for the 2023 financial statements
- 14) Reaffirm the City's AA- bond rating

Fire Department



Accomplishments

-Worked on more projects at our training facility to improve usage for our Firefighters as well as other Regional Fire Departments that utilize the space. We completed the window and siding project on our search and rescue house and made some final improvements to our storage and burn training containers.

-Completed phase one of the parking lot project (north side of station) which included all the underground work such as drainage and natural gas and utilities work. We are planning on phase 2 being completed in 2024/2025. We've continued working closely with our neighbors to the north to ensure we improve the space for all.

-Took delivery, installed, and trained on all new 800mhz radio communications equipment for us and the entire county.

-Our fire station served as the host regional location for about twenty new FF recruits from neighboring towns to receive their FFI, FFII and Hazmat initial training.

-The four newly hired recruits completed all of their FFI-FFII, Hazmat and Emergency Medical Responder (EMR) training. They passed their tests, received state certifications, and had their badges pinned at a ceremony in November 2023. They have now had the reigns loosened and they are performing well!

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

-Multiple firefighters attended regional and state outside schooling focusing on job proficiency, learning new skills, and focusing on professional development.



-Utilizing a generous donation, we replaced our older Hydraulic Auto-Extrication equipment in our first out Engine with battery-operated Holmatro tools. These new tools provide unparalleled speed, cutting/spreading power compared to their predecessors.

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

-Multiple firefighters attended regional and state outside schooling focusing on job proficiency, learning new skills, and focusing on professional development.

-Started working on a project to completely overhaul our Standard Operating Guidelines and Policies. We are focusing on updating, modernizing, and creating easier digital options for all firefighters to review them.

-Expanded and improved our annual competency testing and air consumption testing nights with additional drills, stations, and activities to mirror real world fire ground activities.

-UTV off-road rescue/wildland firefighting unit committee was formed and began researching and creating the specs for the machine we hope to take delivery of in 2024.

-Working with HPD and City staff we started the initial planning for project prioritization of the recently available public safety funding.

-Decommissioned and sold the 2013 Dodge Durango.

-Decommissioned and sold the 2010 Holmatro hydraulic auto-extrication tools.

-Sold a used set of tires that were previously installed on Tanker 6.



-Now that Fireman's Park has opened, the committee worked on the finishing touches and improvements, expanding the shelter with new roof steel, prep work for bench seating and other small details. We received a joint award from the MRPA for the collaborative effort between the City Parks Dept. and the HFD to complete Fireman's Park.

-The Ladder truck committee went down to Indianapolis to attend the FDIC vendor show.

-Continued with heavy involvement in the McLeod County Chiefs Association.

-Conducted a joint training, security threat event at the Hutchinson Health Hospital with our law enforcement and EMS partners.

-As a Regional Director for the Minnesota State Fire Chiefs Association I was honored to attend an all expenses paid Fire Chiefs forum at the National Fire Protection Association (NFPA) headquarters in Quincy, Massachusetts, representing the Fire Chiefs of Minnesota.

-We took delivery and outfitted a new fire command vehicle which is a Hybrid Ford Interceptor. This vehicle replaced a 2013 Dodge Durango that had been in service for 10 years.



-Focusing on health and wellness, we had a wonderful young lady named Sophina share her story and provide us with mental health challenge coins to help protect us.

-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, EKG, pulmonary function, 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. Finished the replacement of all fire helmets as required by the NFPA utilizing a two-year phase in model.

-Continued using hybrid and online training whenever possible to improve our training delivery methods to all of our Firefighters.

-Continued supporting and helping to educate the community on usage of the burn permit system that went live in 2022. The Townships, McLeod County and the MN DNR helped to develop this new, simple, and free system and it has been working well.

Operational Data

Emergency Call Breakdown

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FIRE-General	28	20	42	40	41	33	27	47	57	35	28
FIRE-Structure	12	14	12	16	19	17	7	12	11	8	18
Rescues & MVA	23	47	46	75	81	69	70	74	81	71	73
Medicals	109	124	125	156	167	170	155	155	178	190	213
Alarms & Sprinklers	97	116	105	92	83	91	70	85	63	90	85
Hazardous Condition	73	93	87	78	89	64	95	67	60	60	55
Other	47	51	50	48	52	48	39	44	48	43	45

Emergency Calls Total

Year	1990	2000	2010	2016	2017	2018	2019	2020	2021	2022	2023
City	156	215	319	342	348	307	318	332	318	318	350
Rural	76	132	117	163	184	185	145	152	180	179	167
Total	232	347	436	505	532	492	463	484	498	497	517

Structure and General Fires

Year	2001	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fires	50	34	54	56	60	50	34	59	68	43	46

Firefighter Injuries (per OSHA)

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Injuries	4	0	1	0	2	2	1	4	1	1	3

Fire Event Fatalities

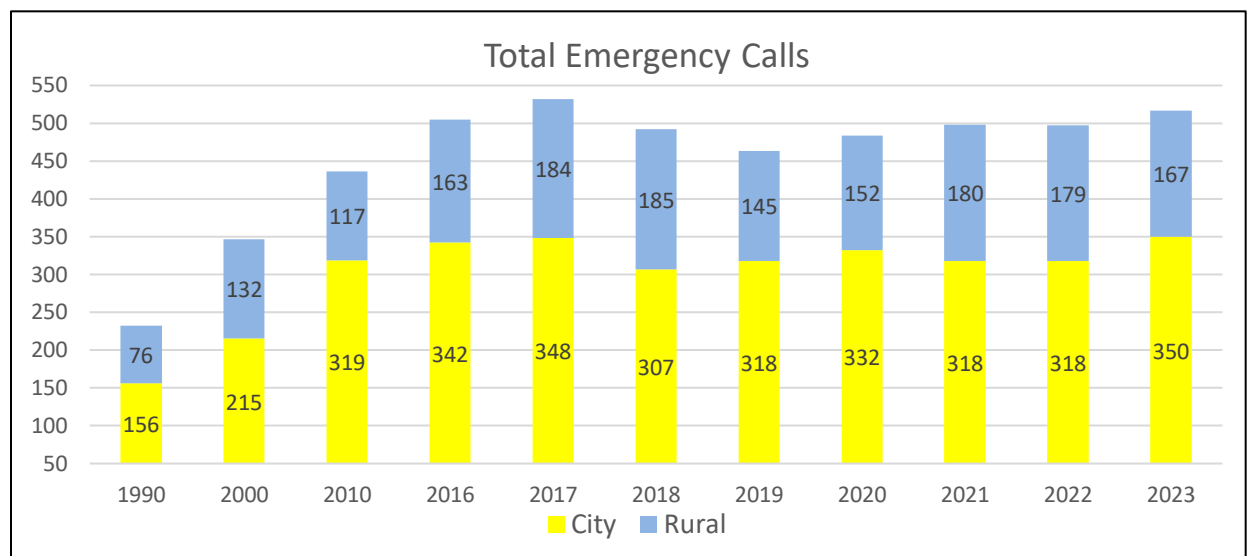
Year	2001	2002	2003 - 2010	2011	2012 - 2020	2021	2022	2023
Fatalities	*3	1	0	1	0	2	0	0

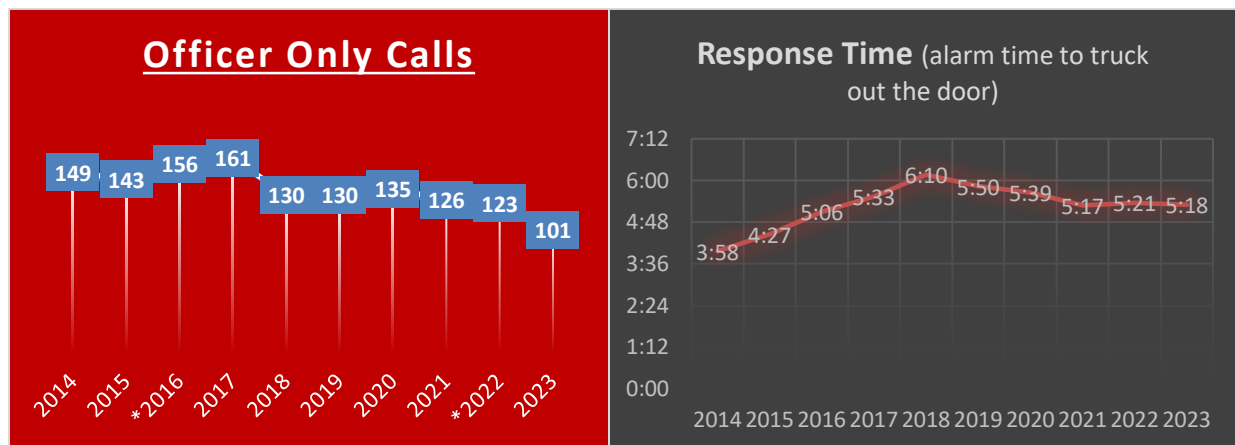
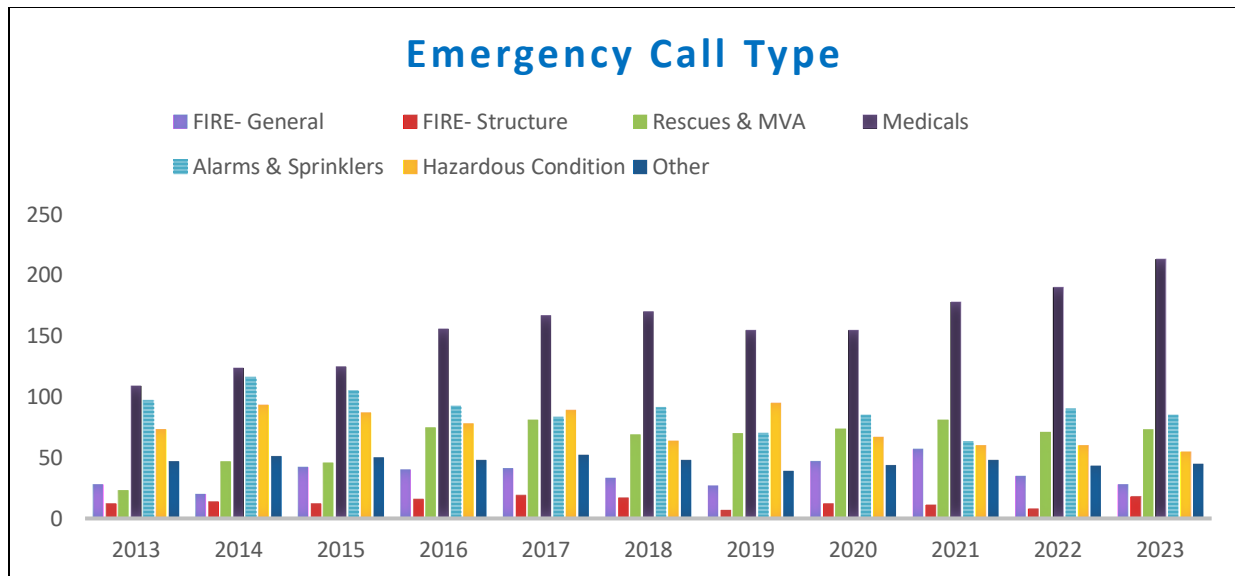
Response Time (Alarm to Truck Out the Door for All Full Page Out Calls)

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Time	3:24	3:58	4:27	5:06	5:33	6:10	5:50	5:39	5:17	5:21	5:18

Officer Only Calls (*Indicates Hourly Pay Multiplier Increase)

Year	2013	2014	2015	*2016	2017	2018	2019	2020	2021	*2022	2023
Number of Calls	106	149	143	156	161	130	130	135	126	123	101
Dollars Saved	\$19,292	\$27,118	\$26,026	\$30,576	\$31,564	\$25,480	\$25,480	\$26,460	\$24,696	\$27,675	\$22,725
Hours Saved	1,590	2,235	2,145	2,340	2,415	1,950	1,950	2,025	1,890	1,845	1,515





Estimated Property Value Saved: **\$12,906,100**

Lives Saved: **3**

Property Value Lost: **\$1,244,800**

Emergency Call Hours: **City- 3,755 Rural- 2,622**

Total Training Hours: **3,555** Total Training Events: **62**

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 2nd graders at the New Tiger Elementary School. We also conducted fire safety education for the kindergartners at the West Elementary School as normal. Several early childhood and preschool classes were also provided with a fire safety education message.

49 Public Relations Events / 728 Hours

9 Fire Safety Education Events / 141 Hours

1,702 Total Students



Inspections and Permits

-2023 remained similar to the previous year and we inspected living units (apartments, rentals, etc.) in a joint effort with the City Building Dept. Businesses and commercial buildings were inspected for fire safety concerns and basic code compliance as time allowed.

-Daycare and Foster Care facilities were inspected as requested through our partnership with the county/state (approx 19) and all new and remodeled construction (commercial properties) were inspected to ensure proper installation and operations of fire alarm and sprinkler systems (approx 68).

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

Goals for 2024

- 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 as needed to ensure NFPA compliance.
- Proactively conduct maintenance and upgrades to all apparatus and analyze future CIP needs.
- Work through the details and make appropriate plans for the public safety funding projects.
- Finalize specs and prep for purchase, delivery, outfitting and training on a new UTV off-road rescue/wildland firefighting unit.
- Utilize grant opportunities to help offset cost for a new UTV.
- The committee will continue evaluating and planning for the replacement of the Ladder Truck.
- Host our first 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.
- Begin talks and planning with MCSO for streamlining and prioritizing resource needs...the correct size response for emergent and routine call needs.
- Work with City Engineering department on final plans for phase two of the north parking lot.
- Complete the last finishing touches on the Fireman's Park project.
- Expand commercial fire safety inspection program.
- Create an "Assistant Lieutenant" rotating officer position.
- Conduct a Firefighter hiring in the fall.
- Expand on technology upgrades where possible for apparatus, tools and training.
- Continue training on new armor vests and protocols with HPD, MCSO and Allina.
- Conduct training using alternative delivery models, hybrid and staggered start models.
- Complete the thorough review and update to the current SOG/policies system.
- Continue with summer duty crews.
- Hold more frequent officer level/leadership training.



Vehicle Maintenance

Cost / Mileage / Hours Measurement

Vehicle	2017	2018	2019	2020	2021	2022	2023
Ladder 1 2001 Pierce	\$10,624	\$1,136	\$5,469	\$6,895	\$12,128	\$1,845	\$8,198
Utility 3 2002 Ford CC	\$2,631	\$402	\$2,744	\$487	\$538	\$7,691	\$1,097
Engine 2 2016 Rosenbauer	\$1,496	\$2,742	\$2,048	\$3,348	\$11,299	\$3,204	\$7,530
Tanker 4 2021 International	n/a	n/a	n/a	n/a	New / \$0	\$518	\$1,212
Tanker 6 1996 International	\$1,570	\$1,949	\$8,783	\$3,773	\$24,860	\$703	\$5,922
Engine 7 2008 General	\$7,133	\$8,414	\$1,362	\$6,334	\$5,700	\$7,192	\$790
Rescue 8 2021 Chevy CC	n/a	n/a	n/a	n/a	n/a	New / \$2,077	\$336
Ranger Polaris 6x6	\$0	\$72	\$0	\$18	\$4,569	\$70	\$2,512
Chief 1-new 2023 Ford Intc.	n/a	n/a	n/a	n/a	n/a	n/a	New / \$0
Chief 1 2013 Dodge Drg.	\$2,672	\$722	\$2,228	\$311	\$2,098	\$2,587	\$739
Command 2017 Ford Intc.	\$154	\$73	\$81	\$1,696	\$1,258	\$921	\$1,072

Vehicle	2017 Miles / Hours	2018 Miles / Hours	2019 Miles / Hours	2020 Miles / Hours	2021 Miles / Hours	2022 Miles / Hours	2023 Miles / Hours
Ladder 1	694 / 91	434 / 60	410 / 71	729 / 65	461 / 84	492 / 58	686 / 106
Utility 3	2,031	1,656	1,435	1,536	1,785	1,842	1,827

Engine 2	1,989 / 135	2,462 / 144	2,325 / 158	3,086 / 209	3,543 / 210	2,649 / 168	2,616 / 163
Tanker 4	n/a	n/a	n/a	n/a	n/a	2,635 / 134	696 / 73
Tanker 6	516 / 39	423 / 45	317 / 30	944 / 80	215 / 22	200 / 21	271 / 18
Engine 7	1,720 / 113	1,388 / 88	957 / 85	1,440 / 87	2217 / 130	1,434 / 90	1,469 / 98
Utility 3	2,031	1,656	1,435	1,536	1,785	1,842	1,827
Rescue 8	n/a	n/a	n/a	n/a	n/a	2,010 / 121	1,755 / 118
Polaris (6x6)	10 hrs	10 hrs	11 hrs	12 hrs	19 hrs	6 hrs	19 hrs
Dodge Durango	8,496 / 681	7,040 / 630	7,430 / 655	6,868 / 585	8,530 / 660	8,825 / 712	6,590 / 572
2023 Ford Intc.	n/a	n/a	n/a	n/a	n/a	n/a	3,305 / 85
2017 Ford Intc.	9,448 / 697	8,827 / 691	9,806 / 680	9,104 / 631	9,548 / 628	10,160 / 908	11,494 / 726

Major Capital Improvement Schedule 15+ Year Equipment Replacement Plan (2024 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	14,541	2,205	\$730,000	\$2.4 mil replace
Chief 1	Ford Interceptor (new)	2023	2033	3,305	85	\$52,000	\$68,000
Command	Ford Interceptor	2017	2027	70,637	5,056	\$38,000	\$56,000
HERT Trailer	Hazardous Material Trailer	2000	2024	-	-	\$6,000	\$9,000
Tanker 4	Midwest Fire, Tanker 3000	2021	2046	3,331	207	\$265,000	\$530,000
Tanker 6	International, Tanker 3000	1996	2031	13,947	1,248	\$77,912	\$400,000
Engine 2	Rosenbauer, Engine/Pumper	2016	2036	19,911	1,260	\$579,000	\$1,200,000
Engine 7	Rosenbauer, Engine/Pumper	2008	2028	32,702	1,906	\$321,955	\$850,000
Utility 3	Ford, F350 pickup	2002	2032	34,008	-	\$33,164	\$80,000
Rescue 8	Chevy, 3500HD Med/grass rig	2021	2041	3,765	239	\$104,000	\$250,000
Ranger	Polaris 6 Wheeler w/skid	2006	2024	-	252	\$17,752	no skid \$29,800
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.

Primary Services

We will continue to delivery professional, consistent emergency response. 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.

Hutchinson Housing & 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.

2023 Hutchinson Yearly Comparisons:

- Low Apartment Vacancy Rates
- Median Home Sale of \$246,250
- Home mortgage interest rates hit a 2-decade high
- 20 Single-family new construction units
- 18 Multifamily new construction units (started construction)
- 4 Foreclosures

Summary of HHRA Activities and Accomplishments:

Park Towers:

- 16 move-ins, and 13 move-outs in 2023
- Updated/Repaired/Installed: updated the security camera system, replaced the laundry room exhaust motor, multiple boiler system repairs, 7th floor Fireside room Mini Split replacement, repaired water softener system, installed a mail room parcel cabinet system, installed vinyl planking in 11 units, installed water saver power flush toilets in 11 units, replaced 1 H/C unit range, replaced 1 refrigerator, replaced 2 A/C units, installed 57 Federal Pacific Electric Panels

City Center:

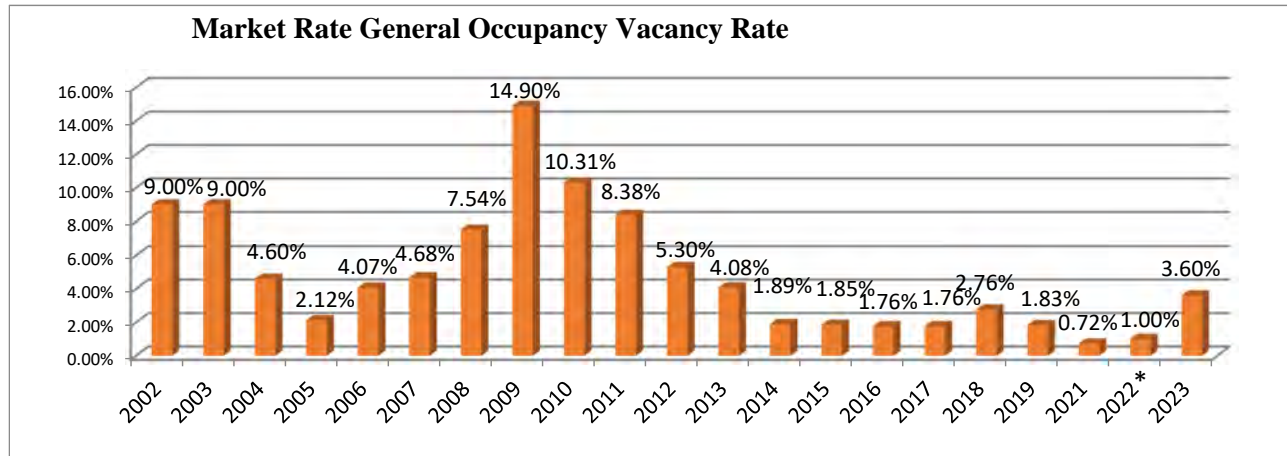
- 4 City Home Improvement Program Grants (TIF) (5 approved in 2022 but completed in 2023)
- Began the 1831 Island View Circle Home Move Project: CUP process, multiple contractor bidding, awards of contracts, applied for City permits, Notice to Proceeds issued, construction started in late fall 2023.

HHRA Priorities:

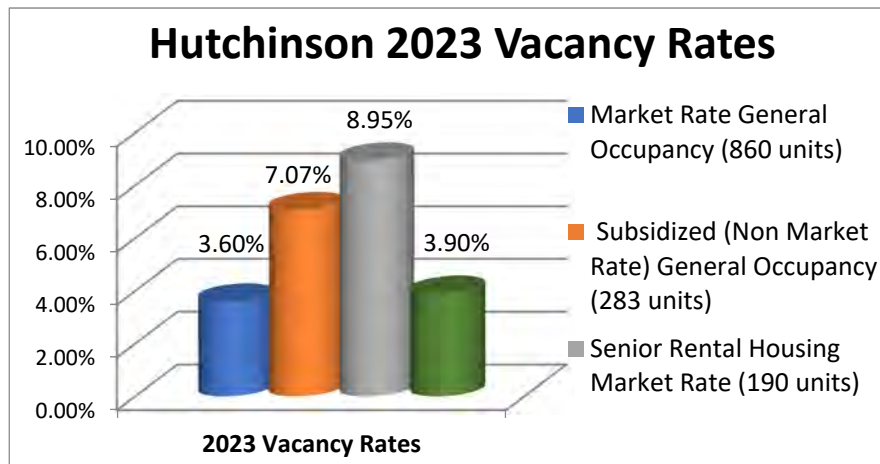
- Staff training
- Marketing of available HHRA programs
- Implement HUD Multifamily, Section 8 Project Based Rental Assistance Program (PBRA) policy changes at Park Towers
- Continue with asset preservation and energy conservation improvements at Park Towers
- Continue to administer City Home Improvement 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 December 2023 Apartment Survey:



* July/Aug. 2022 Survey of 30 General Occupancy properties of 12 or more units.



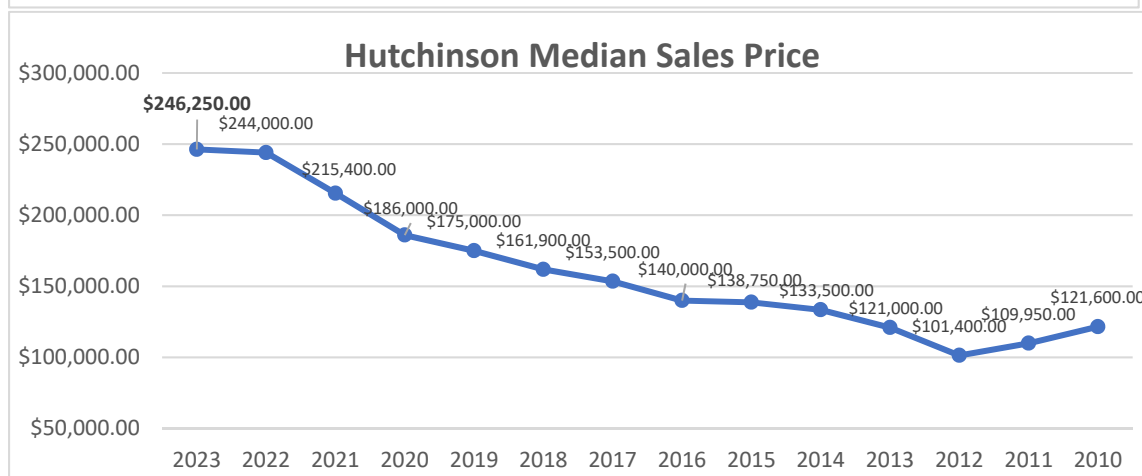
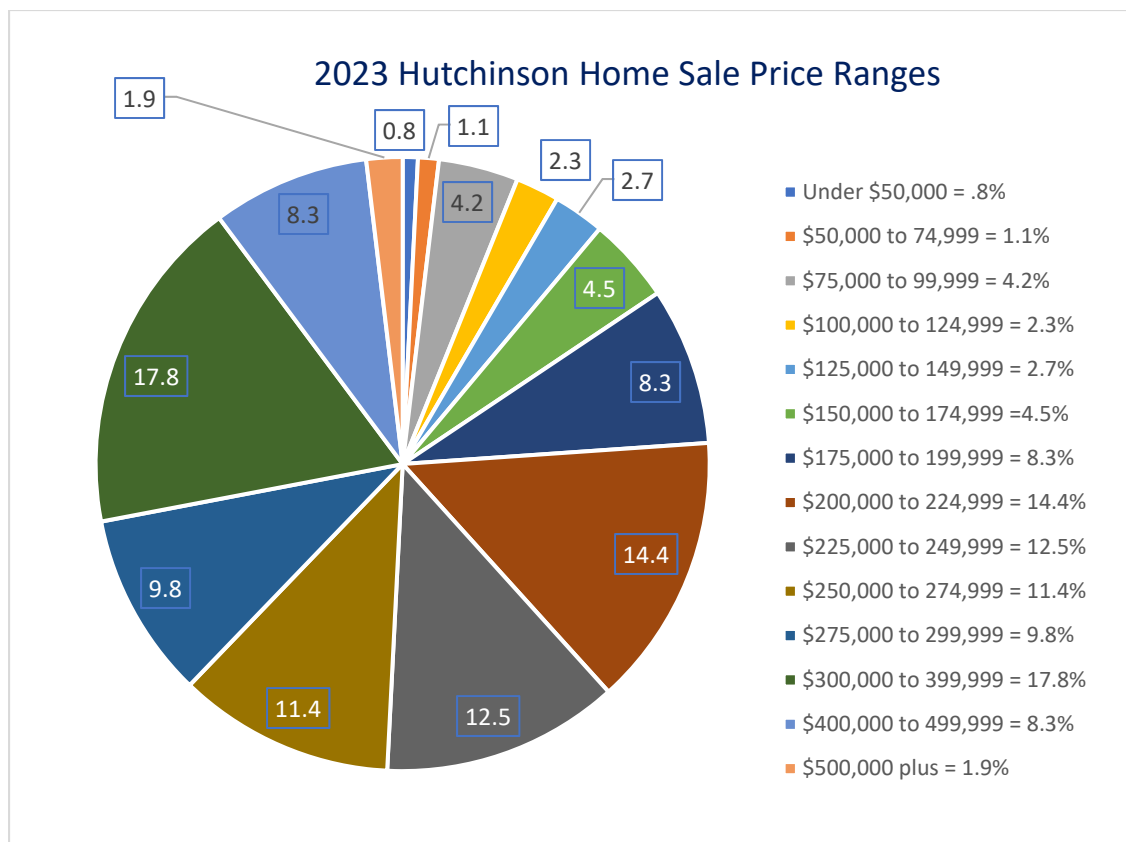
Average Hutchinson Rents*

Studio	\$486
1 Bedroom	\$731
2 Bedroom	\$866
3 Bedroom	\$983

* October 2023 Survey.

