Annual Report

Calendar Year 2012

Mid-Minnesota Development Commission

Serving the People of Kandiyohi, McLeod, Meeker, and Renville Counties since 1974.

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MID-MINNESOTA DEVELOPMENT COMMISSION

Serving the People of Region Six East

To Those We Serve:

On behalf of the Mid-Minnesota Development Commission (MMDC), we respectfully submit this 2012 Annual Report. This report highlights key achievements of the Commission and its staff in carrying out the Commission's mission. MMDC is proud of offering another successful year of providing valued services to its citizens and working closely with our partners throughout the region.

The MMDC has had a 38 year history of providing a variety of quality needed services to local units of government, as well as to businesses, organizations, and individuals. Through the passage of the Minnesota Regional Development Act of 1969 the MMDC was formed in 1973, and open for business in 1974. As stated in State Statutes, the Commission's purpose is "to work with and on behalf of local units of government to develop plans or implement programs to address economic, social, physical, and governmental concerns of each region of the state. The commissions may assist with, develop, or implement plans or programs for individual local units of government."

The Commission's Board is made up of local representatives, the majority of who are elected officials. This ensures that the work of the Commission reflects on the area needs and preferences of the four counties (Kandiyohi, McLeod, Meeker, and Renville) we serve.

Please take some time to read through the 2012 Annual Report to gain an understanding of the variety of tasks we perform. Further information about the Commission may be found at the MMDC web site: www.mmrdc.org. Please give us a call if there are projects where you need assistance. Through our Board's leadership, and our talented staff, we will continue to strive to make a strong positive impact on the Region. We pledge that we will not consider a job complete until the client is satisfied with the end product.

Respectfully yours,

Donn Winckler

Donn Winckler
Executive Director

John Stahl

John Stahl
Chairperson

2012 Commission Members

Kandiyohi County Representatives

DuWayne Underthun ..... Townships
**Charles Diederich, Vice Chair .....Municipalities
Steve Ahmann ..... City of Willmar
*Dennis Peterson, Vice Chair ..... County
Idalia (Charly) Leuze.....Public Interest
Shawn Mueske, Treasurer .....Public Interest
Cathy Baumgartner.....Public Interest
Kevin Crowley .....Public Interest
Robert Moller .....Public Interest

McLeod County Representatives

Alan Fredrickson .....Townships
Charles Warner ..... Municipalities
Bill Arndt .....City of Hutchinson
Sheldon Nies .....County
Vacant ..... Public Interest

Renville County Representatives

Dave Guggisberg .....Townships
Ronald Degner, Secretary ..... Municipalities
**John Stahl, Chairperson ..... County
Richard Loftness ..... Public Interest
James Schafer..... Public Interest
Francis Schweiss ..... Public Interest
Eric Dahlager ..... Public Interest

Meeker County Representatives

Dale Fenrich.....Townships
John Smith ..... Municipalities
*Ron Kutzke, Chairperson ..... County
Maureen Melgaard-Schneider..... Public Interest
Dee Schutte ..... Public Interest

* Denotes office held through June 30, 2012
** Denotes office began July 1, 2012

2011 County Sales Tax Totals and State Ranking by Gross Sales

Sales Tax in the State of Minnesota are submitted and recorded by the Minnesota Department Of Revenue. The following table indicates the names of Counties located in Region 6E, the gross sales subject to reporting, the amount of sales tax collected along with a county ranking of all counties in the State allocated by gross sales.

County	Gross Sales ($)	Taxable Sales ($)	Sales Tax ($)	State Ranking
Kandiyohi	2,137,343,480	515,192,842	35,902,382	18
McLeod	1,372,391,149	140,176,646	9,815,993	28
Meeker	970,493,357	134,706,740	9,422,933	34
Renville	587,689,191	72,505,502	5,100,675	54

Of the 87 counties in Minnesota in 2011, Kandiyohi ranked 18th with gross sales of $2,137,343,480. McLeod County is the next highest ranking county in Region 6E at 28th with $1,372,391,149 in gross sales, followed by Meeker County at 34th with $970,493,357 in gross sales. Rounding out the last County in Region 6E, Renville County is ranked 54th with $587,689,191 in gross sales. Total gross sales reported in the four counties of Region 6E was $5,067,917,177.

Economic Development

The Mid-Minnesota Development Commission's Economic Development Program is designed to assist local units of government and businesses in the Region with activities that create and retain full time higher wage employment opportunities and private investments. The Commission and service area are a Federally Certified Economic Development District and as such is eligible for planning grant funding from the U. S. Department of Commerce's, Economic Development Administration. Further funding of activities and the required matching source is provided by the local tax levy.

A major portion of program staff time is devoted to providing professional technical assistance to businesses, individuals, and governmental units. Requests for assistance include, but are not limited to, business finance analysis, infrastructure improvements, tax increment financing, and grant or loan application authoring.

As part of the federal grant agreement, a ***Comprehensive Economic Development Strategy (CEDS)*** is authored by the Commission. This document is drafted each year, after public input, to provide a plan for economic development and prioritize projects in the Region. The plan is then submitted to the Federal Economic Development administration for approval. Staff also prepared the necessary applications and reports for the operation of the Economic Development District. A Comprehensive Economic Development Committee provides input on the CEDS document.