Home Resales Data from McLeod County Assessor's Office:

Home Resales																										
City of Hutchinson																										
2011 through 2023																										
Year	2023		2022		2021		2020		2019		2018		2017		2016		2015		2014		2013		2012		2011	
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	0.8%	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%
\$50,000 to \$74,999	3	1.1%	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%
\$75,000 to \$99,999	11	4.2%	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%
\$100,000 to \$124,999	6	2.3%	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%
\$125,000 to \$149,999	7	2.7%	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%
\$150,000 to \$174,999	12	4.5%	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%
\$175,000 to 199,999	22	8.3%	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%
\$200,000 +	201	76.1%	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%
Total	264	100.0%	299	100.0%	373	100.0%	343	100.0%	315	100.0%	359	100.0%	333	100.0%	329	100.0%	356	100.0%	316	100.0%	284	100.0%	287	100.0%	242	100.0%
Median	\$246,250		\$244,000		\$215,400		\$186,000		\$175,000		\$161,900		\$153,500		\$140,000		\$138,750		\$133,500		\$121,000		\$101,400		\$109,950	
Sources:			McLeod County Assessor's Office																							



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

	2023	2022	2021	2020	2019	2018	2017
Median Sales Price	\$261,750	\$262,900	\$236,250	\$200,000	\$181,000	\$170,000	\$161,000
# of Sales	236	265	317	324	315	330	318

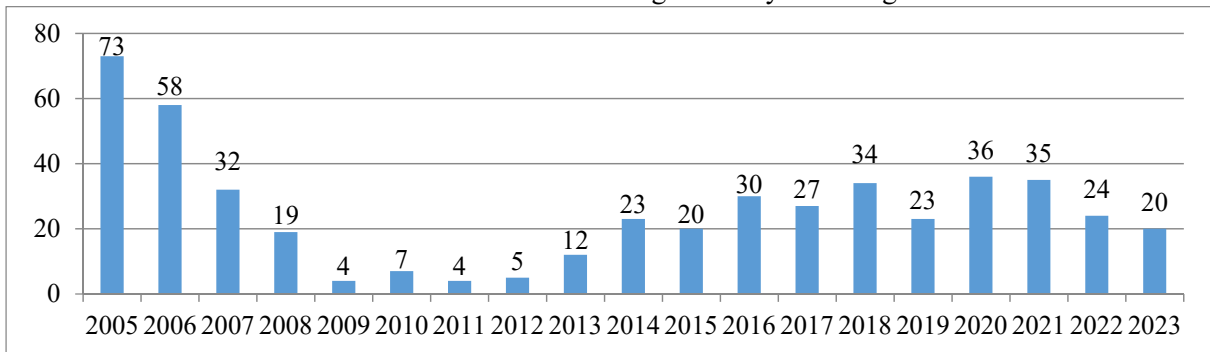
- 10.9% less home sales in 2023 than in 2022.
- 38 days on the market in 2023 vs. 27 in 2022.

2023 Home Mortgage Rates:

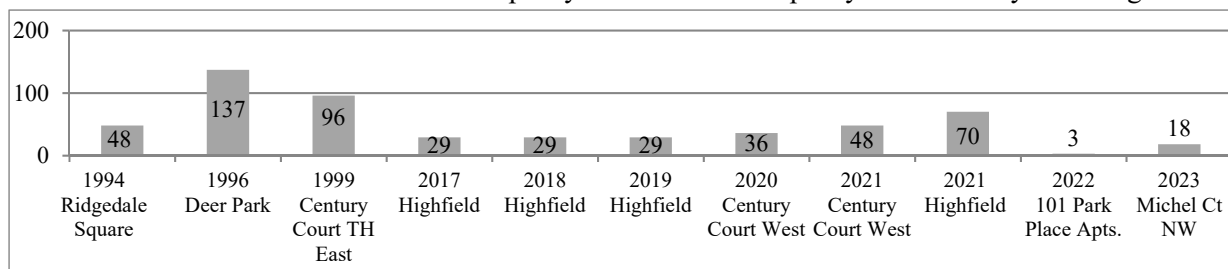
Early in 2023, the 30-year fixed home mortgage rate was 6.48% and ended at 6.61% according to Freddiemac.com.

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

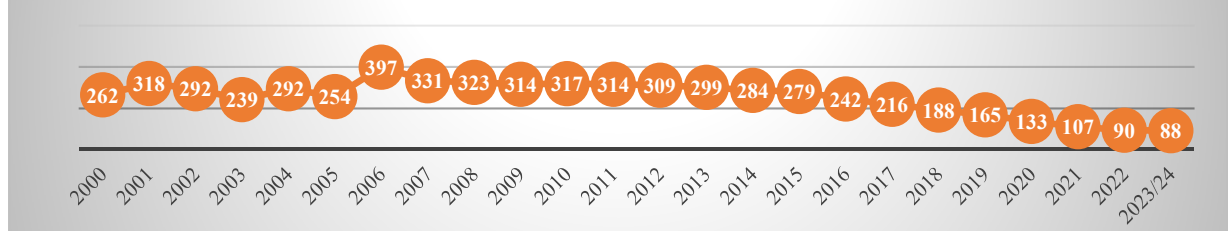
Number of New Construction Single-Family Dwelling Units



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



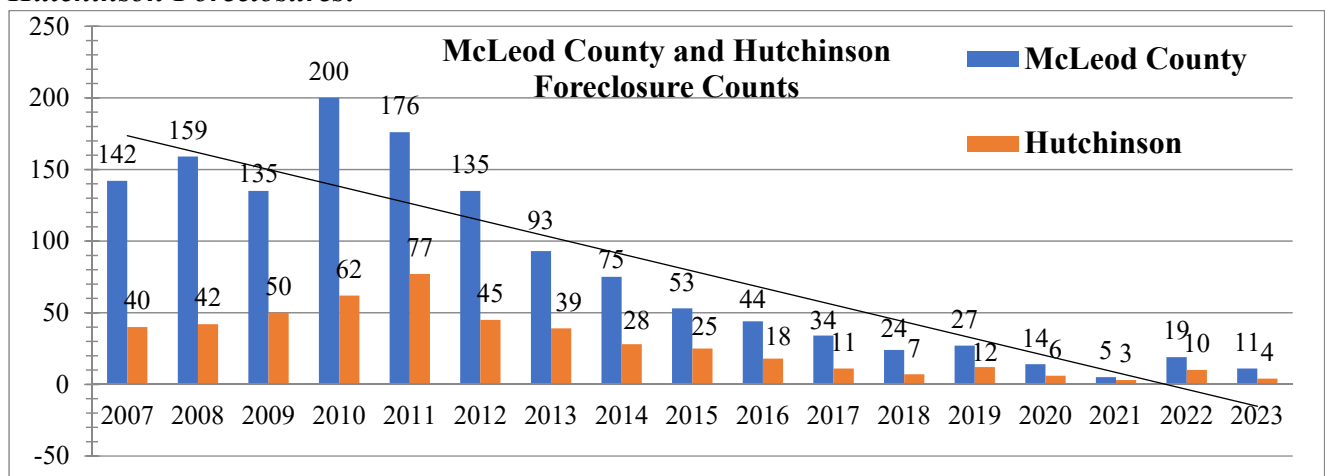
Residential Lots Available



Lot Inventory (information from the Department of Planning, Zoning and Building Department)

- 88 vacant lots currently in Hutchinson
- Approximately 15 of these appear to be bought with the purpose of having a “double lot” and aren’t really available for development at this time.
- Approximately 50 lots are owned by builders/developers.
- Another 23 lots are owned by individuals that may or may not be looking to sell.
- Planning Commission just recommended approval of an additional 13 lots near Northwoods Park
- Appears to be about a 3-year supply of lots available for development

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 2023 Accomplishments:

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



Park Towers Property Management

- 16 move-ins, and 13 move-outs and one transfer to a H/C unit in 2023.

Reasons for move outs:

1	Abandoned unit
4	Death of sole family member
1	Owner initiated for nonpayment of rent
2	Owner initiated other than nonpayment of rent
5	Tenant initiated

- November 2023, annual unit inspections.
- Multiple staff trainings for changing & new HUD policies.

Asset Preservation, Property Improvements and Energy Conservation

- Updated the security camera system.
- Replaced laundry room exhaust fan motor.
- Replaced the 7th floor Fireside room Mini Split.
- Boiler system (heat and water heater) repairs.
- Repaired water softener system.
- Installed 57 unit, Federal Pacific Electric Panels.
- Instituted a tenant text messaging system for snow removal and other important messages for the tenants.
- Installed a mail room, secure parcel cabinet system.
- New vinyl planking was installed in 11 units at turns.
- Water saver power flush toilets were installed in 11 units to save water and reduce toilet plugs.
- 1 H/C unit range, 1 refrigerator, and 2 A/C units were replaced.

Tenant Demographics

- Average age of head of household is 56.
 - 46 Sixty-two or older
 - 47 Disabled
- Income Categories:
 - 27.5% Extremely Low (i.e. 1-person household \$19,750 or less than)
 - 71.4% Very Low (i.e. 1-person household \$19,751 - \$32,900)
 - 1.1% Low (i.e. 1-person household \$32,901 - \$52,650)

Tenant Services

- Hosted National Night Out and 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:

Marketing all the Hutchinson HRA programs has been a 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.

Program Division Accomplishments:

- *City Home Repair Grant Program* – 4 projects closed in 2023 (5 approved in 2022 but completed in 2023)

Ten past City of Hutchinson Owner Occupied Rehab Program projects were completely forgiven in 2023.

2. Minnesota Housing Rehab Loan Program (RLP) – Zero project in 2023 but 2 application processed. One will be moving forward in 2024.

	2023 Grants Approved				
<u>Address</u>	<u>Amount</u>		<u>Details of Project</u>	<u>Approved</u>	<u>Status</u>
746 5th Ave SW	\$ 10,000.00	City HILP	siding, soffit, fascia, gutters	4/18/2023	Complete 8/2/2023
555 Franklin St SW	\$ 3,999.98	City HILP	replace furnace & a/c unit	7/18/2023	Complete 7/26/2023
705 Grove St SW	\$ 5,075.00	City HILP	roof	10/17/2023	Waiting to complete
606 Main Street S	\$ 2,875.00	City HILP	replace furnace	10/17/2023	Complete 11/20/2023
	\$ 21,949.98				
	Grants Closed in 2023 that were started in 2022				
<u>Address</u>	<u>Amount</u>	<u>Project</u>	<u>Details of Project</u>	<u>Approved</u>	<u>Status</u>
625 Oak St NE	\$ 10,000.00	City HILP	roof, siding, gutters	8/16/2022	Complete 11/16/23
32 Century Ave SE	\$ 5,000.00	Live & Work	walls, subfloor, window, electrical	12/20/2022	Complete 2/14/2023
**	\$ 2,962.50	City HILP	hvac, electrical	12/20/2022	Complete 2/14/2023
659 2nd Ave SW	\$ 5,000.00	Live & Work	major repairs	9/20/2022	Completed 8/1/2023
**	\$ 10,000.00	City HILP	major repairs	9/20/2022	Completed 8/1/2023
	\$ 32,962.50				

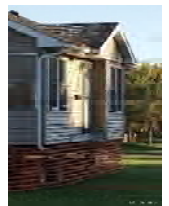
Rental Rehabilitation

Ongoing Annual Recertifications of other City of Hutchinson Rental Rehab Program projects.

House Move to Island View Heights Lot



The Hutchinson HRA moved a 2-bedroom, one-bathroom rambler that was donated by the City of Hutchinson/EDA to an HHRA owned vacant lot. It has an unfinished full basement with egress windows for expansion space. An attached two-stall garage was added on to the home. The house is scheduled to be completed spring 2024. The home is to be owner-occupied and will be sold to a homebuyer that has a gross household income at or below the McLeod County Area Median Income.



Local Realtor 2024 Housing Market Predictions:

What do you see for the housing market for Hutchinson in 2024? *I think the housing market in 2024 will be very similar to 2023. I believe we will continue to see low inventory with more buyer demand than seller demand. If rates improve it may bring more sellers in to the market who are willing to give up there existing low rate to upgrade in to their next home.*

What are the most influential factors affecting housing in Hutchinson? *I think low inventory and lack of affordable housing. The median sales price is \$265k. This combined with high rates is slowing overall sales.*

What do you think will happen to new housing construction in 2024? *Hutchinson has struggled for the past decade to effectively produce new affordable construction housing. Although we've seen tremendous appreciation since 2012, it has not kept pace with new construction costs. I think this will still be the case. The vast majority of our new construction has been one-level patio homes with cash buyers who are not dependent upon appraisals or influenced by the elevated interest rate.*

Local Mortgage Lender 2023 Housing Market Predictions:

What do you see for the Hutchinson housing market in 2023?

I think this year will bring a continuation of weak inventory and competition from buyers to win purchase agreements. Maybe slightly better than in the past couple years, but not much. There continue to be more buyers than sellers. Sellers have a lot of dynamics that are de-incenting selling keeping their lower interest rate, the availability of remote work reduces the need to sell/buy to be near employment, buying the next house at a higher rate and higher price means choosing to increase housing costs significantly....etc.

What are the most influential factors affecting housing in Hutchinson?

The biggest issue facing most home buyers is affordability. Prices are high. Rates are high. Incomes have not kept pace. And other areas of family life have affected the income available for housing...namely gas and groceries (and car payments). Despite this, there continue to be more buyers than sellers, which keeps demand high (and therefore home prices). This dynamic is expected to continue through 2032. I am using MHFA for down payment assistance more than I have in years to help people with down payment needs.

What do you think will happen to new housing construction in 2023

I've seen an uptick in new construction demand...and have seen more people look at new construction as a way to get the home they want. New construction remains expensive to pursue, but some buyers are frustrated with the inventory available to choose from, so are considering new builds as a way to get the home they want. I think Hutchinson has used a portion of the available lots we used to have a significant inventory of from 10 years ago or so....perhaps you know this better than I. At one point there were in excess of 150 lots that were build ready in Hutchinson. I think that number has dwindled over the past number of years.

Do you think our community will benefit from any of Minnesota Housing new programs or revised homebuyer programs?

MHFA is offering a new incentive for “First in the Family history” buyers. For those buyers that will be first in their historical family to buy a home, the state is offering an additional program. I’m not certain this will benefit many...may be more valuable for marketing purposes than anything else. We will see.

Hutchinson HRA Priorities for 2024:

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.
- Continue to install vinyl planking and power flush water saver toilets at unit turns.
- Possible improvements: new door card entry system, roof repairs to the building & detached garage, and common areas flooring replacement.
- 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.
- Follow rollout of new State housing programs and determine interest/need in Hutchinson.
- 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

- Follow new innovative home building concepts, such as panel components and modular systems.
- 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**	\$197,502.36
SCDP City Revolving Program Income Balance**	\$51,873.89
TIF Available Balance	\$170,000.00
Total Funds Available:	\$419,376.25
HRA Notes Receivable HHPOP	\$9,245.56
Total Balance of HRA Loans Receivable	\$9,245.56
**As of 9/30/2023 DEED Report	

“Without access to housing, nothing else in your life works. Not your job, your health, your education, or your family.” ***Senator Tina Smith, March at a Glance newsletter***

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

2023 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 CORE VALUES and OUTCOMES

The primary purpose of the Human Resources Department is to provide strategic management of the City's workforce by giving 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.

2023 Accomplishments

- Completed 15 recruitment processes
 - Compost Facility Maintenance Assistant
 - Compost Forklift Operator
 - Education & Outreach Coordinator (Creekside)
 - Security Officer
 - Park Towers Housing Specialist

- Parks Maintenance Equipment Operator
 - PT Liquor Sales Clerk (3)
 - PT Police Officer
 - PRCE Facility Maintenance Manager
 - PT Planning/Building Technician
 - Recreation Manager
 - Utility Billing Specialist
 - Wastewater Maintenance Operator
 - Water Plant Operator (Internal)
 - Parks Maintenance Lead Operator (Internal)
- Hired approximately 121 summer seasonal employees, 4 of which were prior retirees, and 25 fall/winter seasonal employees.
 - With the assistance of the City benefits consultants - USI, navigated an increase with Health Partners and offered new lines of coverage (short term disability and vision) to employees.
 - Completed Employee Benefits Survey and implemented the following changes: New vacation accrual structure, new sick leave policy, new funeral leave policy
 - Offered short term disability and vision insurance during open enrollment for 2023
 - Offering more opportunities for benefit education
 - Completed the City's Pay Equity Report, due every 3 years
 - Implemented Earned Sick and Safe Time Leave (ESST) in conjunction with other paid time off leave adjustments.
 - Planned and hosted successful employee events, including the Summer Picnic and Holiday Party.
 - Collaborated to ensure successful reduction in staff in Police Department in response to Health Partners ending the agreement in place that made the local hospital security guards employees of the city.

2023 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						
	2018	2019	2020	2021	2022	2023
Population	14,260	14,282	14,599	14,703	14,703	15,037 (est)
Number of Employee FTEs	126	125	124	124	130	130
Population per Employee	113	114	118	118	114	116

* 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

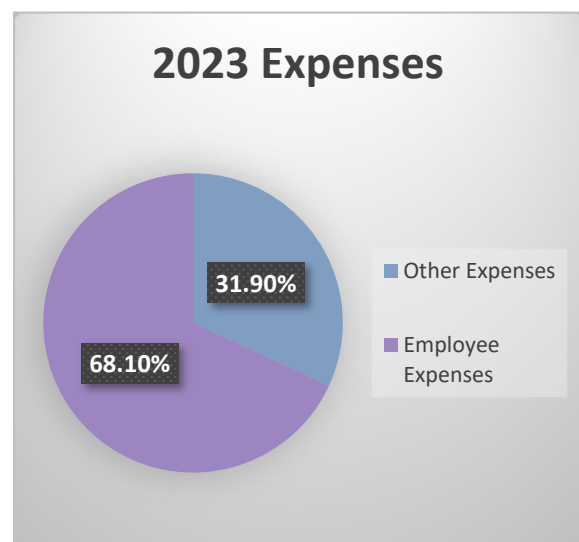
In order to accomplish the City's mission, employee involvement in the decision-making process as well as employee feedback and participation is essential.

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
- 2023 Benefit Survey

Cost of Employee Services

For 2024, Employee Expenses are estimated to cost \$10,050,414 (67.5%), which includes all wages, taxes, health insurance and other benefits, and PERA. For 2024, all Other Expenses are estimated to cost \$4,838,986 (32.5%). In comparison, 2023 actuals showed Employee Expenses to cost \$9,701,239 (68.1%) and Other Expenses to cost \$4,554,451 (31.9%).



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 was not in a position of power in 2023 as it was in 2022 and saw a premium increase of approximately 25% for 2024. Much of this increase was due to the City's high utilization rate and inability to pull claims data from the prior carrier, Medica. There was an attempt to market our plan to other carriers, but many declined to quote and the carrier that did quote (BCBS) was much higher than Health Partners.

2024	Employee Cost		Employer Cost		Total Monthly Cost	
	\$2k/4k	\$3k/6k	\$2k/4k	\$3k/6k	\$2k/4k	\$3k/6k
Emp Only	\$139.28	\$131.85	\$557.10	\$527.42	\$696.38	\$659.27
Emp + Spouse	\$383.01	\$362.60	\$1,532.03	\$1,450.40	\$1915.04	\$1813.00
Emp + Child(ren)	\$236.77	\$224.15	\$947.07	\$896.61	\$1183.84	\$1120.76
Family	\$403.90	\$382.38	\$1,615.60	\$1,529.51	\$2019.50	\$1911.89
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						
	2018	2019	2020	2021	2022	2023
Health Plan Participants	92	94	91	95	95	95
% of Eligible Employees	85.2%	84.7%	82.7%	82.7%	90.5%	90.5%

Labor Contracts

Two bargaining units represent two groups within the Hutchinson Police Department. Labor contracts are negotiated and administered by the City and one contract has gone to arbitration since the first unit was organized. 2023 brought another settled contract with the LELS Police Sergeants for 2023-2025, as well as a wage reopener for the MNPEA Police Officers.

Labor Measurements

REGULAR FULL TIME AND REGULAR PART TIME RECRUITMENTS							
	2017*	2018	2019	2020*	2021*	2022*	2023**
# of Recruitments	22	11	22	17	25	14	15
# of Applications Received	377	145	311	266	206	114	198 ⁺

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

** Includes Hutchinson Redevelopment Authority position recruitments only

⁺ 81 applications were submitted for the Utility Billing Specialist position

ATTRITION %							
	2017	2018	2019	2020	2021	2022	2023**
* Attrition %	8.4%	5.6%	13.7%	10.5%	15.0%	13.8%	17.9%
Full Time Employee Attrition %	4.9%	5.8%	7.2%	10.1%	8.3%	7.4%	11.4%

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

** Hospital security is included in these numbers

2023 Employee Retirements:

- Marv Haugen – PRCE Facilities
- John McRaith – Recreation Coordinator
- Virgene Shellenbarger

108 years of experience!

2024: A Look Forward

The 2024 human resources department budget allows for continued services including:

- Negotiation of new labor contracts with the Police Officer groups.
- Annual employee insurance renewals.
- Employee benefits initiatives, led by employee benefit survey.
- Personnel policy review and updates.
- Updates to Drug and Alcohol Testing policy and other related policies/procedures.
- Explore performance review options for future implementation

Information Technology

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
- 55 Security Cameras throughout City Buildings and Parks
- GIS

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

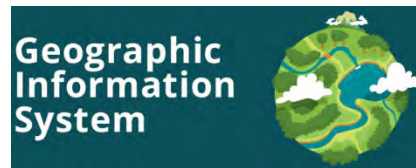
Creekside: \$19,218

HUC: \$242,703

Total Managed Budget \$929,401

Staffing

3.5 Full-Time Equivalent Staff including GIS

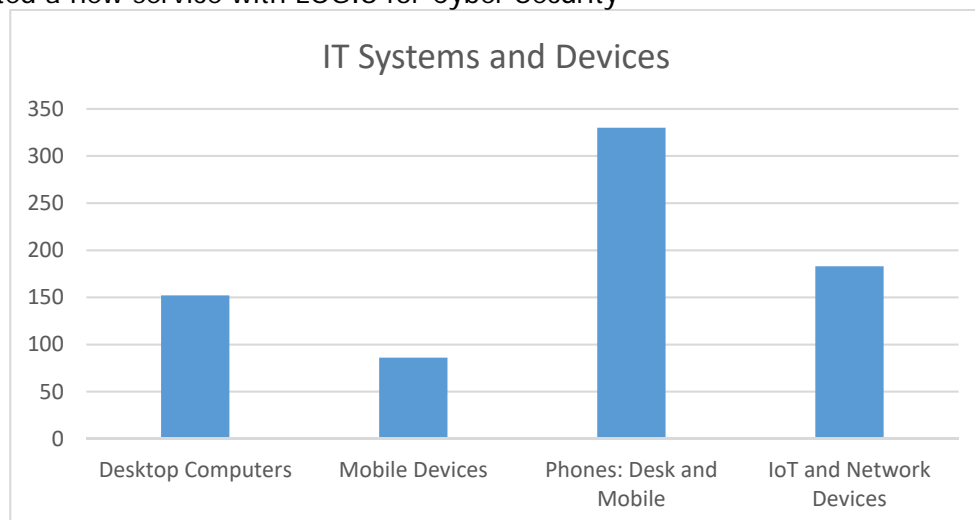


2023 Narrative

The IT industry is ever changing and Cyber Security continues to be the top issue. Much of our time is focused on network security to protect employees and customers. Day to day support end user tends to demand the majority of our time, which is a good indicator of how technologically sophisticated the City has become. All departments embrace technology in an effort to create efficiencies and increase service to the public.

2023 Accomplishments

- New network segment for the Police Department
- Moved Police and Motor Vehicle Staff to new building
- New Video Surveillance system
- Final configuration of the new firewall
- Continued automation for desktop setup and rebuilds
- Desktop and network security upkeep.
- Started a new service with LOGIS for Cyber Security



2024 Information Technology Budget

General Operating: \$619,744

Revenue: \$146,940

Water: \$29,721

Waste Water: \$33,626

Liquor Hutch: \$6,662

EDA: \$8,418

HRA: \$8,504

Creekside: \$14,492

HUC: \$246,814

Total Managed Budget \$967,981



Looking Forward to 2024

With the completion of the new PD, 2024 shapes up to be a year to catch up on other projects. We are looking forward to completing smaller projects to clean up the network, add efficiencies, and prep for the conversion to M365.

Other Items for 2024:

- Year two of Security as a Service from LOGIS
- Upgrade of 53 desktops or Laptops
- Upgrades of 1 network switch
- Continue efforts to leverage the network against Cyber Security attacks
- Prep for conversion to M365 in 2025
- Upgrade and add additional buildings to door access system
- Wrapping up projects from 2023:
 - Complete installation of video security system
 - Complete final technology items at the new PD building
 - Complete the final items for the SCADA upgrades
 - Complete software conversion started in 2023

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 main 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 the general counsel for the Hutchinson Utilities Commission.

Some of the activities of the legal department pertaining to civil law in 2023 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. Conducting four 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/Building Department with nuisance property abatement.
9. Assisting the Public Works Department with airport and city development matters.
10. Drafting or reviewing 111 contracts on behalf of city departments and Hutchinson Utilities Commission.

Concerning 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 2023 the legal department prosecuted 183 criminal cases against 167 different individuals. The prosecution of these individuals required the attendance by the legal department at 449 court hearings. The legal department also conducted 19 court trials, three jury trials and argued two cases at the court of appeals

The following table illustrates the number of cases prosecuted by the legal department over the past few years:

<u>Year</u>	<u>Number of Cases Prosecuted</u>
2019	357
2020	306
2021	235
2022	343
2023	183

As shown above there was a drop in the total number of charges prosecuted between 2022 and 2023. While it is too early to say that it is an ongoing trend, the drop in the number of prosecutions may be linked to a few possible factors. First, the legislature has decriminalized several drug related offenses and has made some misdemeanor driving offenses payable without requiring court appearances. Second, the way local merchants take payments from customers is changing in that many merchants no longer accept checks (reducing the number of bad check offenses) and gas stations now mainly require pre-payment for gasoline (which reduced the number of gas drive-off offenses)

Criminal Charges Filed by The City Attorney's Office In 2023

Crimes Against the Administration of Justice

<u>Charge</u>	<u>Number of Violations</u>
Violate Domestic Abuse No Contact Order	11
Contempt of Court	1
Violate Order for Protection	2
Violate A Harassment Restraining Order	2
Obstruct Legal Process	2
False Information to Peace Officer	2

Assault Related Crimes

<u>Charge</u>	<u>Number of Violations</u>
Domestic Assault	13
Disorderly Conduct	48
5 th Degree Assault	8

Driving Related Crimes

<u>Charge</u>	<u>Number of Violations</u>
Driving After License Revocation	9
Driving After License Cancellation	1
Driving After License Cancellation – Inimical to Public Safety	6
Driving After License Suspension	1
Hit and Run	7
Failure to Yield the Right-Of-Way	3
4 th Degree Driving While Impaired	11
3 rd Degree Driving While Impaired	7
2 nd Degree Driving While Impaired	3
Refusal to Submit to Chemical Testing	3
Not A Drop	1
Open Bottle	1
Careless Driving	2
Distracted Driving	1
School Bus Stop Arm Violation	4
No Insurance in Possession	3
No Valid Drivers License	1

Property Related Crimes

<u>Charge</u>	<u>Number of Violations</u>
Trespassing	11
Criminal Damage to Property	4
Possession of Stolen Property	1
Motor Vehicle Tampering	1
Tamper with Fire Alarm	1

Theft Related Crimes

<u>Charge</u>	<u>Number of Violations</u>
Misdemeanor Theft	25
Gross Misdemeanor Theft	2
Check Forgery	1
Financial Transaction Card Fraud	1
Possession of Counterfeit Check	1

Animal Related Crimes

<u>Charge</u>	<u>Number of Violations</u>
Animal Running At Large	4
No Animal License	2
Attack by Animal	5
Dangerous Animal	1

Miscellaneous Crimes

<u>Charge</u>	<u>Number of Violations</u>
Minor Consumption of Alcohol	5
Possession of Drug Paraphernalia	2
Intentionally Point Firearm	2
Illegal Firearm Possession	1
Possession of Illegal Fireworks	1
Indecent Exposure	1
Possession of Alcohol Under 21	1
Fish and Game Violation	1
Possession of Tobacco on School Grounds	1

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)



Hutchinson PRCE Advisory Board

The PRCE Board meets at 5:15 p.m. on the first Monday of the month at the City Center. The PRCE Board shall be composed of seven representatives from the community at large, one representative from the School Board, and one representative from the City Council. Except for the School Board and City Council representative, all members shall be jointly appointed by the Mayor and the School Board President, with the consent of the respective boards and Council, and shall serve staggered three-year terms. The Board shall study and determine the park, recreational, and community education needs of the city and make recommendations to the City Administrator relating thereto, and shall submit an annual operating budget to the City Administrator. In addition to the PRCE Advisory Board, there is an opportunity for involvement on the Senior Advisory Board.

PRCE Advisory Board Members:

Lynn Neumann – PRCE Director

Jody Harms/Leslie Alberts – PRCE Office Specialist

Erin Knudtson – Hutchinson Public Schools Representative

Chad Czmowski – City Council Representative

<i>Member</i>	<i>Term Expires</i>	
Joshua Kamrath	August 2026	Second Full-term
Ashley Gabbert	August 2026	Second Full-term
Kyle Wendling	August 2024	First Full-term
Jeff Hoeft	August 2024	First Full-term
Mark Lansink	August 2025	Second Full-term
Liz Stearns	August 2025	First Full-term
Kim Schutt/Margo Kaping	August 2025	First Full-term

Hutchinson PRCE Senior Advisory Board

The Senior Advisory Board meets at 10:00 a.m. on the fourth Monday of the month at the Senior Center. The Board consists of seven members who serve staggered three-year terms. The board shall advise the PRCE Board and staff concerning the management and use of the multi-purpose senior center and shall develop and maintain a management plan that provides the opportunity for all senior-related activities to flourish.

Senior Advisory Board Members:

Jennifer Behrendt – Event Center/Senior Center Programmer

Al Barkeim
Mike Becker
Connie Dahl
Dave Husfeldt
Ced Steinkraus
Jody Stoffels

Bike and Pedestrian Committee

The Hutchinson Bicycle-Pedestrian Advisory Committee (BPAC) serves as an advisory committee to the City Council and the Park, Recreation, and Community Education Board. The BPAC provides advice on bicycling and pedestrian needs in Hutchinson, advocates for pedestrian and bicycling infrastructure improvements, and promotes recreational walking and bicycling in the city.

Bike and Pedestrian Committee Members:

Sara Witte - Parks Manager
Pat May - City Council Representative
Aric Jensen
Deb Card
Mark Hanneman
Mike McDowell
Tracy Marquardt

Sponsorships and Donations

The Parks, Recreation, and Community Education Department received sponsorships and donations from several local businesses, organizations, and individuals throughout the year. PRCE staff recognize the importance of community involvement and the positive impact that this partnership has on the quality of life in Hutchinson and its residents. PRCE staff also would like to express our gratitude to the many volunteer organizations and individuals who donated their time to our PRCE programs, facilities, and events. We could not do it without all of you!



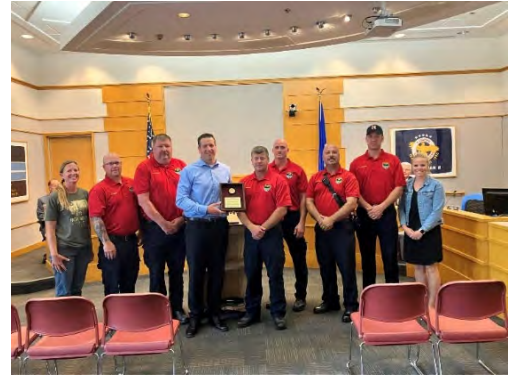
Silver Bicycle Friendly Community Designation

Hutchinson is committed to making biking better for everyone and we are now certified as a Silver Bicycle Friendly Community by the League of American Bicyclists. We know when our streets are safer for kids and people who bike, our streets will be safer for everyone! Hutchinson proudly announced that the League of American Bicyclists has certified us as a Silver Bicycle Friendly Community in the spring of 2023. Together with 506 total BFCs, we're building safer streets and a more bicycle-friendly America for everyone.

MRPA Award of Excellence

Minnesota Parks and Recreation Association awarded Hutchinson PRCE and the Hutchinson Fire Department with the Award of Excellence for the Fireman's Park Playground Project. MRPA recognizes agencies or organizations in Minnesota for outstanding achievements in the following categories:

- administrative or management strategies
- marketing and communications
- park and facility
- programming and events
- sponsorship and partnerships
- volunteer initiatives



Park, Recreation, and Community Education Administration

Staff Responsible: Lynn Neumann, PRCE Director

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, and 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 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

Staff Responsible: Sara Witte, Parks Manager

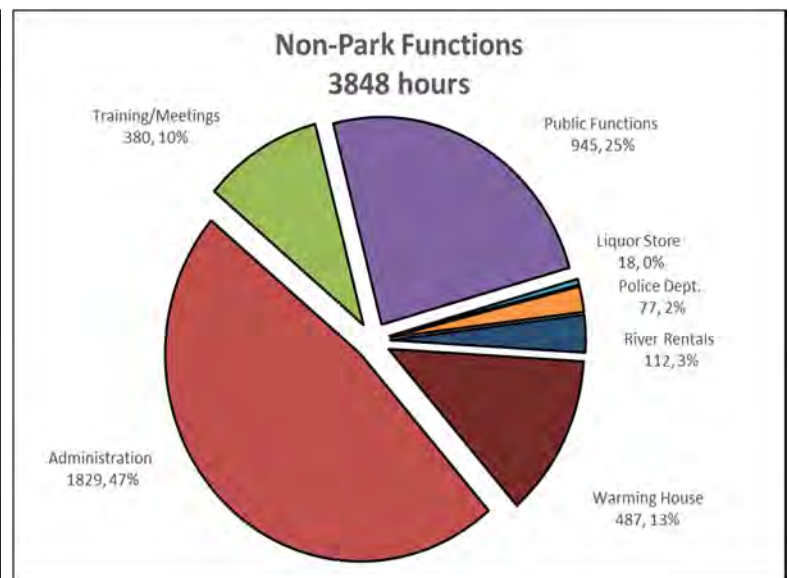
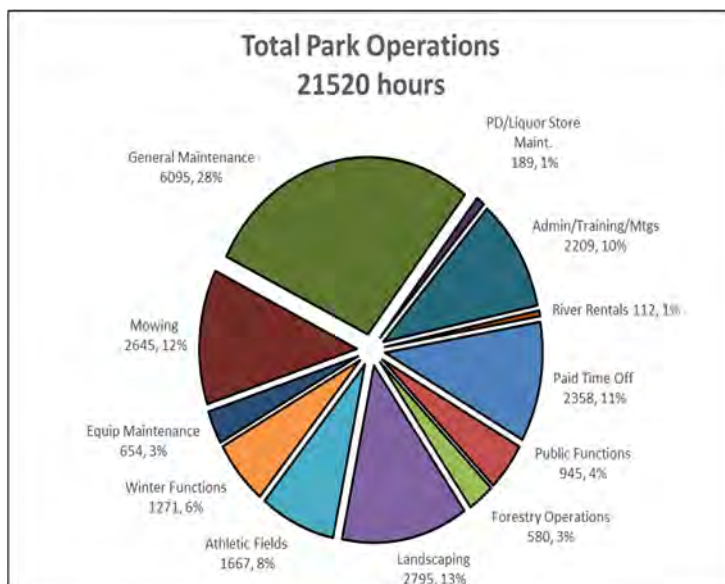
The Hutchinson Parks Department was fortunate to have several volunteer groups assist in various park improvement projects. These groups included local agencies, civic organizations, sports teams, and various local schools that helped with park and trail clean-ups, mulching, shelter and picnic table cleaning, invasive removals along the riverbank, and more. The partnership with HHS Ag-Science classes continued to benefit the district and the city. Students helped with clean-up in parks within walking distance from school locations, tree planting/mulching, site preparation and plant installation



around three elementary school signs, and replacement plants on the Police Memorial berm. This partnership saved more than 1000 hours of labor.

In 2023, the PRCE Department saw the retirements of the Recreation Coordinator and Facilities Manager, and the Parks Department also experienced changes. Long-time Parks Maintenance Specialist, Randy Carter, transitioned into his new position as PRCE Facilities Maintenance Manager, leaving the Parks Department to find another individual to assist the Parks Manager with long-range planning of projects/cost estimates and more importantly, leadership and direction in daily park operations. Tenured maintenance employee, Chris Hutton, applied for the position and was offered the job of Parks Maintenance Lead Operator in July. With that, the Park Maintenance Operator position was posted, and Andy Bentz, a former Parks Maintenance full-time operator, applied, interviewed, and was offered the job. Andy moved back to Hutchinson from out of state and started his position in September. Seasonal staffing levels remained the same for parks, with summer being the busiest time. The department is grateful for the hard-working group of summer seasonal staff that join the team each year.

The Department is grateful for the good working relationship they have with the HPD and all other city departments. Vandalism continued to be an issue in the parks system and other public spaces throughout the community. The installation of security cameras at multiple park locations, Masonic West River campground, and the Parks Shop allowed the department to track activity and solidified the need for keyed locks at the campground showers to allow for paying-only customers to use the shower facility. This measure drastically reduced the number of negative behaviors happening at the campground. Portable surveillance cameras from the Hutchinson Police Department are still used in parks that do not have permanent security cameras.



2023 Parks and Natural Resources Accomplishments

General Site Improvements

- Main Street holiday garland/wreaths replaced along with new holiday banner design
- Three ADA fire rings installed at Masonic West River full hook-up sites: 1, 2 & 3
- Bike Fleet Program- fleet was utilized in spring and fall at surrounding Walk!Bike!Fun! curriculum-trained school districts; Dassel/Cokato MS, Litchfield MS, ACGC, Sibley East, Hutchinson HS, MS, and Park Elementary
- Improvements made to Library Square (Hutchinson Leadership Institute- HLI). Mulch all younger park trees and around the entire park, replace plants along the south sidewalk and hostas under two tall spruce trees, clean around Hutchinson Brother's walkway, wash windows on the Library outside the building, etc.
- Paver seating areas redone at Civil and Spanish American Wars at McLeod County Veteran's Park (HLI- small group)
- Installation of security cameras at multiple park shelter locations along with Parks Shop
- Contracted restoration of public bronze art sculptures throughout the City of Hutchinson
- Shady Ridge's new playground installed
- Engineered playground safety surfacing delivered to various playground locations
- Installation of cement bench pads at Rotary, Fireman's, Shady Ridge, and Eheim
- Keypad door locks installed on Masonic West River shower building, code is given on receipt of paying campground customers only
- VMF West's old perimeter fence was removed, and regraded, and a new black vinyl fence installed
- Addition of one large 6' snowflake into Library Square for the holidays

Athletic Field/Court Maintenance

- Two loads of aglime were applied on the MS baseball field in conjunction with field renovation- adding a permanent pitching mound to that field
- Roberts Park SW field renovation project
- Provided weekend field maintenance at five summer baseball/softball tournaments, along with the annual Pentacular Men's Softball event
- 3 bulk totes (225 gallons each) or 675 gallons of white field marking paint were applied for activities in 2023: baseball, softball, football, lacrosse, PRCE soccer, etc. Approximately 70 gallons of Yellow paint was applied this year for the HHS soccer program

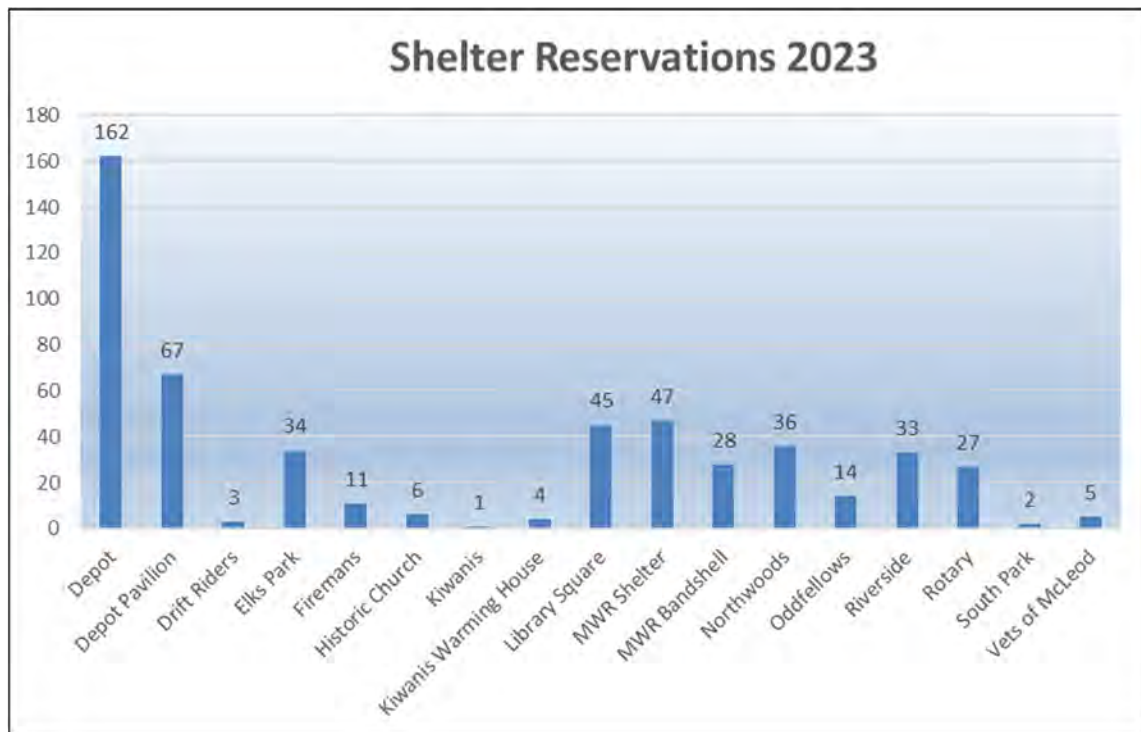
Landscaping

- First year of maintenance at new Hutchinson Police Services building; provide outdoor landscaping maintenance; mow, water new plants, weed, irrigation maintenance, etc.
- Memorial bench pavers installed at Oddfellows, Elks, and Masonic West River
- Designed, edged, plant installed, and mulched with HHS Landscape classes new signs at Tiger, West, and Park Elementary schools
- Boulder retaining wall repaired on the northeast side of Pedestrian bridge walk bridge from McLeod County Veteran's Park to Crow River Rec/Luce Line trail

Forestry/Natural Resources

- 49 trees planted in various Parks/School District properties with forestry/park staff, volunteer groups, and HHS students

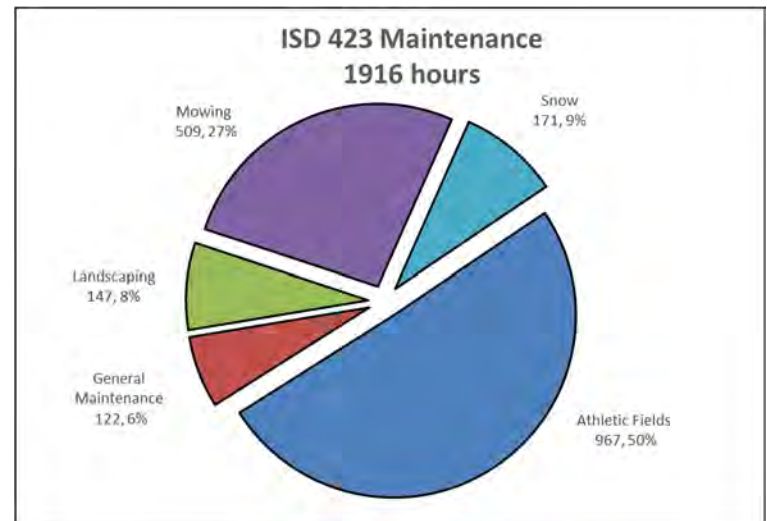
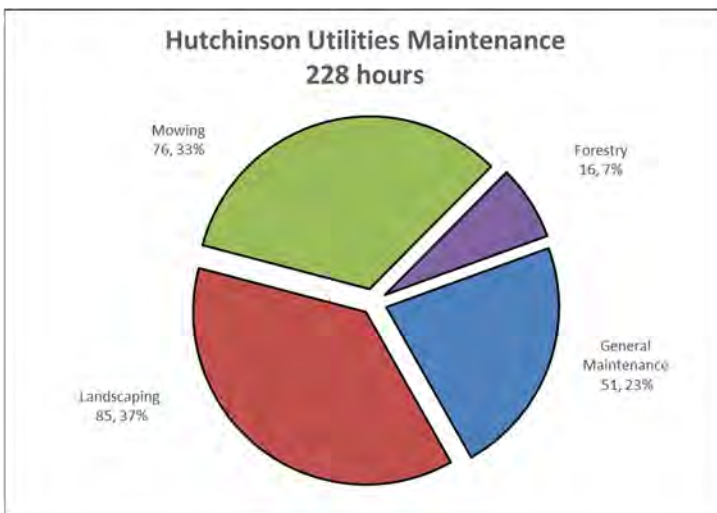
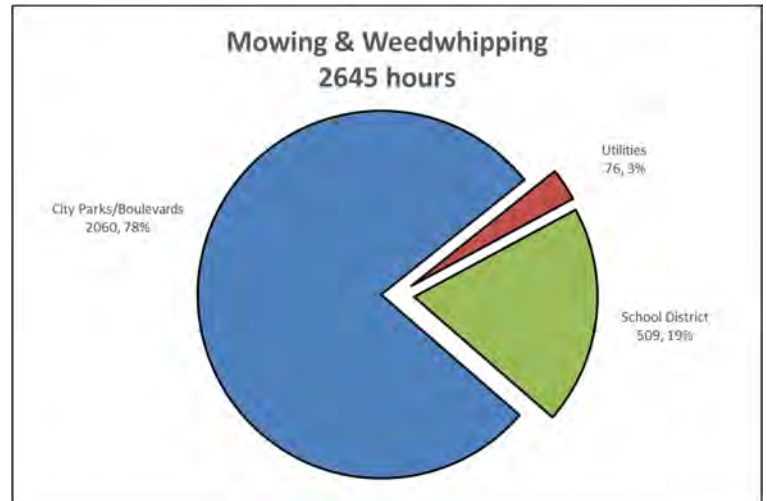
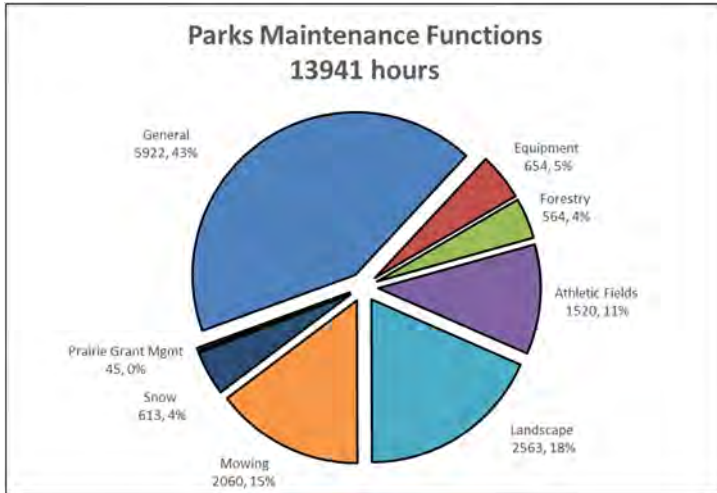
- Tree removals: 35 in various Parks/School District property
- HHS Landscape and Natural Resources students assisted with various projects on the ISD#423 campus, Depot rain garden and Farmers Market Pavilion cleaning, Police Memorial, Oddfellows, AFS, and Rollie Johnson School Ecology Site
- Maintenance of Parks prairie locations included in the Hutchinson Prairie Management Plan being partially funded by the MN DNR Conservation Partners Legacy Grant Program- contractual burns conducted by Red Rock Fire, LLC at Millerwoods and Roberts Park
- Hutchinson Fire Department conducted native prairie burns at Depot Raingarden, HHS Stormwater ponds, Middle School pond, Bass Pond
- Select prairies mowed down for invasive weed control- Cedar, Riverside, Tartan



2024 Parks and Natural Resources Goals

- Ecology site existing trail maintenance, along with establishing a new trail down to the water for class water sampling and invasive tree removal (HLI small group- April)
- ECFE Outdoor classroom (April)
- ISD#423 outdoor batting cage at HHS softball fields (April)
- Library Square north quadrant of park; new shrubs/perennials, edge beds, historical stockade rock on NE corner, memorial bench pad (HLI large group- May)
- Relocate potable water line ran for camper fill up, new signage, and turf restoration at MWR Campground (May)
- Kiwanis Park: complete shelter improvements and retaining wall (June)
- Drift Rider Park: metal overlook railing constructed and installed (June)
- Community Dog Park cement front unleashing area/entrance (June)
- VFW Park improvements: new shelter roof, playground mulch, bench pads, etc. (July)

- JC Women's Club: construction of an accessible trail from the road up to the playground (August)
- IPAD implemented for park maintenance tasks, playground inspections, etc. (Sept)
- South Park tree removal and reforestation (Sept)
- VMF Grandstand Project (Oct)
- Miller Woods work plan (Oct)
- Prairie Maintenance plan implementation- Goats on the Go, additional burns, etc. (Nov)



Burich Arena

Staff Responsible: Randy Carter, PRCE Facilities Maintenance Manager

In 2023, the city worked on finalizing construction and remodeling outside facilities. The staff achieved new landscaping and a dedicated memorial corner near the East Arena. HHA also contributed \$2,400 towards a new metal bench and a concrete pad for it to sit on. The new HVAC equipment was installed, and multiple tests were initiated before the final test, which needed to be done after the ice was installed to ensure adequate proficiency.



The staff is responsible for finishing the painting of the inside of the arena, which is receiving a new look by changing to more neutral colors. The city is working with HHA, HFSA, and other user groups to come up with better plans for Facility Guidelines, Rules, and Regulations and better management of space that is used for storage, warm-up areas, and shooting areas.

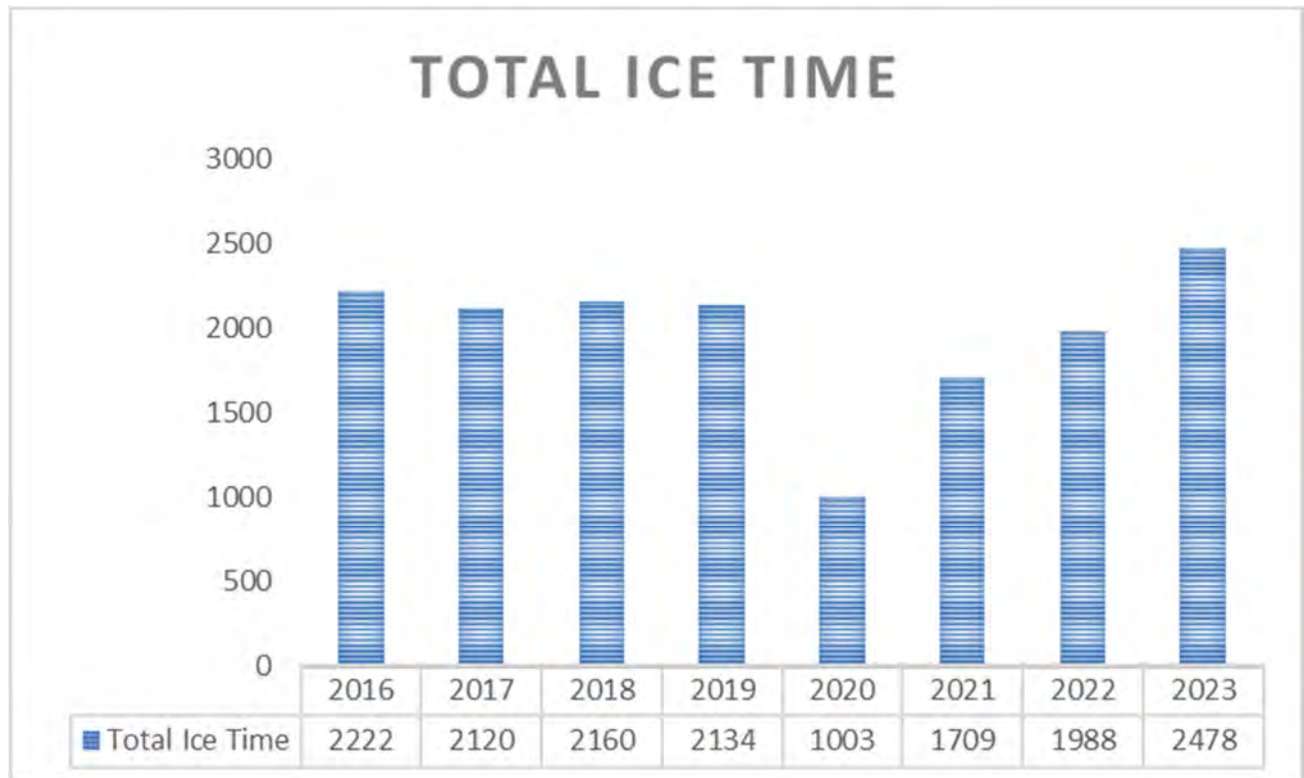
The facilities plan for both Burich Arenas is to come up with a Facility Management Plan that encompasses a higher level of Scheduled Maintenance, a cleaner and more desirable place for activities, and a safer environment for all spectators, players, and employees. The staff will be assessing all aspects of the buildings to best utilize the space, come up with better ways to achieve optimal usage within the Facility, promote safety to the users, and plan for scheduled/routine maintenance while trying to add more user groups.

In 2023, the staff spent time exploring a potential partnership with an NA3HL Junior Hockey team. A team from Iowa is looking to move to Minnesota, and the staff is considering the proposal. The team would have approximately 20 home games from September to March and would compete with other teams throughout Minnesota.

2023 Burich Arena Accomplishments

- Ice Time Sold = 2,478 hours.
- Landscaping and grading of East Arena perimeter with rock and edging.
- Installed Fence around new HVAC equipment on the south side of Arenas.
- Arena staff converted to Hillyard cleaning products to help aid in achieving a higher level of cleanliness within the facility.
- Construction came to an end, New HVAC was tested and put into use by September 7 with the final test shortly after ice was put into the East Rink.
- Voss Construction repaired and resealed the Zamboni room ceiling.
- Working with HHA to achieve a better location for the Dryland Shooting corners.
- Repaired the West Rink HVAC system which was causing humidity within the west rink and unstable ice conditions.
- 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 future improvements at the facility.
- Worked with all user groups to try and implement new policies of safe practices, building policies, and user group contracts.



2024 Burich Arena Goals

- Staff will landscape the perimeter of the West Rink, remove shrubs, and match the East Rink.
- Continue to improve and nurture our partnership with HHA, HFSA, and other user groups. Have continued meetings, process feedback and improve the Level of Expectations.
- Come up with a Facility Asset Sheet and Key Component Replacement Schedule.
- Work with the Burich family and Hutchinson Hockey Association on funding for Burich Arena improvements. These groups have committed to contributing to future improvements at the facility. Looking to get help replacing the Burich Arena Marquette Sign.
- Work with our user groups as we grow our ice season. Try and incorporate a better schedule of Open Skate/Hockey to be able to offer later sessions.
- Get funding to replace our current Water Treatment Process for the Cooling Tower and Recovery System.
- Finish painting the inside of the arena and internal remodel.
- Install a new Dasher Board System in the East Rink, keep the old system, and have talked about installing a ½ rink outside of the west arena with the old system.
- Work with City Staff on better training in facilities maintenance, scheduled maintenance, routine maintenance, and housekeeping.

- Work with staff to obtain better solutions to aid in getting more employees during our winter months when ice is at its prime time.
- Relocate Live Barn cameras and update to the newer software.
- Work with multiple companies to achieve certain contracts of service and have full records of equipment maintenance.

Hutchinson Recreation Center/Hutchinson Aquatic Center
Staff Responsible: Randy Carter, Facilities Maintenance Manager
Casey Hagert, Recreation Manager

Following a challenging Aquatic Season in the Summer of 2023, the PRCE staff called upon Global Systems and Aquatronics to assess the Aquatic Center's condition. Upon inspection of the mechanical units and filtration system by both companies, four major issues were identified:

- The key issue is the Variable Frequency Drive (VLT): The electric motor's VLT needs to be reprogrammed as it is unresponsive to any command. This unit controls the Defender Filtration system and regulates the electric motor's speed.
- The Surge tank, which collects excess water during entry and exit from the pool, was inaccurately plumbed during installation in 2017. This has resulted in a large amount of air being drawn into the filtration system, causing a loss of suction, and consequently, pressure throughout the entire system.
- The feed controller lines control the amount of chemicals applied to the pool for balancing. However, they were plumbed in the negative side of the pool lines, resulting in low-pressure readings. Relocating them to the positive side of the water flow will improve the water pressure and readings.
- The Defender unit is responsible for filtering all the pool water. Both units need to be chemically cleaned and resealed with new top plate gaskets. This has not been done since the pool's opening in 2017.



To address the underlying issues systematically, it is recommended to develop a comprehensive maintenance plan. This plan will include regular inspections, preventive maintenance, and equipment replacements, where necessary. This will ensure the prolonged functionality of the mechanical systems. To eliminate potential future issues, it is necessary to add the Aquatic Center Pump House to the City Network. The PRCE staff has already had initial conversations with IT staff and it will be a priority to get this completed before the 2024 aquatic season. With the pump house being on the City's Network, the VLT will automatically update when necessary and staff will be able to receive real-time communication on all the mechanical components. Budgetary, 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 remain strong.

Aquatics is a multifaceted operation for PRCE and includes operating the aquatic center, fitness programming, swim lessons, private rentals, and concessions. We continue to hire, train, and coach quality seasonal employees. We will reach out to former aquatic staff members and recruit and train new staff.

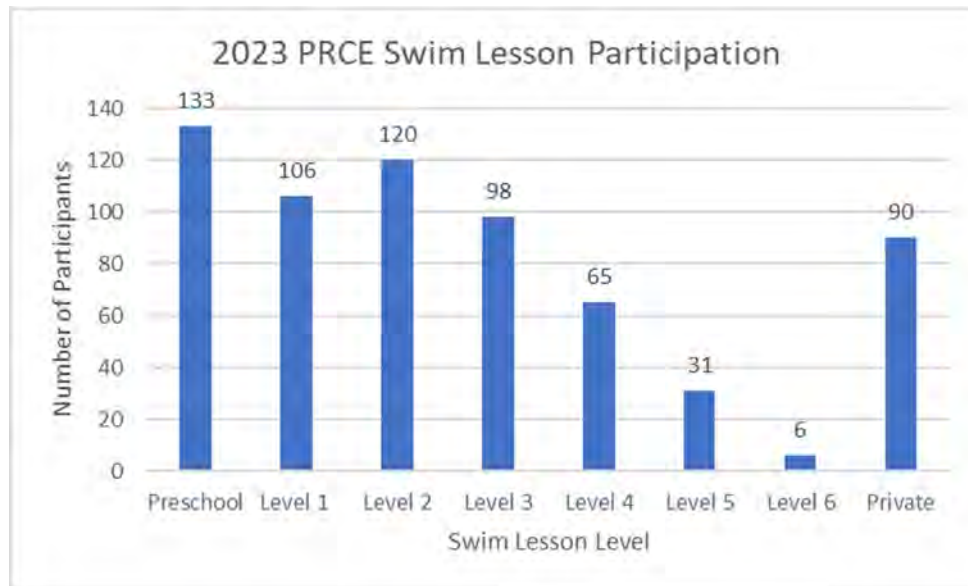


In 2023, the aquatic center was open from June 9 to August 18 with lap swim being available through August 25. PRCE offers several options for admission, including daily passes, discounted punch passes, and season passes. The most popular pass is the family pass. An individual pass is \$100 and each additional family member is an additional \$40. The most frequently purchased pass was the family of 4 passes. A total of 1,350 family passes were sold in 2023. During the approximate 70-day season, a total of 38,816 check ins were recorded; approximately 554 check-ins per day or 69 per hour. These check-ins did not include those who utilized the pool during private rentals or for scheduled activities such as the Tiger and Sharks swimming program.



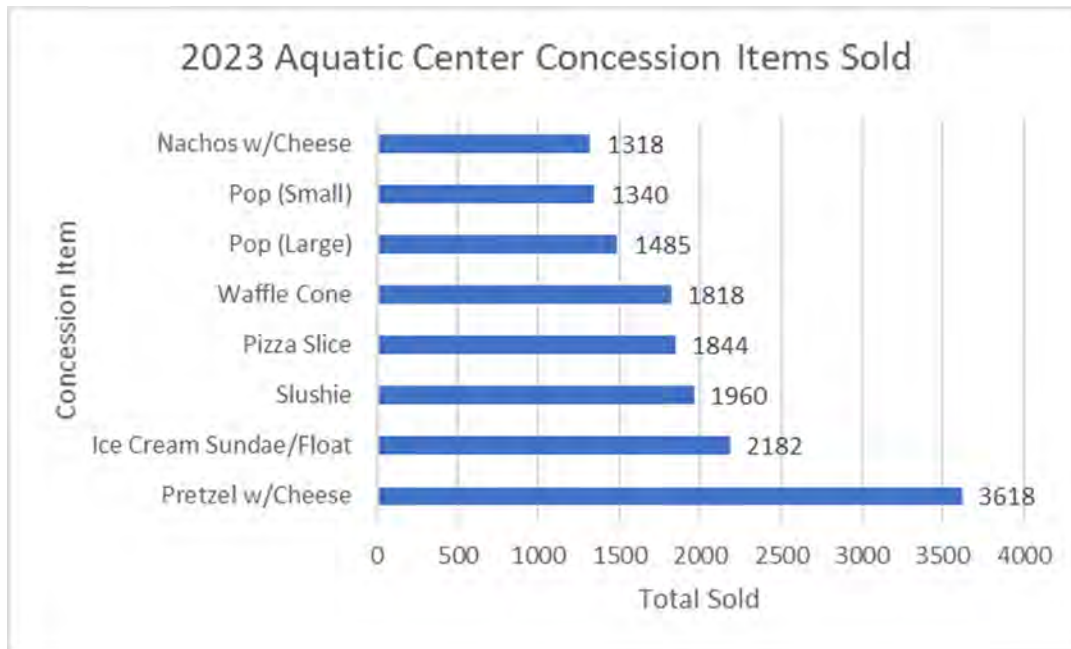


Swim lessons are an important component of any Parks and Recreation department. The program teaches life-long and a life-saving skill set. According to the American Red Cross, drowning is the leading cause of death for children in the United States. PRCE helps combat this statistic in the community by offering a wide variety of swim lessons each summer. In 2023, a total of 649 registrations were taken for the swim lesson program.



The concession stand is a large part of the aquatic center's operation. Items including hotdogs, popcorn, nachos, pretzels, candy, and ice cream are sold from the concession stand. In 2023, a total of 11,331 transactions were processed through the Aquatic's concessions stand. A total of 24,940 items were sold for a total of \$70,686 in sales; approximately \$1,009 per day. The most

popular item sold in 2023 was the pretzel with cheese with 3618 being sold. Other popular items included ice cream sundaes, slushies, pizza, and nachos with cheese.



Another major component of PRCE operations is the Recreation Center Gymnasium. Heavily utilized September-May, this facility hosts several different activities and opportunities. Open pickleball and open gym provide opportunities for the community to utilize the space for physical fitness and social interaction. Open gym provides an opportunity for community members to explore recreation as they please; whether it be basketball, pickleball, walking, etc. Open pickleball is a set-aside time that is specific for playing pickleball. Participation during open pickleball has doubled from 2022. To help meet this demand, additional open pickleball opportunities have been added to the schedule as well as private court rentals specifically for pickleball.





The indoor playground program is another popular opportunity in the gymnasium. This program is offered for children ages birth to 5 years. The indoor playground program provides children a safe place to develop important life skills including communication, creativity, critical thinking, teamwork, problem-solving, conflict management, collaboration, and more. During play, children are also developing fine and gross motor skills; helping them achieve important developmental milestones. Child psychologist Jean Piaget said, "Play is the work of children." Mr. Rogers expanded upon that stating "Play is often talked about as if it were a relief from serious learning but for children, play is serious learning." Learning and developing these skills at a young age sets the stage for well-rounded, emotionally intelligent children who are more prepared to transition to the

school environment and have long-term impacts that can be seen through adulthood. In

addition, this program helps support in-home daycare providers, who help the community meet the extreme demand for childcare services in Hutchinson, by providing the space, time, and equipment to engage children in active play opportunities. Furthermore, families can utilize the program to come engage and play as a family unit when outdoor opportunities may be less accessible.

In addition to internal programming, the Recreation Center gym and PRCE support the community by hosting opportunities that may otherwise not have a home. Specifically, from approximately 2:30-5 pm, Monday-Friday, the gymnasium hosts middle school athletics including boys' and girls' basketball, and becomes an indoor practice facility in the spring when fields may not be suitable for play. The gym is also utilized by several youth athletic associations hosting JO volleyball practices, basketball tournaments, and more.



2024 is a year we look to continue to refine operations and create more opportunities to best meet the needs of the community.

2023 Hutchinson Recreation Center/ Aquatic Center Accomplishments

- Inspected and replaced additional tiles as needed in the Aquatic Center lazy river.
- Repaired outdoor shower units after several leaks were found.
- Repaired broken water line in concession stand that serves as a water source for our outside cleaning.
- Worked with a contractor to improve control/functions of gymnasium HVAC system and put on City's CIP to replace within the next 2 years due to being undersized and no means of humidity or A/C control.
- Removed 2 small walls as part of landscaping to make the Recreation Center more uniform looking and prepare for the painting of the front and back entrances.
- PRCE repaired the irrigation on the west side of the Aquatic Center.
- Finished the landscaping around the new EV Car Charing Station.

- Repaired waterslide railing due to excessive wear.
- Repaired water entry railing on lap pool, welded more supports into water truffle to aid in support of the railing.
- Repaired Sun Shade for waterslide tower and reinstalled it.
- Repaired plumbing fixtures within the facility's restrooms.
- Vos Construction installed new gutters on the North Side of the Recreation Center.
- Repaired the Surge Tank in the Aquatic Center and installed proper manual gate valves.

2024 Hutchinson Recreation Center/Aquatic Center Goals

- Plan, design, and complete re-painting of the front and back entrances of the building. We will work to complement and match the newer paint scheme that is used throughout the building.
- Continue to work through the Facility Committee on future facility upgrades of the Recreation Center Gym HVAC.
- Continue to redefine maintenance policies and procedures for the Aquatic Center operations.
- Establish a response policy for Aquatic Center Staff to follow during pool operations.
- Continue landscape improvements surrounding the Recreation Center and Aquatic Center.
- Continue to repair the Aquatics Center Filtration System, upgrade necessary equipment to prolong the life of the system, and ensure proper filtration is being established.
- Aquatic Center Pump House: Establish City Network via cable to the pump house to ensure that all data can be “real” time resulting in better response times to issues of malfunctions.
- Come up with a new sign for all entrances around both the Recreation Center and the Burich Arena.
- Consider adding a new water feature in the Zero Depth Entry pool area.



Recreational Programming

Staff Responsible: Casey Hagert, Recreation Manager

2023 was a year of observation and evaluation; taking time to view current operations and look for areas of improvement. One focus of the department has been to create policies and procedures for facility and program operations. This includes facility policies, open gym rules, and open pickleball procedures. Documenting policies is important for several reasons. One of the most important is to set expectations with guests while providing consistent information and communication as a department. Policies and procedures are created not to restrict the user experience but instead are intended to



help provide clarity and create a cohesive and welcoming environment. It is the hope that by implementing these procedures, the facility and department will run smoothly and provide high-quality customer service to the community.

Along the same lines, PRCE has started to create contracts and agreements with partners to better document and clarify roles, responsibilities, and relationships. Documenting the terms of a relationship helps create a better understanding between the parties and also allows for consistency from year to year. Turnover can occur in businesses, associations as well as in PRCE. Relationships between the department and others should be independent of the individuals within those roles and should continue with consistency if and when

individuals move on. Having documentation outlining relationships helps us achieve this goal.

The objectives above are set to help us further achieve our goal in 2024 to better serve the community by providing high-quality service, clear and transparent communication as well mainstreaming operations of facilities.

Programming

PRCE offers many youth sports leagues that serve as an introduction to a sport for community youth. Age ranges vary for the leagues but most are designed to serve Pre-K - 4th Grade. Some leagues, such as tackle football and travel soccer, serve an older age group when an opportunity for that sport may not exist until middle school.



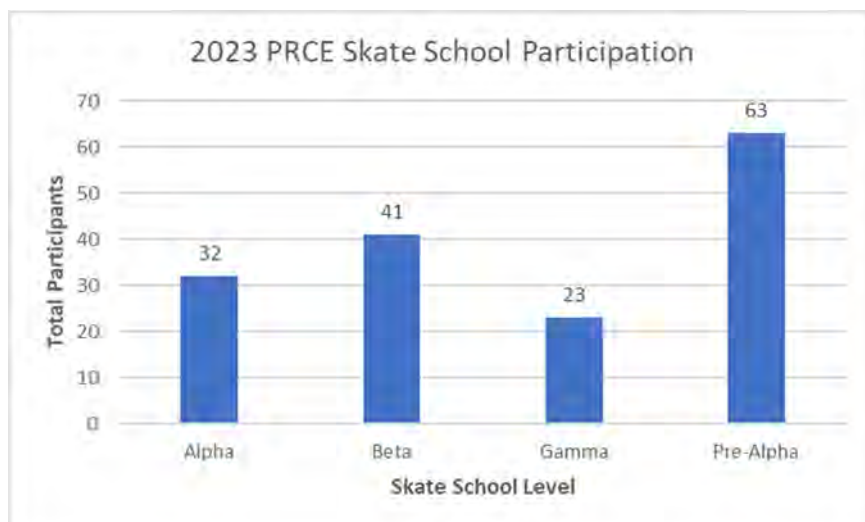
A total of 1064 youth participated in PRCE-managed leagues with soccer having the most participation. Soccer is offered for Pre-K through 6th grade in both spring and fall.

A major component of youth sports through PRCE is the sponsorship program. Community businesses help cover the costs of team uniforms and keep registration fees low. In 2023, 66 sponsors supported a total of 122 youth teams.

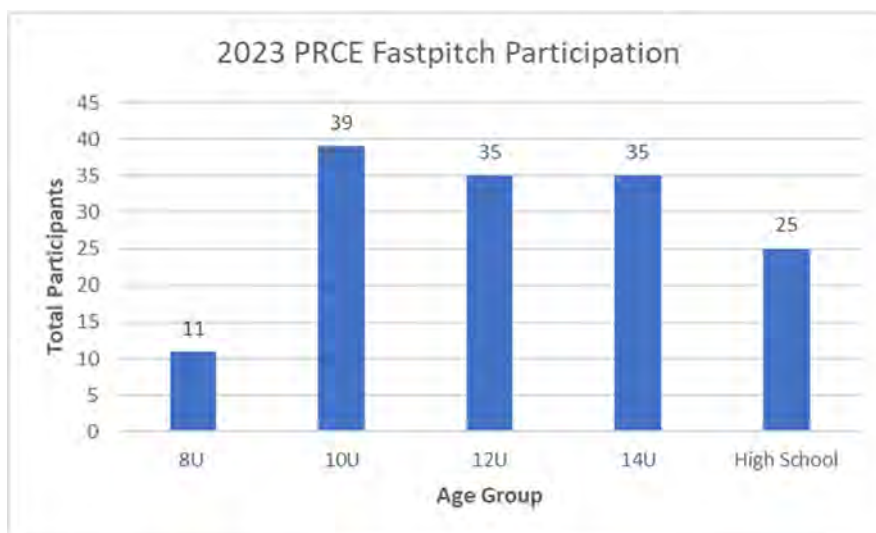
In addition to sponsors, volunteer coaches are a vital part of the youth sports programs. All youth sports teams run through PRCE are coached by volunteer coaches; oftentimes, each team is assigned two volunteer coaches. Being volunteer-based is another factor in keeping fees low. It was determined that more guidance and support was needed for volunteer coaches and in 2023 online coaching clinics were hosted to provide all volunteers with the tools necessary to be confident in their roles. This included sharing the overall mission of the program, practice plans, games, and overall structure of the program. It was also a great opportunity for coaches to ask questions and feel more confident in their role in supporting the community.



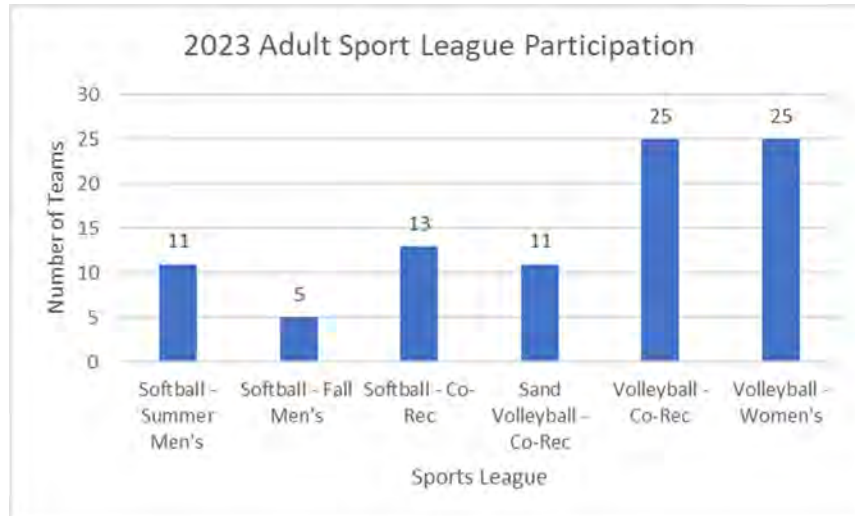
In addition to the league format, PRCE offers lessons for other activities including tennis, gymnastics, and ice skating. These programs, much like the leagues, serve as an opportunity for youth to try something new; and in the case of tennis and skate school, develop those skills and advance to a higher level of the program.



Furthermore, PRCE helps support youth sports when other avenues do not exist within the community. Currently, PRCE manages the youth fastpitch program. Previously, this program was supported through a governing youth association much like many of the other sports in Hutchinson. When the association disbanded, PRCE took over the program ensuring the opportunity would continue to be provided for the community.



PRCE's mission goes beyond serving the youth of Hutchinson and aims to serve all demographics from birth to the end of life. PRCE offers opportunities including open gym, open pickleball, open soccer as well as organized adult sports leagues. Presently, PRCE offers adult leagues for three sports; slow-pitch softball, sand volleyball, and indoor volleyball. Indoor volleyball is offered as both a fall and winter league. On average, an adult softball team rosters approximately 20 individuals and a volleyball team rosters about 10 individuals. Using those numbers, PRCE's most popular leagues serve approximately 250 individuals per season.



2023 Recreational Programming Accomplishments

- *Development of standard operating procedures and policies:* To better manage the Recreation Center, PRCE has begun developing more comprehensive standard operating procedures and policies. Some unwritten rules and guidelines existed, however, there was a lot of inconsistency in enforcing these. By developing and documenting these procedures, the department can provide more consistent services to the public allow for the publishing of these policies, and be more transparent and clearer with the public.
- *Contracts & Agreements:* Clearly defining relationships and responsibilities within a partnership is vital. As part of the effort to provide equitable services to youth associations and to clearly define the roles and responsibilities of everyone; PRCE has begun to develop comprehensive agreements and understandings that help drive and direct these partnerships. It's important to document the terms of a relationship so it can be referenced in the future. Changes in boards happen frequently and changes within roles here in PRCE can turnover, so documenting and establishing the duties in relationships is important so operations can proceed seamlessly regardless of who's in a role.
- *Sponsorship Program:* The sponsorship program has been revamped. Moving forward, potential sponsors will be asked to opt into a sponsorship on an annual basis for youth sports sponsorships. This allows sponsors more flexibility in what they are sponsoring and when. Additionally, contracts are being developed for long-term sponsorships including ball field and facility sponsors.
- *Online League Schedules:* All schedules for youth and adult leagues have been moved to an online platform; Team Sideline. Online schedules allow easier access for the public and allow for real-time changes to be reflected immediately; helping reduce confusion from participants and family members when having to reference potentially outdated copies or having to ensure they have the most up-to-date one. Additionally, this online platform allows for standings for adult leagues to be viewable at any time from a computer or phone. Participants do not need to come to the facility or wait until the following week to get updates.

2024 Recreational Programming Goals

- *Develop and Implement Policies & Procedures:*
 - Data Tracking: Data drives decisions and direction. Tracking Rec Center visitors will help drive long-term planning and help dictate gym schedules and identify needs. Utilizing Civic Rec and scannable passes is one option to better track which activities, days of the week, and times of day people are visiting.
 - Aquatics Policies & Procedures: Safety is always priority number one and good lifeguarding is preventative lifeguarding. Evaluating aquatic center operations as well as policies and procedures is vital to achieving these goals. Developing rules and empowering staff to enforce rules will help achieve our goal of safety.
 - Association Agreement: Development of an overall Youth Athletic Association Agreement is currently in the works. This document will be the overarching document that guides relationships between PRCE and youth athletic associations. The document would define what a youth athletic association is, how to become a city-recognized association, what the general partnership looks like, and expectations for associations that wish to utilize city-owned facilities. This agreement will be presented to the Parks and Recreation advisory board for input and approval.
 - Development of Staff Manuals: Staff manuals, much like contracts, agreements, policies, etc., help drive work direction and create clarity in duties. Creating a strong team is vital to creating high-quality services and that begins by having a strong foundation to help lead staff. Staff manuals establish clear expectations and lay out how to perform job duties. Developing staff manuals is the first step in creating a strong, cohesive team; training team members on the staff manual continuing to touch base, and hosting team-building activities are other facets of a strong team.
 - Team development: Hiring a full-time Recreation Coordinator and creating proper workflows will help improve overall function. Clearly defining who is responsible for what tasks, who reports to whom, and communicating this with staff will improve overall teamwork and communication. I.e. Recreation Manager > Recreation Coordinator > Concession Manager > Concession Lead > Concession Team Member
 - Improving overall concession stand operations is a big goal in 2024. Developing staff manuals and clearly defining cleaning schedules will help improve overall operations. Additionally, improving the efficiency of the concession stand will help improve the visitor experience. Things such as creating large and clear menus to be placed in a-frames on the pool deck, reducing the size of the menu, and ordering pre-packaged food; such as ready-to-use popcorn packets, prebagged nacho chips, etc. will help reduce the workload of staff and improve speed of service.
- *Improve Clarity, Transparency, and Ease of Access for the community:*
 - Online Reservations: Allowing multiple avenues for reservations improves customer experience. Transitioning reservations online allows the public to make a reservation quickly and on their own time. Things such as indoor pickleball court reservations, birthday party reservations, and party tent reservations will be implemented in 2024. This will also help alleviate the phone calls and time that is currently dedicated to making these reservations allowing front desk staff to focus on other things to further enhance the community experience.

- Website Updates: Lots of avenues exist for accessing information. Facebook, program guides, registration software, email blasts, third-party groups, etc. The PRCE website is one of those hubs. With information everywhere, it's important to ensure that that information is updated in all places. Regularly scheduled website audits will help ensure accuracy. Additionally, taking a look at the website deciding what information is needed, and building out those pages will further provide clarity to the public. Adding a clear, frequently updated online gym calendar will help with one of the biggest pinch points in current operations.
- Program Brochure: Evaluating the seasonal brochures to determine the best layout and how to most efficiently communicate information to the public is another goal for the department. Continuity throughout the guide, creating standard expectations and layouts for program offerings, and ensuring ADA compliance will all help create a clear, easily readable brochure.
- *Provide High-Quality services to the public:*
 - Equipment Replacement: Evaluating which equipment is outdated and creating a priority replacement schedule will help drive purchases. Looking ahead and evaluating what equipment; such as football helmets; needs replacing will help the department seek out grants and other funding options.
 - Needs assessment: Perform a SWOT analysis (Strengths, Weaknesses, Opportunities & Threats) to determine the program needs of the community.

Hutchinson Event Center/ Hutchinson Senior Center

Staff Responsible: Jennifer Behrendt, Senior Center/ Event Center Programmer

The last few years have brought many changes to the Hutchinson Event Center. The end of 2022 brought the departure of all part-time staff; leaving only 2 staff members (1 full-time, 1 part-time) to continue with modified operations. The Hutchinson Event Center started a modified operation on January 1, 2023, meaning all rentals were to be held Monday - Friday between the hours of 9 am-3 pm. The Event Center was a host location for 65 events in 2023; 46 business events and 19 city events. 2023 was the first year River of Hope leased their space from the City versus renting every week. Church meets at the Event Center every Sunday and many times throughout the week for various activities such as confirmation, bible studies, meetings, etc. With fewer rentals this past year, it allowed staff time to deep clean the center along with decluttering and organizing storage areas.





The Senior Center remains a welcoming gathering place for area seniors. The center did see an increase in attendance in 2023; around 12,531 seniors were through the door compared to 10,327 in 2022.

The Knot Just Knitters group completed yet another community knitting project. Over 125 handmade/knitted scarves, hats, and mittens were donated. All items were then distributed to local agencies such as the McLeod County Food Shelf and Common Cup Ministries to give to those in need.

Sr. Programmer, along with a fellow senior, held 3 decorative plate-making classes. These seem to be a favorite; they are always asking for another class! There were also two clothespin craft classes held. These classes brought in new seniors who do not frequent the Center.

Several different speakers from different locations were brought in to present on many different topics. Presentations included Medicare, dementia, caregiving, fraud, aging, and more. Classes were very informative and seniors seem to enjoy when these resources are available to them.

In hopes of promoting more active programs for seniors, River walking/Lazy River, which is held at the Aquatic Center, was advertised in our monthly Senior Newsletter; 16 seniors took advantage. The center handed out a one-day free pool pass to fitness time during the months the pool was open. The center also tried to establish a weekly walking group. There was positive feedback for starting the group, however it slowly phased itself out as fewer and fewer people participated. Bean bags continue to hold steady; there will more than likely be a second playing time for 2024. Ping pong has a solid group that shows up 1-3 times a week. Our kayaking group remains strong with participation numbers, usually doing 2-3 outings a month, from May to September. A handful of outings were canceled due to the extreme heat this summer; 99 attended throughout the summer gatherings.



The Sr. Center Programmer and tour coordinator volunteer attended a tour expo at Base Camp in St. Paul on January 10th hoping to generate new ideas for upcoming tours. Our tour program is well received and most tours sell out at a max of 45 participants. A couple of tours did not go over as well as expected and the center took a hit. Even with that being said, the tour program generated \$1,073.17 for 2023.

The Card Making Club meets every Tuesday at 9:15 am. They recycle old, donated greeting cards into new ones and sell them for \$0.60 each. This is a fundraiser for the Senior Center. In 2023 they brought in \$888.60 (1,481 cards).

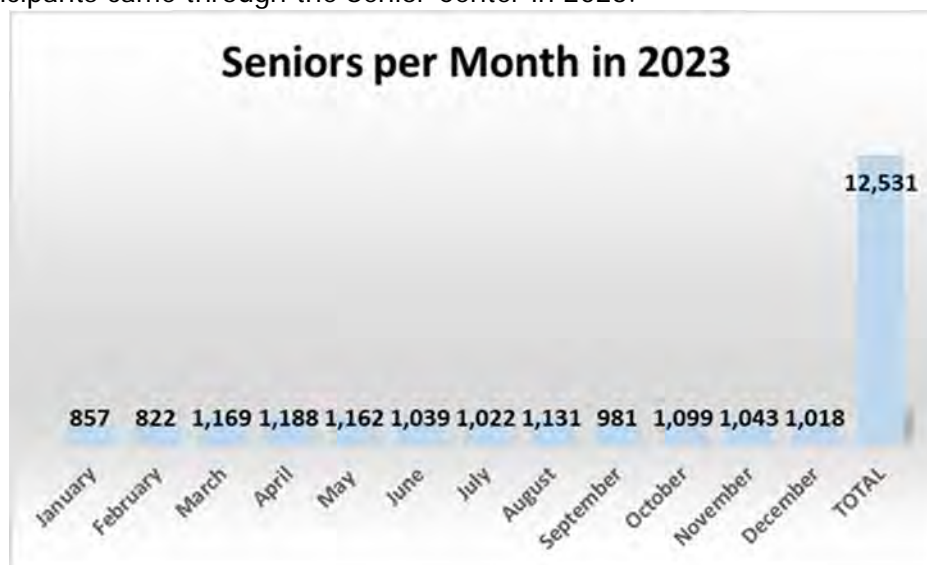
The Center held its Annual Book & Puzzle Sale on August 28 & 29. This is a fundraiser that was started 3 years ago and continues to be very successful. All books and puzzles are donated. It takes about one week to set up for the two-day sale; this includes taping all puzzle boxes shut, pricing, and organizing all items. All books are \$0.25 and puzzles range from \$0.25- \$1.00.

In 2023, the Book & Puzzle sale brought in \$1,644.50 for the Senior Center.



2023 Hutchinson Event Center/ Senior Center Accomplishments

- The knitting project was completed. The project brought in over 125 items that were donated to Common Cup and the McLeod County Food Shelf.
- Held 3 plate-making classes and 2 clothespin craft classes; 38 people participated in these classes.
- 7 different speakers were in to hold informational classes for seniors. Talks included dementia, caregiving, fraud, Medicare, aging, and more.
- The Senior Center held its third annual Book and Puzzle Sale.
- River Walking/ Lazy River was advertised for seniors at a discount. 16 participants took advantage of this.
- Foot Care clinics were paused in July due to staffing changes; we were able to continue with this service in October after a new nurse was hired.
- The Senior Center raised \$888.60 in card sales (1,481 cards), and \$110.50 in misc. knitted items.
- Host location for 65 events - included 46 business and 19 city events; 7 events were canceled.
- Roughly 9,801 people were through the Event Center for rentals and around 12,531 participants came through the Senior Center in 2023.



2024 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.
- Establish at least 1 more activity that is well-attended.
- Bring in more speakers to present topics relating to seniors.
- 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	38
City Events	19
<i>TOTAL Event Rentals</i>	<i>57</i>



Staff Responsible: Sharon Armstrong, Community Education Program Coordinator
Data for the 2022-2023 Fiscal Year

ISD 423 Community Education Accomplishments and Highlights:

- **Winter-Spring 2023:** Season length - January, February, March, April and May. Community Education offered 87 activities, with 16 new activities and a total of 2,519 participants. The number includes attendance at open swim

- **Summer 2023:** Season length - June, July and August. Community Education offered 59 camps with eight new activities or camps and a total of 1,168 participants
- **Fall 2023:** Season length – October, November and December. Community Education offered 60 activities with 12 new activities and a total of 487 participants
- **Summary:** The numbers for 2023: 211 Activities and camps offered with 4,174 participants



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.

Participation in activities is steady and strong! The buzz here and at other Minnesota Community Education Association communities is that the numbers are tracking like pre-Covid. People are registering early and also waiting to register until closer to the start date of an activity. Communication with instructors continues to flow back and forth to assist in making decisions regarding holding or canceling their activity, requesting additional social media advertisements, and in some cases, direct email to past participants. Attending online activities gained popularity with the general adult activity offerings. For the in-person activities, instructors continue to hold their activity with less minimum number of participants in attendance to hold their activity, providing wonderful opportunities. Online activities continue to grow in popularity and instructors can host multiple schools with combined registrations.



Hutchinson PRCE

PRCE started a second new registration system within two years, CivicRec, scheduled to start using January 2023. PRCE staff participated in another set of online training sessions throughout the fall of 2022. The new system, CivicRec, appears to be more user-friendly during the registration process than the previous ActiveNet system, but report extracting is a little

more challenging with having to sometimes run two reports instead of one to retrieve information.



Community Education is required to submit an annual report to the Minnesota Department of Education (MDE) from school districts having a community education levy. The 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 were renumbered or demolished, a new school was built, and outdoor fields and parking lots, all these changes are updated in rSchool Today, setting up the layout in location and availability for each room in each building. This type of maintenance in the online system, rSchool Today, is necessary to ensure the system is working efficiently and locations are current. Another type of maintenance in



rSchool Today is setting up notable days from the school-approved academic calendar, first/last day of school, non-school days, workshop days, conference days, holidays, scheduled late start/early out days, and which days are reservable and which ones are non-reservable holidays. Noting these days helps staff and customers to easily identify what may be happening within the school buildings as they are creating their reservations from July 1 to June 30 and 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.

The chart below shows the number of rooms within each building:

	BUILDING/LOCATION	# ROOM WITHIN
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
	TOTAL	310

Facility Use by Building

Building	Groups	Permits	Est. # of Participants
High School	34	392	95,864
Middle School	35	207	537,899
Park Elementary	9	34	7,110
West Elementary	8	44	19,844
Tiger Elementary	12	69	11,852
Fields-Outdoor Campus	9	124	12,741
Parking Lot	2	3	1,100
TOTALS	65	873	686,410

Breakdown of reservation permits: ISD 423 staff (35) submitted 613 permits, Community Education submitted 71 permits, Rental Customers (25) submitted 161 permits, and Personnel Charges Only customers (2) submitted 24 permits. In summary, Hutchinson Public Schools' primary use is for school-related items.

Upcoming Facility Happenings

Submitted by Justin TenYeck

ISD 423 is seeking bids for TAP and District Office relocation to be completed on August 23, 2024. Work includes remodeling the existing district office building to be the new TAP location and at the existing Middle School, remodeling the auditorium and admin/office space to be the new District Office location. The district is seeking estimates for an outdoor sprinkler system concentrating on soccer fields this year. District and PRCE are working on three-year maintenance plans for district fields, including costs, budget, and maintenance on a rotation schedule.



Middle School Activities (CE Fund Since 2003)

Submitted by William Tschida

Middle School Activities opportunities are offered to students in grades 6, 7, and 8. They are under the Community Education funding umbrella and managed by the Activities Director at Hutchinson High School.

Middle School Participation Numbers:

- Fall 2022 season: Eight activities were offered with 180 participants.
- Winter 2023: Four activities were offered with 108 participants.
- Spring 2023: Five activities offered with 207 participants.
- All Season Activities: Four activities with 60 participants
- Three fall activities ran as a 9-12 program.

6th Grade Participation Numbers:

- Fall 2022 season: Four activities were offered with 25 participants.

Hutchinson Adult Basic Education

Submitted by Shari Brunes

Hutchinson Adult Education is located at Ridgewater College in room 145. Our mission is to provide adults aged 17+ with educational opportunities to acquire and improve literacy skills. Licensed 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 25 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 readiness 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 of 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 2022-2023

For the 2022-2023 state academic year (May 1, 2022, to April 30, 2023), 201 students attended for a total of 5,569 contact hours. These numbers are exciting and show a strong increase of 14% over last year. This is significant as attendance numbers across the state were down. Students who attend 12 or more hours are considered participants. Hutchinson Adult Education had 101 participants for the year. The average student attended for 27.75 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 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. 30 Hutchinson Adult Education students earned a GED Diploma. The state of Minnesota has a legislative appropriation this year that provides one free test in each subject area. Our local Free GED Testing Fund, in partnership with the Ridgewater College Foundation, is being used to provide free GED Ready practice tests and additional financial support to students who study in our program for 12+ hours.

One GED student, 80+-year-old Sam Flom, gained statewide attention last spring and was interviewed on WCCO and Fox 9. Sam's message of persistence and determination is inspirational to many. Sam continues to work with us on his educational goals.

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, Mary Horrocks, Alicia Boncquet, Barb Haugen, Jean Abrahamson, Laura Cullip, and Lee Nelson.



While most professional development opportunities for staff continue to be offered remotely, our annual conference was held in person in August. Staff attended Summer Institute, Spring and Fall Regional trainings, the Language & Literacy Conference, and many webinars. Shari and Joyce have presented numerous times to other adult educators across this state in the past year. Shari is currently serving as a mentor in the Statewide Mentorship Program. Participation and involvement in these and other opportunities make Hutchinson Adult Basic Education a leader among small rural programs.

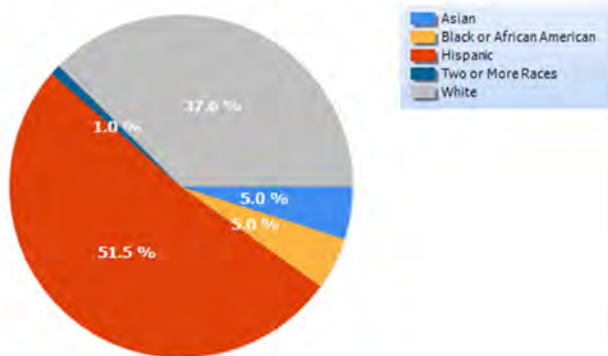
ABE Data Summary Information

Hutchinson Adult Basic Education 2022-23 Information		Notes
Total Enrollees	201	233 in 2021-2022
Total Hours	5,569	This is a 14% increase from the previous year

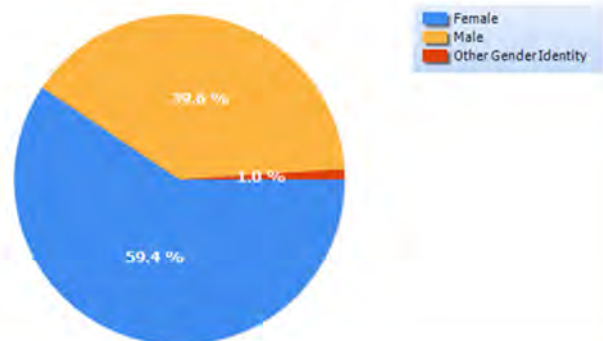
Total Participants	101	<i>Students who attend 12+ hours are considered participants</i>
Total GED Earners	30	<i>18 GED earners in 2021-2022</i>

Hutchinson Adult Education Program Summary 5/1/2022-4/30/2023

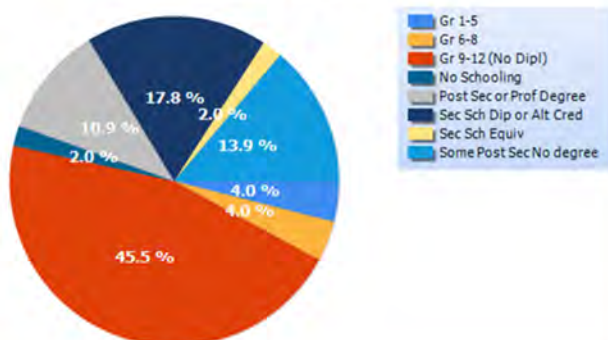
Race/Ethnicity



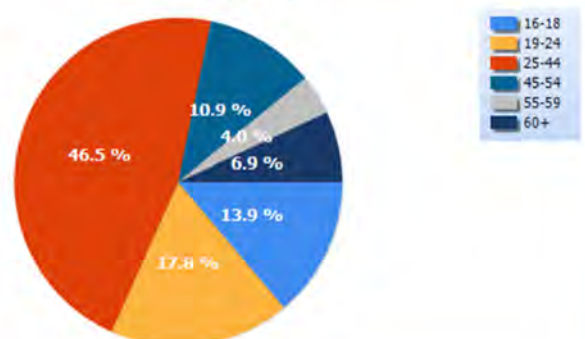
Gender



Education Level



Age Group



Early Childhood Family Education

Submitted by Mary Myers-Reinarts

Data for January-December 2023

Early Childhood Family Education (ECFE) offers a variety of class options for families with young children. We run during the Hutchinson Public School District's school year, with a summer session added for the first time in Summer 2023. 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 included sessions of parent-child classes that ran for 6 to 16 weeks per session, special one-time events, and an ongoing open playtime class. We were unable to garner enough participants to hold any parent-only classes. Summer classes were offered for summer 2023, and all classes were filled.



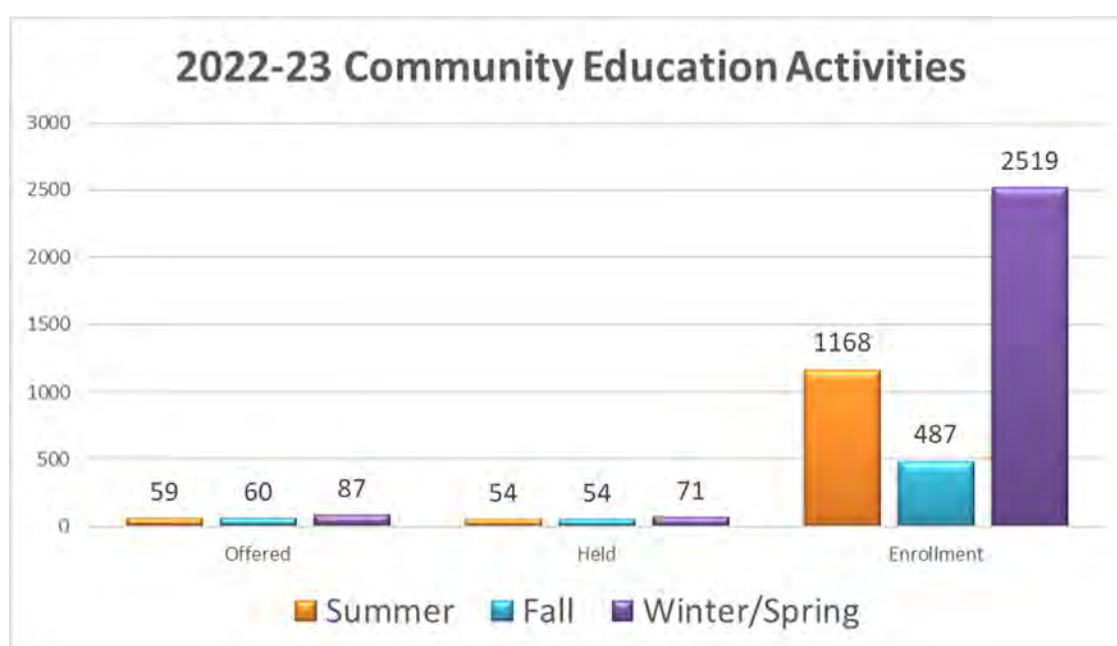
ECFE recognizes and supports parents/guardians as a child's first and most significant teacher. Our mission is to strengthen each family unit through education and support while providing the best possible environment for the healthy growth and development of their child. Our 2023 offerings included classes for specific age levels such as Busy Babies, Wonderful Ones, Terrific Twos, and Playful Preschoolers, as well as classes for mixed age groups such as Ones & Twos, Family Times, Toddler Time, and Open Play. Baby classes all year continued to be slow to fill. We have learned that parents with new babies are most likely to register a week or two before the class start date. We adopted the practice of leaving registration open throughout the session to accommodate families as babies are born. All baby classes are offered at no cost.

As an outreach to families with new babies, we restructured our Baby Bucket program. We created a baby bag that includes a "Future Tiger" t-shirt, a hardcover children's board book, and assorted pamphlets/gifts from community agencies. Our Welcome Baby postcard was also redesigned. Parents are invited to attend a free class with their new baby and to pick up a free baby bag from the Early Learning office.

We adjusted our ECFE sliding fee scale in winter/spring 2023 to reduce the overall cost for families. Our goal was to keep all classes under \$100 for the full cost of the class. Families responded favorably to this change. In fall 2023, we again adjusted the sliding fee scale to just three tiers: full, half, and free. We also adjusted the registration process to allow all families to choose their rate at the time of registration, even if they were choosing the \$0 rate. Families have been very responsive and respectful of this process.

In April of 2023, we held a successful Week of the Young Child celebration. Work Together Wednesday was a big hit as families built structures using large boxes navigated obstacle courses in the gym, and then created art projects and shared a snack in the cafeteria. This was a free event, with an option for families to make a free-will donation. Parent feedback indicated that they would like more of these events in the future. We also held two specialty classes in September and December of 2023, Apple Time and Mitten Mix Up. Registration was slow, and none of the classes were filled.

2023 was a very successful year for Hutchinson ECCE. Along with classes, we have a robust Parent Advisory Committee that meets on the first Tuesday evening of each month. Input from the members has been very helpful in enhancing programming and the members are committed volunteers at our special events.



2023-24 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
- Attend Minnesota Community Education Association (MCEA) Conferences, Leadership Days, training, and classes correlating to Community Education operations
- Continue to participate in networking platforms with MCEA groups, sharing programming ideas, information, tips, and facility-use information
- Continue ongoing communication with instructors from the idea stage to the actual date of their activity and final payout
- Organize and maintain rSchool Today, Hutchinson Public Schools online reservation system

- Offer Free Open Swim – applied and received a grant from Hutchinson Health to offer Open Swim free Winter 2024. Grant received for all dates.

Adult Basic Education Goals

Submitted by Shari Brunes

- Reach out to learners in the community in need of Adult Education services; ongoing
- Pretest and posttest to successfully meet national targets of 28% of students achieving a measurable skill gain
- Collaborate with Southwest Minnesota programs to develop an online GED Bootcamp course
- Develop grants with partners to assist students as they explore career pathways; ongoing
- Provide distance learning (online) opportunities using state-approved platforms; ongoing
- Maintain our Google site at www.hutchadulthood.com
- 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

Early Childhood Family Education Goals

Submitted by Mary Myers-Reinarts

- 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
- 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
- Recruit new staff for teaching vacancies

National Community Education Day
Second Thursday of November Each Year



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

2023 Accomplishments

- Permitted over \$20,000,000 worth of construction projects
- Completed work on Growth Area Planning Study
- Continue to support Hutchinson Area Joint Planning Board
- Started Downtown Planning Update

2023 Planning/Zoning/Building Department Overview

- Local construction activity lagged due to larger national economic issues such as interest rates and labor and material costs.
- Hopeful that interest rates, inflation, and worker shortages will not impact growth of Hutchinson long term.
- Expected Projects
 - Michael Court NW Apartment Project
 - Northwoods Park Area Residential Development
 - Dollar General/Dollar Tree Hwy 7 W
 - 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

2023 Accomplishments:

Reviewed and Processed:

- 20 Applications for Planning Commission
- 150 City Land Use Applications
- 55 zoning reviews of building permits.
- 37 sign permits reviewed.
- 39 predevelopment/application meetings.

2023 Planning Commission Items

- CUP for office space in an I/C zoning district located at 756 Century Ave SW
- Site Plan and Lot Split located at 955 Hwy 7 W
- CUP for a driving range and batting cages in an R-2 zoning district located at 940 North High Dr NW
- Final Plat for Island View Heights Seventh Addition
- Preliminary and Final Plat for Forcier Addition
- Preliminary and Final Plat for Les Schwab Subdivision
- Preliminary Plat for Second Addition to the Meadows
- CUP for single-family residence in a C-3 zoning district located at 6 Franklin St NW
- CUP to move a single-family dwelling from 135 1st Ave NW to 1831 Island View Cir SW
- CUP to move a single-family dwelling to 505 California St NW
- Vacation of Easements at 125 Michigan St SE, 509 Hilltop Dr NE and 515 Hilltop Dr NE
- CUP for a used car sales lot in an I/C zoning district located at 845 Hwy 7 W
- Preliminary and Final Plat for BAR Properties located at 845 Hwy 7 W
- Site Plan Review for Les Schwab Tire Store located at 1550 Montreal St SE
- Preliminary and Final Plat for Hutchinson Downtown Redevelopment Plat No. 4
- Rezone a property from I/C zoning district to R-3 zoning district located at 845 Hwy 7 W (north half)

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.

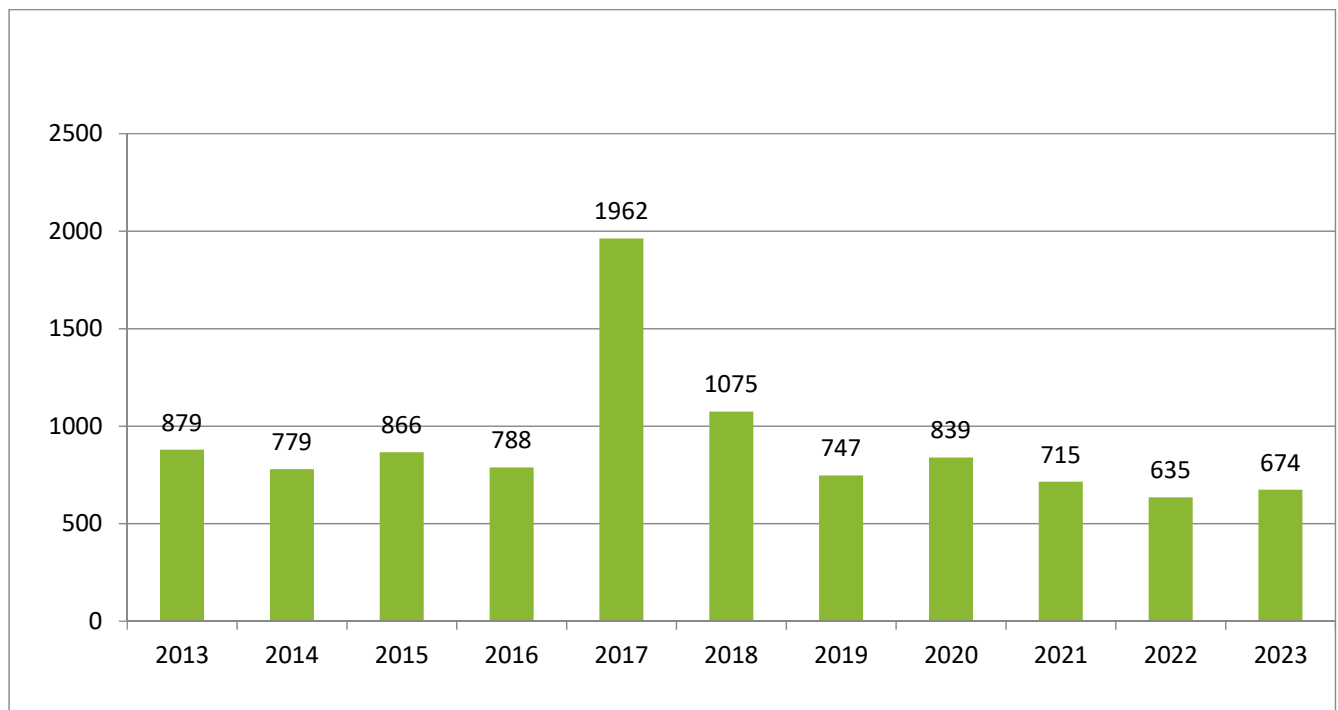
Under the direction of the Planning Director and the Building Official, protective inspections provides the following services:

- 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.

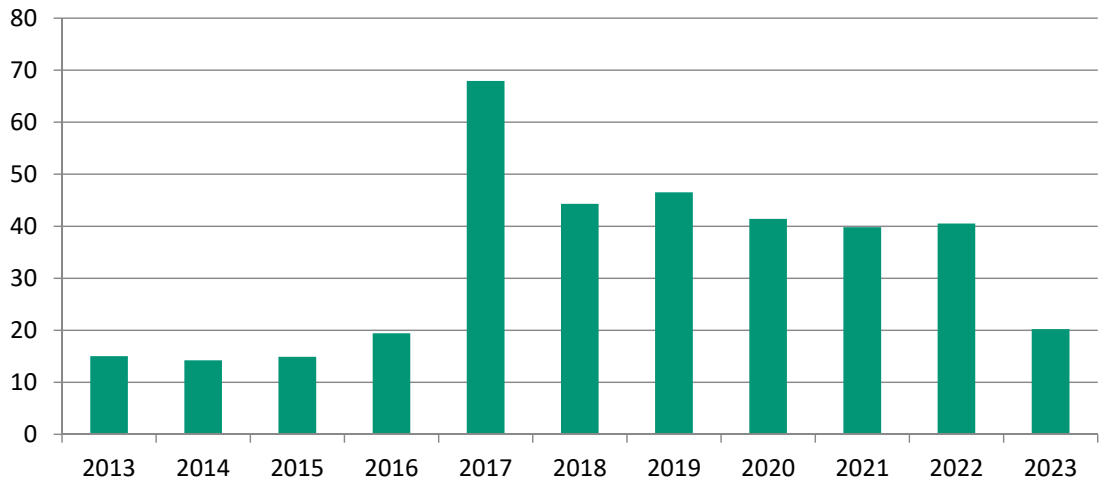
2023 Accomplishments

- 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
 - 5 Below Buildout
 - RD Machine Addition
 - New MITGI Building
 - Michael Ct Apartments
 - New Hanger at Airport
 - Citizens Bank Remodel Project
 - River House Kitchen and Drink Demo Project

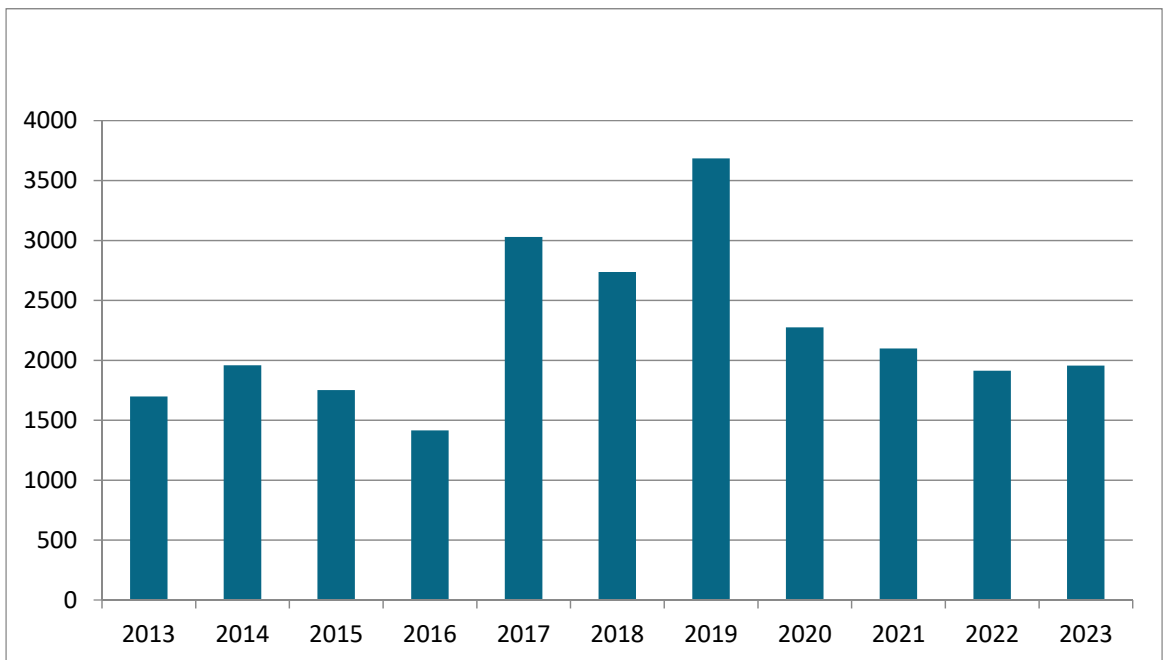
Number of Building Permits Issued 2013 Through 2023



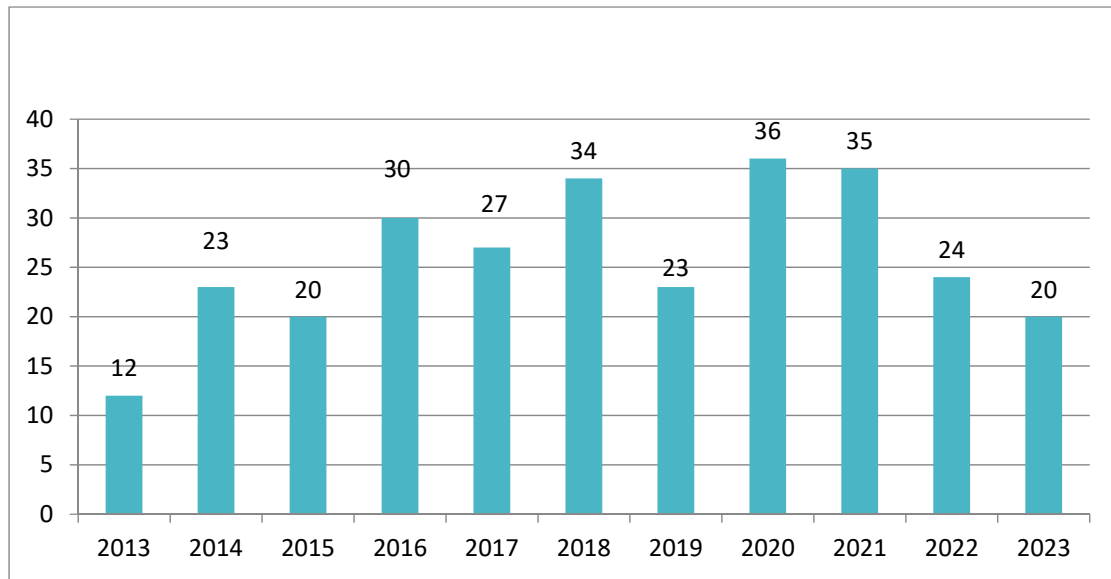
CONSTRUCTION VALUATION MILLION \$ VALUATION 2013-2023



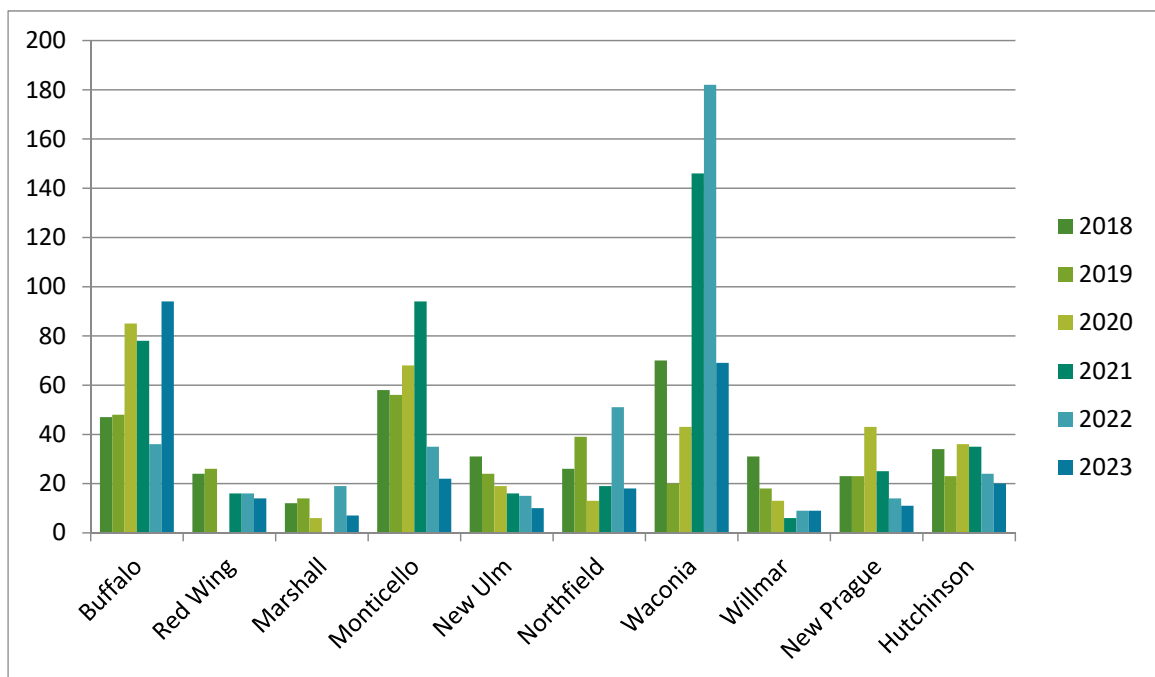
2013 – 2023 Total Building Inspections



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.

PLANNING, ZONING, BUILDING DEPARTMENT

ADDENDA

CITY OF HUTCHINSON
COUNT OF BUILDING/PLUMBING/MECHANICAL PERMITS
ISSUED AND VALUATION
2023

Total Number Inspections	1956
Building Permits Issued by Type	Year to Date Number Permits & Valuation
Commercial (new)	1 - \$637,353
Commercial Additions/ Remodels	61 - \$10,679,667
Industrial (new)	0 - \$0
Industrial Additions/Remodels	2 - \$433,200
Fire Sprinkling	14 - \$239,990
Total New Residential Units (Single Family, twins, townhomes)	20 - \$5,441,758
Residential misc. (additions, repairs, remodels, etc.)	118- \$1,252,457
Set fee permits (reside, reroof, window replacement, misc.)*	458
Subtotal Building Permits:	674 - \$18,684,425
Mechanical	147 - \$1,485,320
Plumbing*	258
Total Permits issued and valuation	1079 - \$20,169,745
*Set fees not included in valuation	

Yearly Permit and Valuation Totals

YEAR	TOTAL NO. OF PERMITS		TOTAL VALUATION
2023	Building	674	\$18,684,425
	Mechanical	147	\$ 1,485,320
	Plumbing	258	\$ _____
			\$20,169,745
2022	Building	635	\$35,017,196
	Mechanical	157	\$ 5,510,224
	Plumbing	107	\$ _____
			\$40,527,420
2021	Building	715	\$34,346,923
	Mechanical	197	\$ 5,418,155
	Plumbing	148	\$ _____
			\$39,765,078
2020	Building	839	\$38,937,108
	Mechanical	178	\$ 2,495,764
	Plumbing	137	\$ _____
			\$41,432,872
2019	Building	747	\$42,560,147
	Mechanical	198	\$ 3,955,457
	Plumbing	92	\$ _____
			\$46,515,604
2018	Building	1075	\$40,161,512
	Mechanical	239	\$ 4,147,765
	Plumbing	110	\$ _____
			\$44,309,277
2017	Building	1962	\$60,949,672
	Mechanical	232	\$ 6,912,447
	Plumbing	97	\$ _____
			\$67,862,119
2016	Building	788	\$18,429,091
	Mechanical	206	\$ 1,000,062
	Plumbing	94	\$ _____
			\$19,429,153
2015	Building	865	\$13,690,216
	Mechanical	166	\$ 1,247,905
	Plumbing	78	\$ _____
			\$14,938,121
2014	Building	779	\$12,378,612
	Mechanical	219	\$ 1,821,629
	Plumbing	83	\$ _____
			\$14,200,241
2013	Building	879	\$14,099,677
	Mechanical	190	\$ 898,781
	Plumbing	70	\$ _____
			\$14,998,458

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

New Residential Construction

YEAR	HOUSING TYPE	BUILDINGS	UNITS	CONSTRUCTION COST
2023	Single Family Dwelling	20	20	\$ 5,441,758
2022	Single Family Dwelling	24	24	\$ 5,393,727
2021	Single Family Dwelling	35	35	\$ 7,397,267
2020	Single Family Dwelling	36	36	\$ 7,582,886
2019	Single Family Dwelling	23	23	\$ 5,027,559
2018	Single family Dwelling	34	34	\$ 6,486,684
2017	Single Family Dwelling	25	25	\$ 4,972,795
	Twin homes	1	2	<u>373,104</u>
				\$ 5,234,899
2016	Single Family Dwelling	24	24	\$ 4,722,278
	Twin homes	3	6	<u>895,100</u>
				\$ 5,617,378
2015	Single Family Dwellings	20	20	\$ 3,623,304
2014	Single Family Dwellings	23	23	\$ 4,770,652
2013	Single Family Dwellings	12	12	\$ 2,378,254

2023 Construction Activity

NEW CONSTRUCTION STARTS

New Homes
105 Michael Ct NW

Valuation

\$ 5,441,758
1,977,932
7,419,690

Detached Garages

469 Prospect St NE	35,496
510 School Rd NW	16,565
113 Spruce Ct NW	42,497
700 2 nd Ave SW	14,198
725 Franklin St SW	15,618
105 Mark Dr NE	21,298
1831 Island View Cir SW	<u>34,751</u>
	180,423

Total New Construction

\$ 7,600,113

COMMERCIAL AND INDUSTRIAL ADDITION AND REMODELS

102 Main St remodel	2,500,000
RD Machine Addition	2,030,431
5 Below Buildout	798,703
MITGI roof	713,840
Green Castle roof	581,920
TDK roof	429,200
1115 Hwy 7 E solar panels	343,200
1065 5 th Ave SE reroof	276,567
945 5 th Ave fire damage	249,151
Sears Building remodel	200,000
Crosspoint Church window project	153,400

Total Addition and Remodel Work

\$ 8,276,412

All Other Commercial/Industrial Work
All Other Residential Work

1,495,876
1,072,034

Mechanical
Plumbing
Fire Sprinkler

1,485,320
0
239,990

Total Construction Valuation

\$ 20,169,745

New Housing Starts **2023**

<i>Site Address</i>	<i>Sub Type</i>	<i>Owner Name</i>	<i>Valuation</i>	<i>Contractor</i>	<i>Issued Date</i>
1377 Southfork Dr SE	Single Family	Castle Gate Construction Inc	\$316,273	Castle Gate Construction	03/02/2023
445 Grant Ave SE	Single Family	Castle Gate Construction Inc	\$261,160	Castel Gate Construction	03/14/2023
1186 Bluejay Dr SW	Single Family	Bonneville Land & Cattle	\$245,964	Utecht Construction	03/27/2023
1188 Bluejay Dr SW	Single Family	Bonneville Land & Cattle	\$245,964	Utecht Construction	03/27/2023
1192 Bluejay Dr SW	Single Family	Bonneville Land & Cattle	\$233,695	Utecht Construction	03/27/2023
1194 Bluejay Dr SW	Single Family	Bonneville Land & Cattle	\$233,695	Utecht Construction	03/27/2023
1550 9 th Ave SW	Single Family	Betker Homes Construction	\$300,453	Betker Homes Construction	05/23/2023
166 Detroit Ave SE	Single Family	First Class Builders LLC	\$297,929	First Class Builders LLC	06/28/2023
1363 Sherwood St SE	Single Family	First Class Builders LLC	\$285,979	First Class Builders LLC	07/10/2023
117 Denver Ave SE	Single Family	First Class Builders LLC	\$306,388	First Class Builders LLC	07/13/2023
855 Willow Dr SW	Single Family	Betker Builders LLC	\$313,545	Betker Builders LLC	07/31/2023
140 Denver Ave SE	Single Family	Betker Builders LLC	\$286,913	Betker Builders LLC	08/24/2023
1175 West Shore Dr SW	Single Family	Myron Schuette Construction	\$382,193	Myron Schuette Construction	08/31/2023
1831 Island View Cir SW	Single Family	HRA	\$70,591	Bludorn Builders	09/27/2023
141 Denver Ave SE	Single Family	Betker Builders LLC	\$306,159	Betker Builders LLC	10/16/2023
174 Detroit Ave SE	Single Family	First Class Builders LLC	\$293,364	First Class Builders LLC	10/16/2023
149 Denver Ave SE	Single Family	Betker Builders	\$293,461	Betker Builders	10/27/2023
437 Grant Ave SE	Single Family	Castle Gate Construction Inc	\$262,290	Castle Gate Construction Inc	11/02/2023
441 Grant Ave SE	Single Family	Castle Gate Construction Inc	\$262,290	Castle Gate Construction Inc	11/02/2023
148 Denver Ave SE	Single Family	Betker Builders LLC	\$278,203	Betker Builders LLC	12/07/2023

New Construction Count 20

Total Valuation

\$5,441,758

Police Department

About the Department

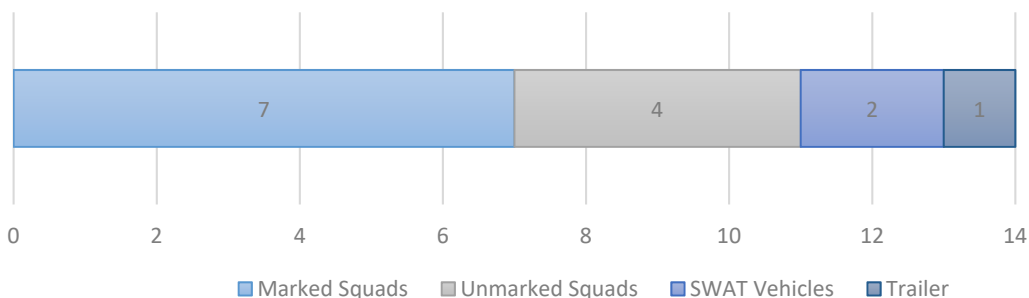
Department Staff – As of December 31, 2023

25 Sworn Officers

17 Civilian Staff

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

Fleet – As of December 31, 2023



2023 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.

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

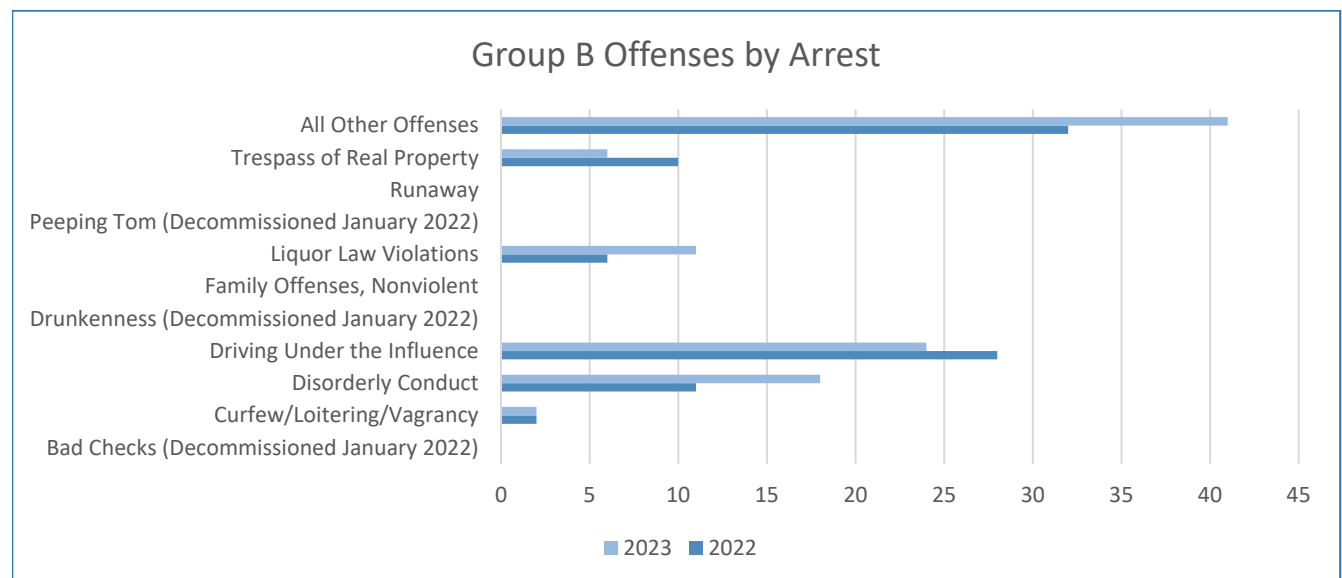
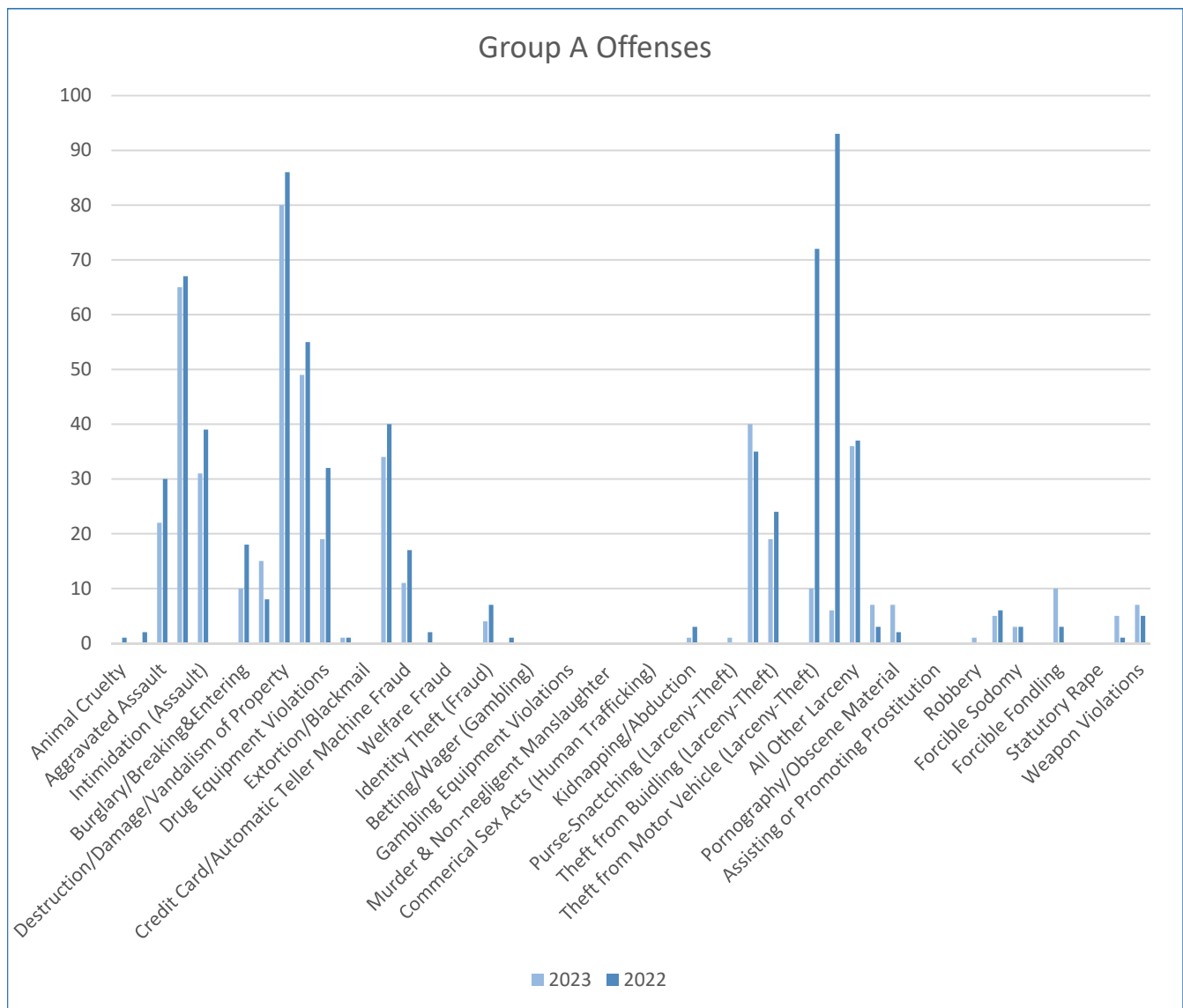
Group A Offenses

- 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

- 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

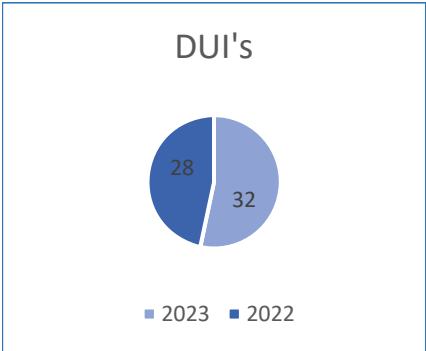
The patrol division of the Hutchinson Police Department is the face of the department. Many community members only ever have contact with a patrol officer, making their impact crucial to the integrity of the department.

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.

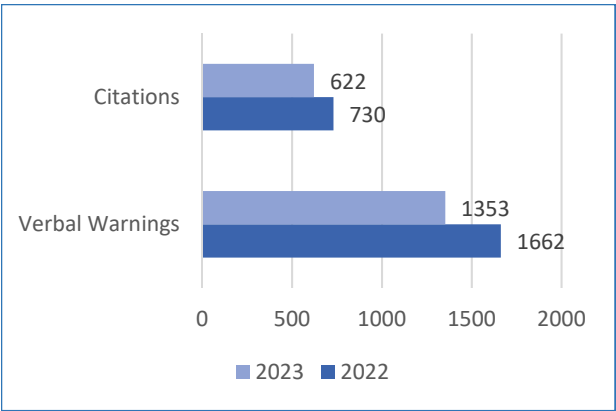
The department has twelve full-time officers and two part-time officers assigned to the patrol division. This area is led by four patrol sergeants.

During the 2023 year, officers arrested 32 people for DUI's. This was 4 more than the previous year. These DUI's are not all alcohol related, some are the result of drugs. The Hutchinson Police Department forfeited 5 motor vehicles. The 5 vehicles forfeited were from DWI/controlled substances related crimes and fleeing offenses.



In 2023, officers initiated 1863 traffic stops.

There were about 417 less citations and verbal warnings issued in 2023 than 2022. It is important to note that not all citations and verbal warnings issued are from traffic stops.

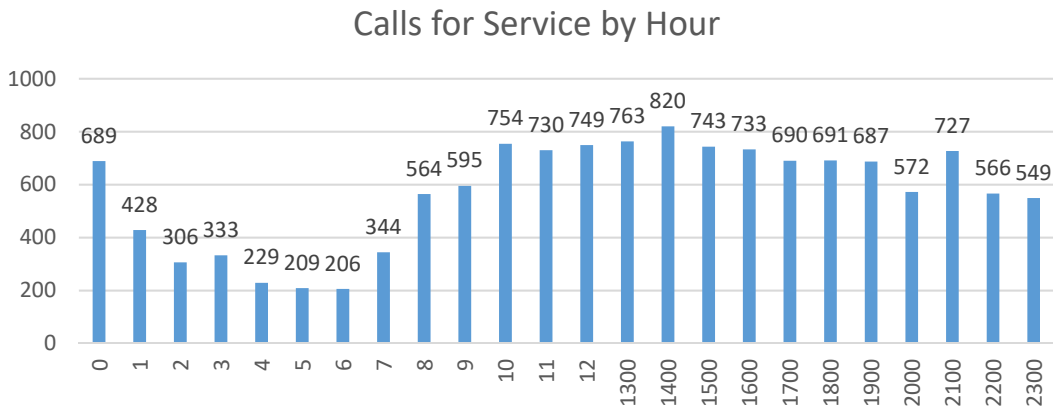


In 2023, officers responded to 364 crashes. 109 of those crashes were minor and didn't require officers to write a state crash report. There were 181 property damage crashes and 9 personal injury crashes. Of the 364 crashes, 65 of them were hit and runs.

2023 CRASHES	
Property Damage Crashes	181
Personal Injury Crashes	9
Hit and Run Crashes	42

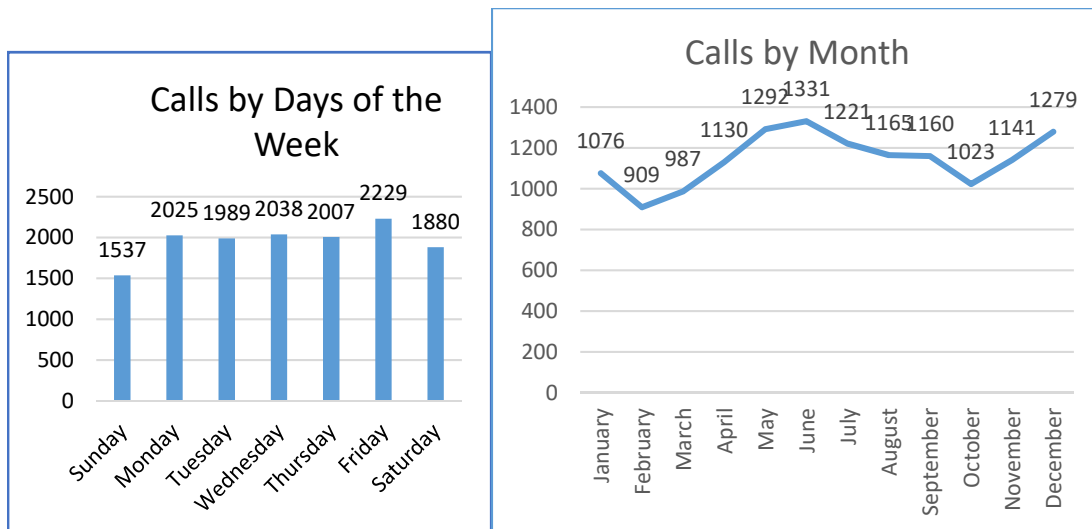
Statistical Information

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 2023 were 10am and 4pm.



January started out average compared to all off 2023. February was the lowest month for calls-for-service. Calls-for-service started to trend up after February, reaching the highest in June. Then there was a gradual decrease from August through October. In November and December calls increased upwards again.

Friday was the busiest day of the week for calls for service for the Hutchinson Police Department in 2023. Monday, Tuesday, Wednesday and Thursday were all very similar in calls for service. Sunday was slowest day of the week by 692 calls for service.



Training

Each year the staff of the Hutchinson Police Department participate in various trainings. These trainings allow for staff to stay updated on all current policies, information, and technology within law enforcement. The Minnesota Board of Peace Officers Standards and Training (POST) requires officers to complete 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 2023:

- First Responder Certification
- Firearms
 - Qualification (x2)
 - Low-light
 - Inclement Weather
 - Plain Clothes / Off Duty
- Executive Training Institute Conference
- ARMER End User Radio
- 2023 LMC Workshop Police
- Internal Affairs Investigations
- Taser 7 User Certification
- LE Role at Fire Scenes, Fire Investigations & Fire Death Investigations
- AXON Academy
- Evidence-Proven Strategies to Outsmart
 - Cellebrite Certified Operator/Physical Analyst
 - DMT – Certification/Recertification
 - Bouncing Back: Methods to Target Profite Burnout
 - Emergency Vehicle Operations Refreshes
 - Critical Issues: Duty to Intervene & Rend Marijuana and Policing
 - Occupant Protection Usage & Enforcem
 - Standard Field Sobriety Testing (SFST) Certification/Recertification
 - Special Operations and Tactics Associati
 - High Threat CQC Instructor
 - Interviewing Drug Endangered Children
 - The Medical Evaluation of Burns in Child
 - The Medical Evaluation of Bruises in Chi
 - Advanced Training on Financial Exploitat Adults
 - DARE Officer Training
 - Advanced Roadside Impaired Driving Enforcement
 - Law Enforcement Pistol Mounted Optics Instructor
 - Background Investigations
 - Initial Response to Child Deaths
 - Internet Crimes Against Children (ICAC)
 - Mentoring and Coaching in Supervision
 - Narcan Carry and Use
 - New Firearms Laws & Universal Background Checks
 - Peer Support Team Training
 - Minnesota Association of Property & Evidence Technicians Conference

Investigations

The Hutchinson Police Department Investigations units 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.

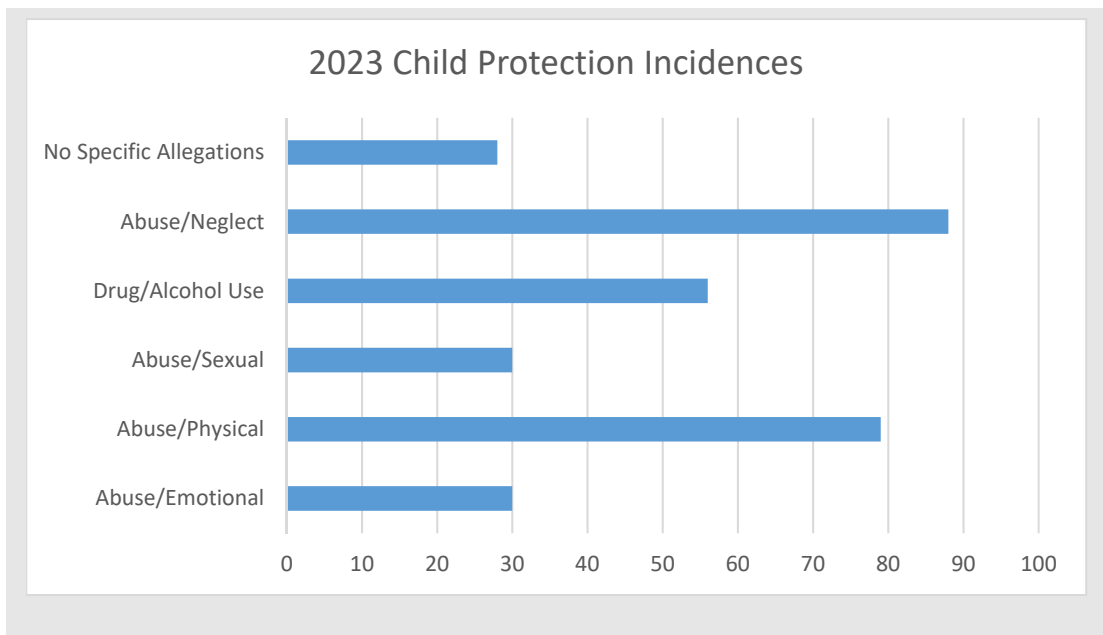
There was a total of 258 calls for service at all the schools in the district in 2023.

There were 119 incidents at the High School, 58 at the Middle School, 47 at Park Elementary, 29 at Tiger Elementary and 5 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

January 23, 2023

600 block Pheasant Run (Winsted)

Deputies went to a residence in an attempt to serve an arrest warrant on a suspect for child pornography. The suspect resisted arrest and fired shots at the deputies and barricaded himself in a bedroom. The deputies were struck, but were able to evacuate the home. Crow River SWAT was called and responded. A secure perimeter was established and negotiations were attempted for several hours. Crow River SWAT assisted with evacuating a nearby daycare utilizing the armored rescue vehicle. Wright County SWAT and MN State Patrol ERU were also called to assist with their SWAT teams and armored vehicles. After several hours, Wright County SWAT utilized drones/robots to make entry into the home. The suspect was found deceased in the bedroom from a self-inflicted gunshot wound. The suspect also had an assault rifle with him in the bedroom. The deputies were treated and released from the hospital. Several agencies assisted with this incident. (FBI, ATF, Carver County, Howard Lake PD, Winsted FD among others)

January 26, 2023

500 block School Rd NW (Hutchinson)

Officers responded to a driving complaint. Upon locating the suspect vehicle, the driver fled. The suspect ultimately struck a parked vehicle and became stuck in a snow bank. The driver refused commands to exit the vehicle and instead kept trying to get the truck moving again. He was able to free the vehicle from the snowbank and rammed a squad car. He became stuck again. The sergeant on duty (who is also a Team Leader on the SWAT team) organized the officers/deputies into an arrest team. They made a tactical approach utilizing emergency equipment and less lethal weapons once the suspect vehicle started on fire. The suspect had to be extricated from the burning vehicle and was placed under arrest. He was found to be under the influence of meth.

March 1, 2023

900 block Echo Dr (Hutchinson)

Officers and the Hutchinson fire department responded to an apartment for a possible fire. Upon arrival, they located the apartment with smoke emitting. There was no response from the tenant, so the decision was made to breach the door to attempt a possible rescue. Upon opening the door, they were met by the tenant whom was having a mental health crisis and refused to exit. The tenant was a veteran and suffering from PTSD. One of the responding officers was able to deescalate the situation and calm the male. It was determined the smoke was coming from burnt food on the stove and did not present an immediate danger. The male was assisted and the apartment was ventilated.

May 7, 2023

Main St/2nd Ave N (Hutchinson)

Officers performed a traffic stop. During the stop a firearm was seen in the vehicle and the suspect fled. A pursuit ensued. The suspect eventually was stopped on a trail when he could no longer continue due to a fallen tree across the trail. The officers performed a felony stop. The suspect complied and was taken into custody. Had he not complied, the SWAT team would've responded for an armed male barricaded in a motor vehicle.

May 21, 2023

Outpost (Hutchinson)

Officers were sent to the Outpost gas station on suspicious person/driving complaint. The caller stated the driver almost struck a person in the lot and appeared to be "on something," due to their behavior at the store. Upon officer's arrival the suspect/vehicle was gone. Another officer located the vehicle on Hwy 7 east going about 90 mph in a 40-mph zone. The suspect initially pulled over for the officer, but once a second squad showed up at the stop, the suspect fled. A pursuit ensued. The suspect eventually got stuck when she tried turning around on the highway just north of Glencoe. Officers performed a felony stop and started giving commands. The suspect then took out a handgun and pointed it towards officers. The officers took cover behind their squads and tried to negotiate, but the suspect refused to drop the weapon or exit the van. Crow River SWAT was called out for a barricaded suspect in a motor vehicle. The armored rescue vehicle was also requested. After a few minutes the female suspect exited the vehicle with the handgun and took a defensive position behind the van. A deputy fired a less lethal round with a shotgun. This momentarily caused the suspect to drop the handgun. She immediately tried to pick the handgun back up. A Hutchinson officer fired a 40mm less lethal round at her. This caused her to fall back and roll into the ditch without the handgun. She was then taken into custody by officers. The vehicle was later discovered to be stolen and the handgun was inside the van. The suspect was treated for minor injuries and charged with several crimes. (MN State Patrol, Glencoe PD, and Lester Prairie PD assisted)

October 17, 2023

18000 block CoRd 9 (Lester Prairie)

Crow River SWAT was called to assist with a suicidal male that was armed with a handgun at a residence. The male also had his 6-year-old daughter with him. The crisis negotiations team also responded and began negotiations. The Crow River SWAT team staged near the residence with the armored rescue vehicle in case they needed to respond. The suspect eventually left the residence with the daughter and fled in a motor vehicle. After a short pursuit, the officers and SWAT team were able to box the vehicle in and the suspect was taken into custody safely. The daughter was unharmed. The suspect was a veteran and was having a mental health crisis.

Records Units

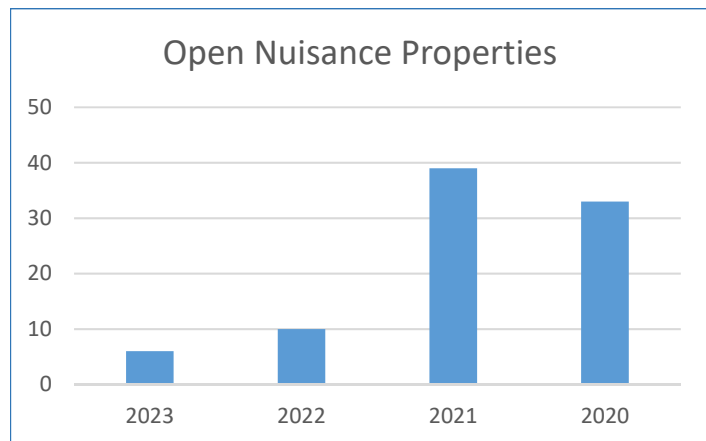
The records units for the Hutchinson Police Department consists of four full-time employees. The records unit has a variety of tasks and assists the Chief, Lieutenant, Investigations, and patrol officers with daily duties. The records unit answers phone calls from the public and assists the citizens 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	716
Permit to Purchase/Conceal Carry Background Requests from Other Agencies	385
Other Agency Background Requests (Social Services, Probation, Housing and Redevelopment Authority)	169

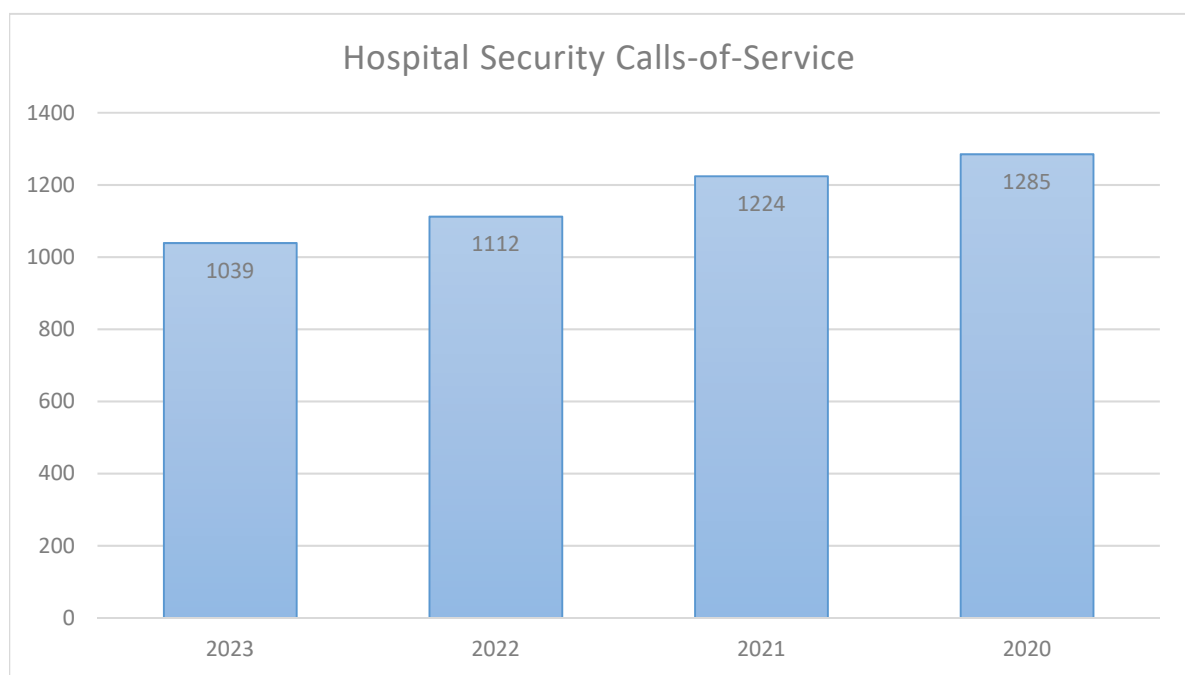
Code Enforcement – Nuisance Property

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



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 ran from November 2023 to January 2024. 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.



CITIZENS POLICE ACADEMY
LEARNING ABOUT WHAT WE DO TO PROTECT YOU



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

Core Services

Essential Services

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

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

Critical Services

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

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

The majority of Public Works services are classified as Essential or Critical services. Many of the services classified as Basic services and Targeted services either support higher-level services or improve the quality of life within the City.

Basic Services

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

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

Targeted Services

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

- Airport
- Alleys
- Parking Lots
- Public Event support
- General customer service

Special Services

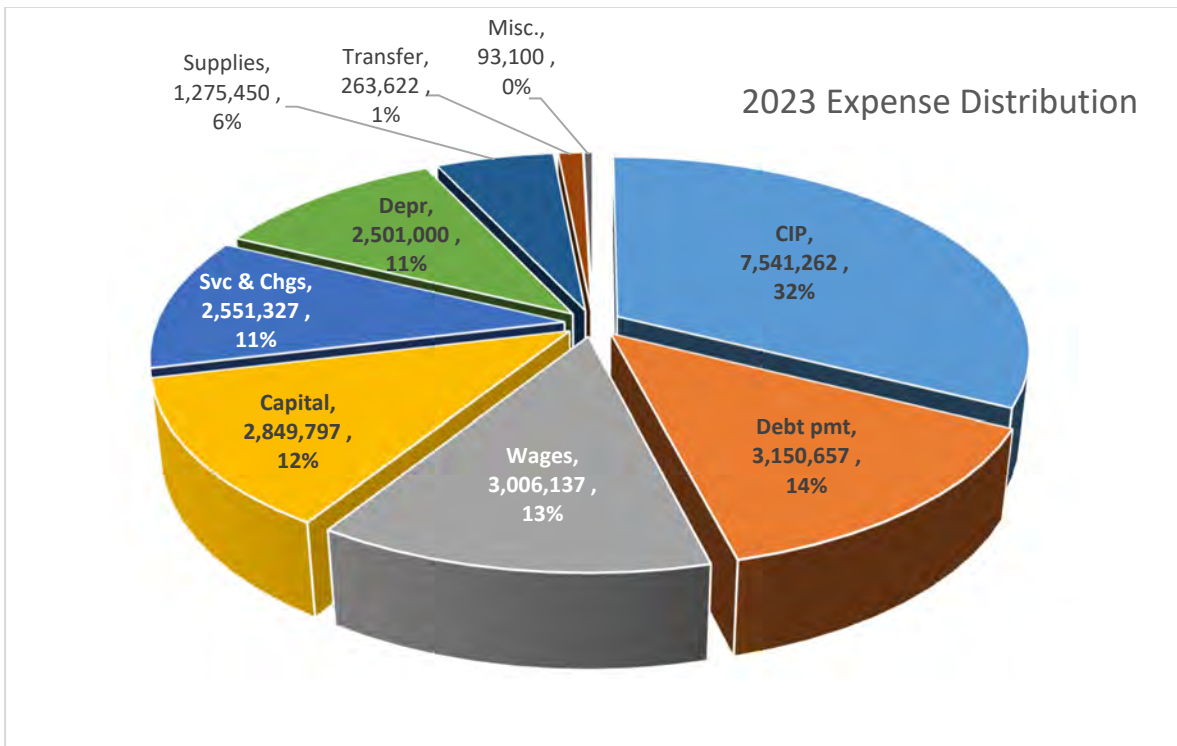
(Programs, services and infrastructure that, if removed, would not significantly reduce the quality of life of citizens)

- Crow River fountain

2023 Public Works
Budgeted Expenditures
(all departments, CIP)

31.15 FTE

\$23,232,352



Capital Improvement Plan	\$7,541,262	32%
Debt service payments	3,150,657	14%
Wages & benefits	3,006,137	13%
Capital Projects	2,849,797	12%
Services & Charges	2,551,327	11%
Depreciation	2,501,000	11%
Supplies	1,275,450	5%
Transfers	263,622	1%
Miscellaneous	93,100	0%

\$23,232,352

Engineering

Primary services

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

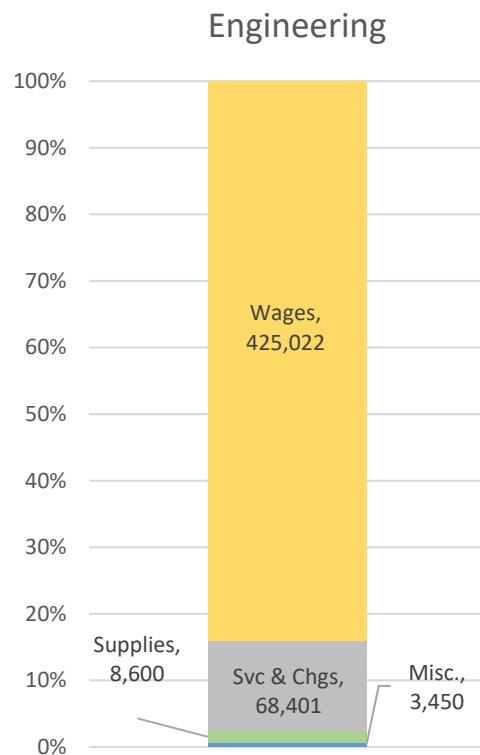
- Work with City departments to develop, design and deliver public infrastructure projects.
- Prepare and administer Capital Improvement Plan (CIP), associated financing.
- Oversee public improvement construction contracts and funding from outside sources.
- Calculate special assessments associated with 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.

Workforce (3.40 FTE):

- Mike Stifter Public Works Director
- Justin Black (S.E.H) City Engineer
- 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

2023 Engineering budgets

Engineering:	\$ 505,473
CIP-Infrastructure	\$ 4,432,522
CIP-Wastewater	\$ 1,339,640
CIP-Water	\$ 563,600
CIP-Storm Water	\$ 125,000
CIP-Engineering	\$ 0
All Funds:	\$ 6,966,235



01/01 Justin Black, S.E.H., appointed as City Engineer
 01/17 Mike Stifter hired as Public Works Director

Under the guidance of the Public Works Director and City Engineer. Working with other agencies and departments, Engineering facilitates cost-effective management of the City's physical infrastructure. To meet the City's vision, goals, policies, ordinances and standards, Engineering works to plan, administer and deliver a variety of improvements that provide for a multi-use transportation system, quality public facilities and quality utility services (water, sanitary sewer, storm water), all 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:

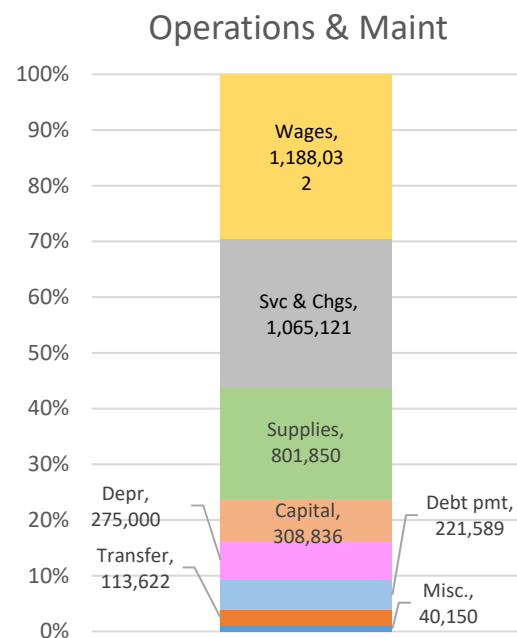
- Roadway maintenance
- Snow removal & ice control
- Distribution system maintenance
- Collection system maintenance
- Vehicle & equipment maintenance
- Forestry operations
- Facility maintenance
- Cemetery operations
- Traffic operations
- Street sweeping & cleaning
- General services
- Administration & 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
- Goeffrey 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
- Sonja Muellerleile PW Secretary
- Seasonal labor 1.75 FTE

2023 Operations & Maintenance budgets

Streets & Roadways:	\$1,677,692
Storm Water:	\$1,324,948
HATS Facility:	\$ 716,570
Cemetery:	\$ 151,085
Airport:	\$ 143,905
CIP-Airport	\$ 20,000
CIP-HATS Facility	\$ 0
CIP-Misc. Infra	\$ 400,000
CIP-Streets	\$ 594,500
CIP-Stormwater	\$ 0
CIP-Cemetery	<u>\$ 10,000</u>
All funds:	\$4,638,700



The Public Works Manager oversees operators, mechanics and technicians involved in day-to-day service provision, and operations and maintenance of infrastructure, equipment and facilities. Public Works operations & maintenance employees are involved in providing many different services, routinely working across all divisions performing a wide variety of tasks to support departmental goals. The department's management team consists of the Public Works Director, Public Works Manager, the Water Manager, Wastewater Manager and Project/Environmental/Regulatory Manager.

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):

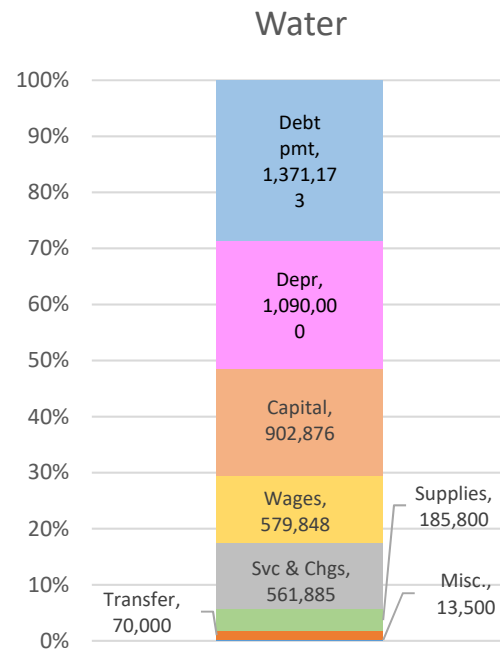
- Eric Levine Water Manager
- Jim Navratil Sr Water Plant Operator
- Randy Czech Water Maint Operator
- Finance staff 0.60 FTE
- Seasonal labor 0.25 FTE

Mike Lien resigned 07/09/23, Jim Navratil promoted to Sr Water Plant Operator 07/10/23, Randy Czech transferred to Water Maint. Operator 08/07/23

2023 Water budgets

Water: **\$4,775,082**
CIP-Water \$ 245,000
\$5,020,082

A half-cent sales tax generates revenue of over \$1 million 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 and 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 and 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
- Zac Pedersen Wastewater Operator
- Eric Moore Sr WW Maint Operator
- Deb Paulson Lab Tech/WW Operator
- John Kent WW Maint Operator
- **VACANT** Sr Wastewater Operator
- **VACANT** W/WW Relief Operator
- Finance staff 0.60 FTE
- *Seasonal labor 0.50 FTE*

Matthew Keller, W/WW Relief Operator resigned 02/17/23, Randy Czech transferred from Wastewater Operator 08/07/2023.

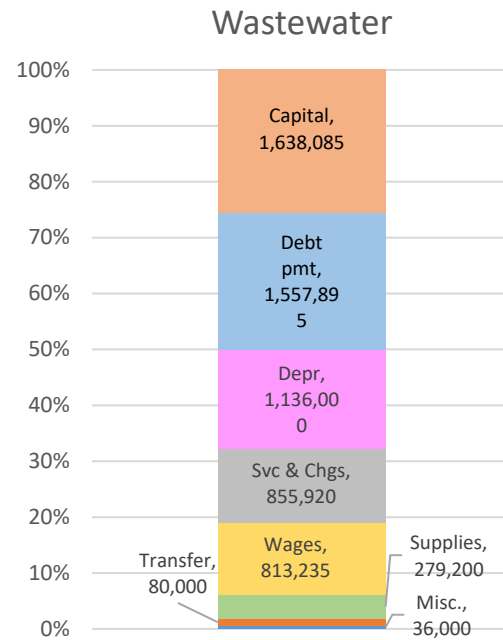
Paul Moe served as Sr Wastewater Operator 07/10-10/18/2023.

Zac Pedersen hired as Wastewater Operator 10/23/23. John Kent resigned as WW Maint Operator 10/18/23 and was rehired on 11/27/23

2023 Wastewater budgets

Wastewater: **\$6,396,335**
CIP-Wastewater \$ 211,000
\$6,607,335

A half-cent sales tax generates revenue of over \$800,000 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 and 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 and meet permit requirements.

2023 Significant Accomplishments

Major Improvements

Campbell/Otter Lakes Restoration

- Project scoping, design & engineering

Partial reconstruction

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

Mill-Overlay

- Century Ave SW (Dale St SW – Boston St SW)
- School Rd NW (Golf Course Rd NW to North High Dr NW)

Maintenance Overlay

- 2nd Ave SW (Dale St SW – Glen St SW)
- California St NW (Hwy 7 W to School Rd NW)
- Dale St SW (Century-S Grade Rd; Roberts-2nd)
- Market St SW (Denver Ave-Century Ave)

Alley Improvements

- Alley 12 (Taco Johns)
- Alley 54 (Fire Department)

Utilities Projects

Successfully implemented new utility rates
Commissioned 114 sewer deduct meters.

Water

- SCADA upgrades
- Security upgrades

Wastewater

- Lift station upgrade (Campbell Ln)
- SCADA upgrades
- Security upgrades
- PFAS sampling & source identification
- Reissue discharge permits to significant industrial users.

Stormwater

- Stormwater Resiliency Grant (N side), drainage modeling N of Crow River
- 2nd Ave SW pond improvement

Infrastructure Maintenance

- Street repairs, patching & maintenance overlays
- Trail repairs
- Alleys & parking lots
- Storm sewer repairs (various locations)
- Manhole lining – River line

Facility Projects

Airport – Lighting system upgrade
Hangar construction
Repair hangar door
Cemetery – Tree removal
HATS Facility – Fuel system repairs, upgrades

Vehicles & Equipment

Ops & Maint Single-axle snowplow truck
Brush chipper
Mower 72" front-deck
2 ea. 1-ton 4x2 flatbed dump
1-ton 4x4 dump
Utility trailer
Wastewater $\frac{3}{4}$ ton truck w/ service body
Water $\frac{1}{2}$ ton pickup
Lawn tractor

Sustainability

Maintained Green Step Cities Step 4 & 5 status
Continued development of EV Smart City actions

A significant project to improve Otter & Campbell lakes and the 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 that meet these goals. A partial reconstruction done on Roberts Rd SW and a number of overlay projects were delivered. Storm water modeling was done in the northern portion of the City, a project funded by a State of MN grant. Treatment plant projects continued with improvements to the SCADA (Supervisory Control and Data Acquisition) systems. These systems will provide greater operational control & flexibility.

2024 Major Goals & Objectives

Major Improvements

Campbell/Otter Lakes Restoration

Michael Ct NW (North High Dr NW – cul-de-sac)

- Partial reconstruction + water main

Oakland Ave SE (Echo Dr SE – Jefferson St SE)

- Partial reconstruction + sewer main

Franklin St SW (5th Ave SW-Washington Ave W)

- Full-depth reclamation

Washington Ave W (Lynn Rd SW – Franklin St)

- Mill-overlay

Fire Department parking lot

- New construction

Utilities Projects

Water

- Refine SCADA upgrades
- Permeate pump VFD installation
- Biofilter air modifications
- Meter replacement

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 Southfork pond)
- Curtain grouting – (California St, Alaska Ct)

Infrastructure Maintenance

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

Facility Projects

Airport: Tree removal & drainage ditch

Cemetery: Fencing (Southeast & Ballfield)

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

Water:

Wastewater:

Vehicles & Equipment

Ops & Maint Single-axle snowplow truck
 Sign maintenance truck
 1-ton flatbed dump
 Asphalt mill
 Anti-icing equipment
Wastewater Vactor sewer jet-vac

Sustainability

Maintain Green Step Cities Step 4 & 5 status

The Campbell/Otter Lakes Restoration project continues with design of projects to meet overall goals, along with work to secure additional funding to construct improvements. Work is being done to complement recent reconstruction of Main St through downtown, including Washington Ave W and Franklin St SW. Work on Michael Ct NW will support additional apartment housing, and the project on Oakland Ave SE addresses necessary sewer utility work. Additional parking near the Fire Station will be constructed to complement last year's alley project. Work on the treatment plants will continue, as refinements are made to recent facilities and control systems. Additional storm water modeling will be done in the southern part of the City, helping to identify and prioritize needed storm water projects.

2024 Major Goals & Objectives

Funding, Studies, Planning & Initiatives

Street Corridor Project Initiatives

- Complete intersection improvements studies, planning for recommended improvements
- Construction cost analysis
- Assessment policy review

HATS Facility

- Support McLeod County in their bid for state bonding for the addition of 18,000 SF vehicle & equipment storage, fueling site construction and mechanics' shop improvements.

Airport

- Address funding for multi-year lighting and hangar projects
- Support Mn CAP funding requests to complete their training facility.

Lakes and River Basin Improvements

- Pursue additional funding sources to support improvements.
- Identify and coordinate proposed improvements with Mn Dept. of Natural Resources, McLeod County and Renville County Soil & Water Conservation Districts.

McLeod County Public Works

- Coordinate potential improvements with McLeod County
 - Airport Rd SE
 - North High Dr (west and east of Hwy 15 N)

Water Distribution System

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

Water/Wastewater

- Optimization of biosolids management operations
- 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 MnDOT, McLeod County Public Works, 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 2023 survey, citizens identified the Economy and Safety 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 quality of transportation system	63%	Similar	
Ease of walking	84%	Higher	<i>slight decrease from 2019</i>
Travel by bicycle	78%	Higher	<i>slight increase from 2019</i>
Travel by public transportation	38%	Similar	<i>slight decrease from 2019</i>
Travel by car	80%	Similar	<i>slight increase from 2019</i>
Public parking	70%	Similar	<i>slight increase from 2019</i>
Traffic flow	53%	Similar	<i>slight increase from 2019</i>
Street repair	43%	Similar	<i>significant increase from 2019</i>
Street cleaning	68%	Similar	<i>significant increase from 2019</i>
Street lighting	74%	Similar	<i>slight decrease from 2019</i>
Snow removal	76%	Similar	<i>same as 2019</i>
Sidewalk maintenance	64%	Similar	<i>slight decrease from 2019</i>
Traffic signal timing	57%	Similar	<i>same as 2019</i>
Drinking water	84%	Similar	<i>slight increase from 2019</i>
Sewer services	88%	Similar	<i>slight decrease from 2019</i>
Storm drainage	86%	Higher	<i>slight increase from 2019</i>

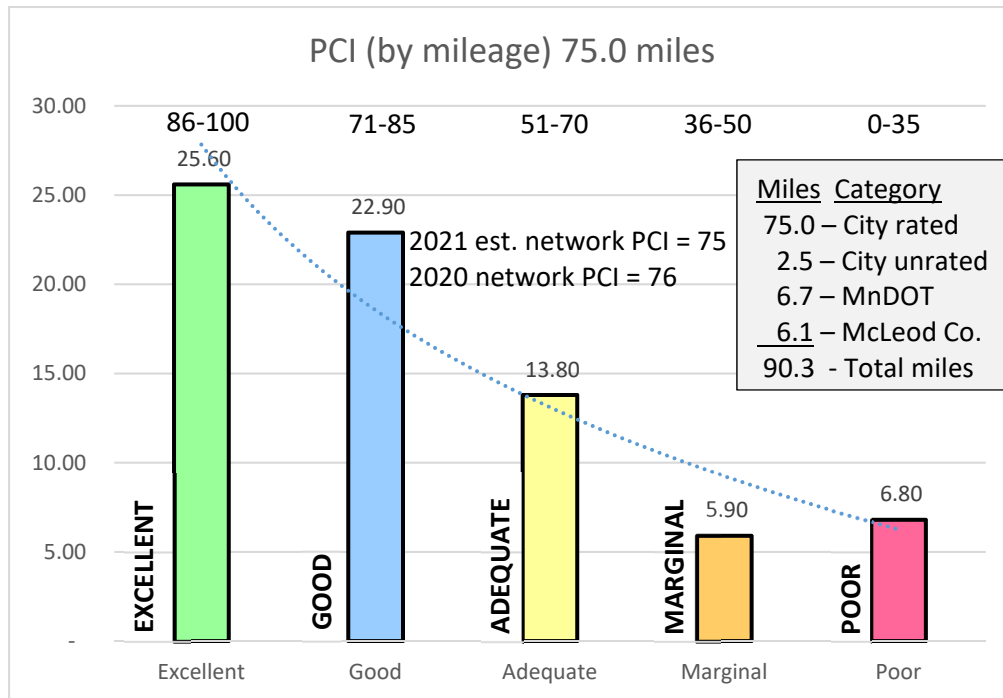
These surveys help to identify strengths and weaknesses in services provided by the department. Most residents positively assessed the overall quality of the transportation system in Hutchinson. Several categories were rated higher than national benchmarks, including ease of travel by walking, the availability of paths and walking trails and storm water drainage. In 2023, residents gave significantly higher ratings to street repair and street cleaning. There were slight increases in several categories and slight decreases in other categories, but, on the whole, 2023's survey improved when compared to 2019.

Street repair increased by 17 points, making it the most significant improvement since 2019, resulting in scores comparable to communities nationwide. Street cleaning increased by 10 points, another area of significant improvement compared to 2019.

About 65% of residents supported a \$250,000 property tax increase dedicated to fixing, repairing and upgrading city streets and related infrastructure. 59% of respondents supported a \$500,000 tax increase. About 47% of respondents supported a \$1,000,000 tax increase. As expected, considering the increase in Street repair scores, these represented a slight decrease when compared to 2019.

Public Works staff believes that positive street repair responses may have been influenced by a number of busy, private roadways and private parking lots being repaired in the survey period, following significant frost damage in 2019. The City does not maintain private roadways and parking lots. Several major public capital projects and overlays done in the survey period, which also likely affected improved street repair scores.

Pavement Management



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 2026). Surveyors catalog pavement distresses and assign corresponding deductions. 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 and 2017, the last surveys, network PCI was 76. Between physical surveys, pavement sections are assigned predetermined deterioration curves to calculate estimated PCI. Maintaining stable scores over the last 7 years shows that spending and project selection are effective and efficient.

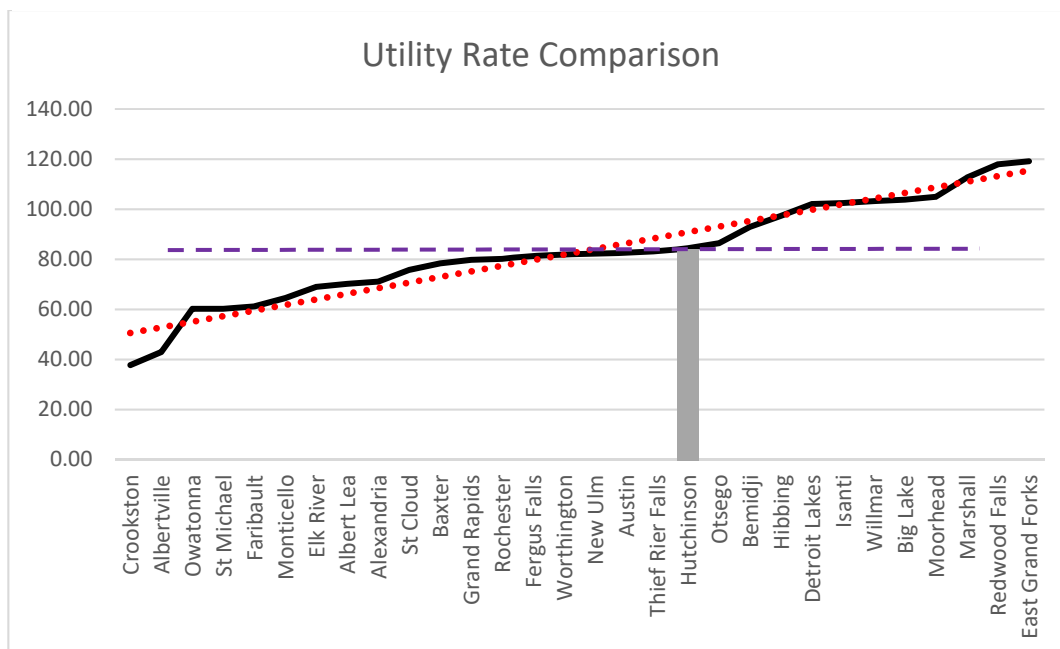
Using average costs for various maintenance options, a budget is calculated. The budget considers increasing PCI by 10%, decreasing PCI by 10% or keeping PCI scores the same. Projects identified in all three scenarios represent high value projects, so they typically end up in the Capital Improvement 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. 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 2023 Annual Utility Rate Survey

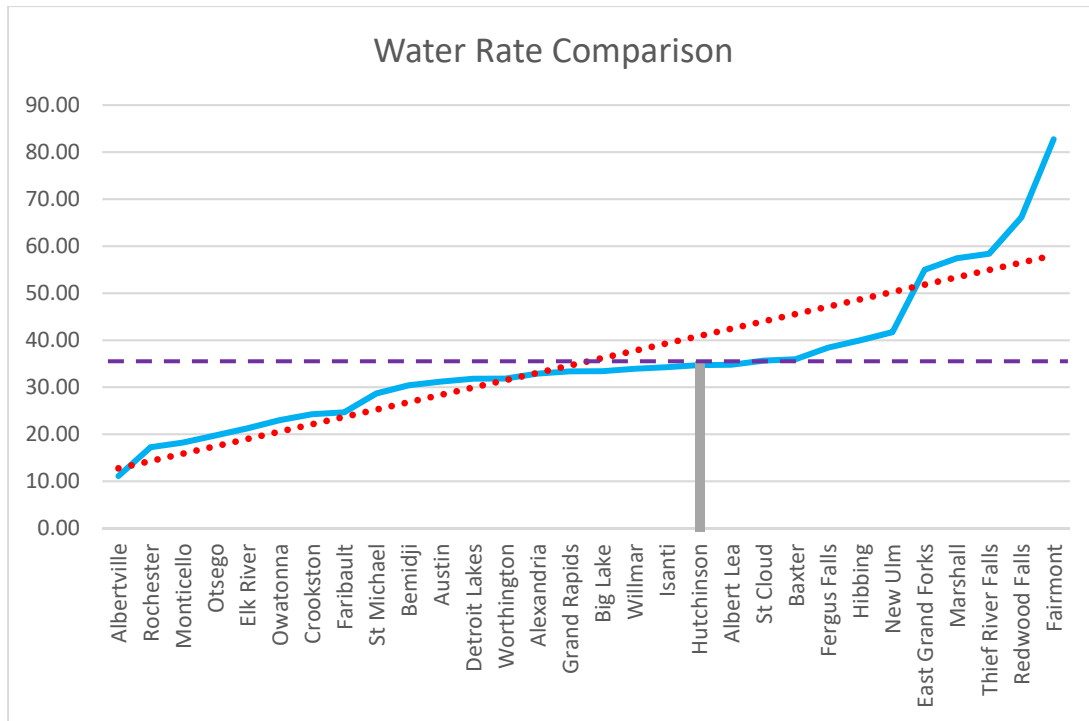
Hutchinson's total utility rates are average (-0.1%), when compared to other outstate Minnesota cities included in the survey. Total utility rates are substantially lower (-28.0%) than average rates of the top five cities surveyed.

From 2007-2008, when treatment plants were upgraded, to 2012, when the local option sales tax began, Hutchinson's rates had been 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 2023, actual sales tax receipts were just over \$1.87 million. This revenue helps to pay off debt. The sales tax, along with recent changes to rate structures have stabilized revenues, allowing for needed repairs and maintenance.

Changes to water and wastewater rates began in 2023. Rates were implemented to create a fair rate system that better distributes fixed and variable costs, accounts for future needs at the plants, recognizes debt service needs and to address current and potential regulatory issues.

Utility Rates



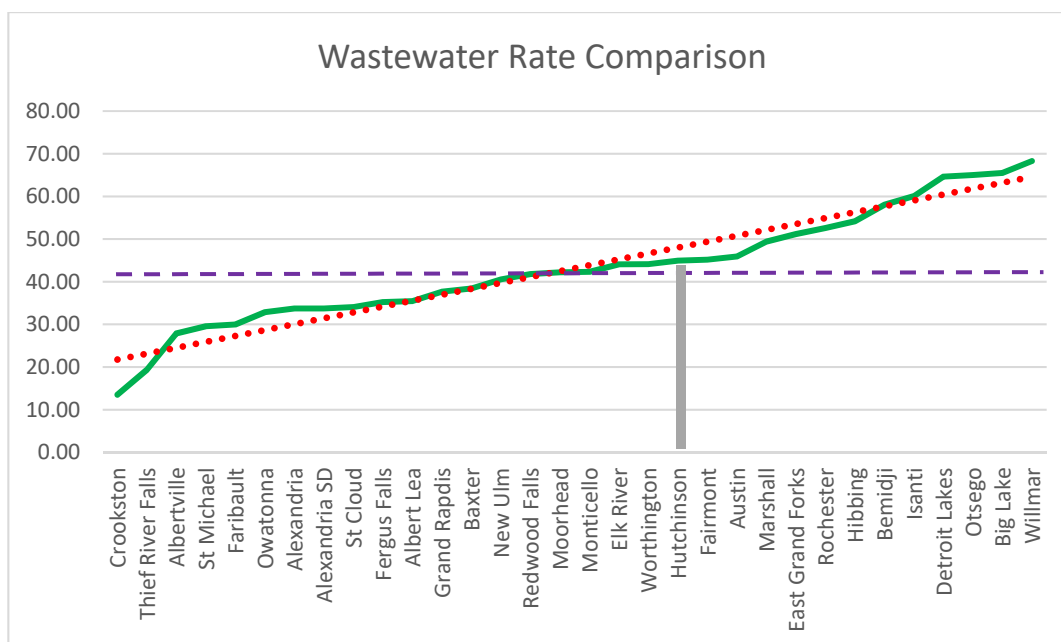
Source: AE2S 2021 Annual Utility Rate Survey

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.

A new utility rate structure began in 2023. The rate structure implemented 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. This 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 was included in the new water rate structure. Customers purchased irrigation deduct meters to avoid corresponding wastewater rates, were charged a seasonal fee and paid the highest residential block rate for irrigation water.

Utility Rates

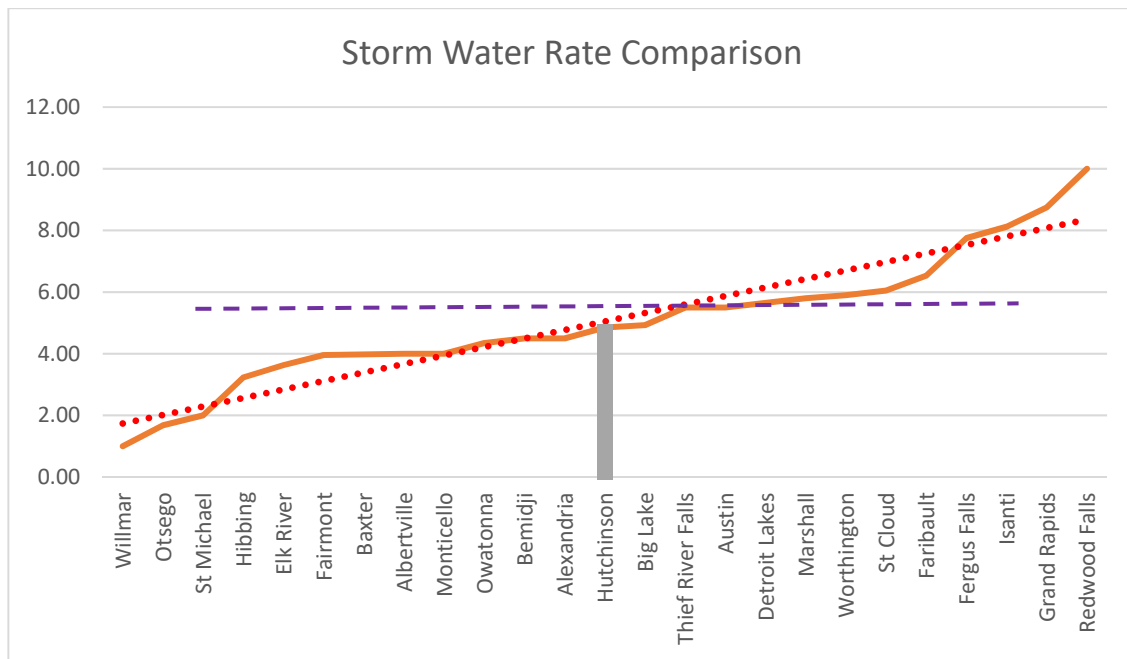


Source: AE2S 2023 Annual Utility Rate Survey

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.

In 2023, changes to the City's wastewater rate structure were implemented. 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 more fairly distributes fixed and variable costs of operating the wastewater treatment system. Use rates remained the same for all customers. Rates are applied to actual water use throughout the year. By installing a deduct meter, customers avoided any wastewater rates applied for irrigation water.

Utility Rates



Source: AE2S 2023 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. Along with a project in 2023 to address the area west of the Recreation Center/Civic Arena, finishing touches in 2023 completed this multi-year project.

Public Works staff has recommended a phased-in rate increase to account for costs of the Residential Leaf Vacuum service. Even with these additional charges, rates are anticipated to stay 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.