Activities During Fiscal Year

- The Annual Comprehensive Economic Development Performance Report (CEDS) was completed. It included how the Economic Development District and the CEDS had performed regarding projects, goals and objectives.
- Staff attended several webinars sponsored by the Federal Economic Development Administration and the National Association of Development Organizations to stay abreast of current topics at the federal level.
- In early March Staff attended a State of Minnesota Economic Development Professional counterpart meeting to stay abreast of statewide initiatives.
- The State of Minnesota was appointed a new Federal Economic Development Administration Economic Development Representative. Dennis Foldenaur is the new State of Minnesota Representative. A conference call was initiated and Mr. Foldenaur updated the Economic Development Districts on changes at national, state and local level. The Economic Development Administration also welcomed a new Assistant Secretary. Matt Erskine will be the new assistant secretary.
- A presentation to small businesses was performed by staff. The seminar educated small business on the 5 'C's of credit and other criteria.
- Staff participated in a Workforce Forum sponsored by the Regional Workforce Investment Board. The forum provided the Board on workforce issues throughout the region.
- Staff attended an open house in Renville County. The open house included a grand Opening of a Revolving Loan Fund Awardee.
- Staff spent considerable time on authoring a grant application to the Federal Economic Development Administration on behalf of the City of Willmar. If approved, the funds were to be used for infrastructure installation at the new Willmar Industrial Park. Unfortunately, the application was not funded.
- Staff provided professional technical assistance to the New Minnesotan Community Development, Inc. The corporation has purchased a former school building in Willmar and will be transforming the structure into a religious and educational facility. The technical assistance provided included assistance with a grant application for structural improvement s to the building.
- Staff met with Nan Larson, the new Rural Innovation Network Director for the Minnesota Agricultural Utilization Research Institute (AURI). Discussion centered on a new initiative that AURI is working on.
- Staff met with Matt Erskine, the Assistant Secretary of Commerce for the Economic Development Administration. He was in Appleton, Minnesota for the ground breaking on an Industrial Park expansion in that community. A grant from the Federal Economic Development Administration was part of the project funding.

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Transportation Planning

The Mid-Minnesota Development Commission (MMDC) receives an annual grant from the Minnesota Department of Transportation (MnDOT), matched with the local tax levy, to provide transportation planning services within the Region's four counties. Planning activities primarily involve the state trunk highway system and to participating in the Southwest Minnesota Area Transportation Partnership (ATP) process. The Transportation Advisory Committee (TAC) makes recommendations to the Commission on these transportation activities.

The Commission annually participates in the Area Transportation Partnership's decision-making process of which projects receive Federal funding through the State's Transportation Improvement Program. MMDC's voting members on the ATP are Sheldon Nies and John Stahl. Meeker County Engineer, Ronald Mortensen was the Commission's County Engineer representative. The Commission holds an annual public informational meeting on the proposed Area Transportation Improvement Program. Staff provides assistance for this activity as well as serving on the ATP Committee that makes Enhancement Project funding recommendations.

The Commission received a contract from the MnDOT Office of Transit to conduct Human Services Transportation Plan. The process was guided by a large committee representing both transportation and human services within the region. The plan was finalized in early 2012.

The Commission began a new project in 2011, assisting MnDOT with local road verification for the state's base map. Local units of government were contacted to discuss various segments of road that MnDOT had questions about. This assistance continued in 2012 and will continue in upcoming years.

The Commission successfully applied for Safe Routes to School (SRTS) Program funding to conduct SRTS Plans for elementary and middle schools in Willmar, Glencoe, and New London. Staff have begun assisting the school districts in preparing these plans.

Staff is a member of the City of Willmar's "GreenStep Cities" Committee. This is a state program that energy encourages conservation measures. Staff as part of this process drafted a "Complete Streets" Policy for the City. The policy is a requirement as part of the GreenStep Cities certification process.

The Commission has provided assistance to the Highway 15 Coalition. The Coalition was formed, with MMDC assistance, to work towards raising awareness of the access, safety, and capacity challenges facing the Highway 15 Corridor. One of the primary first goals of the Coalition is to conduct a corridor study to identify specific safety and access needs along the corridor. The Commission acts as the Coalition's fiscal agent.

Commission staff was also active in the following transportation activities during the 2012 Calendar Year:

- Staff attended and made comments to a variety of MnDOT statewide planning initiatives during the course of the year, including meetings on MnDOT's 20-Year Plan.
- Attending RDC Transportation Planners meetings during the past year. These quarterly meetings allow the planners to share information and coordinate planning efforts.
- Staff serves on a Willmar Downtown Connections Committee that is working on improving transportation connections to the central business district. Staff also serves on the Downtown Infrastructure Committee. These committees are part of the Willmar Design Center.
- Staff served on a Steering Committee for Hutchinson Transportation Plan that was completed in 2012.
- Beginning in late 2012, and continuing into 2013, staff is serving on a technical advisory committee for a Willmar Downtown Parking Study.
- Staff serves as a member of the Intercity Passenger Rail Transportation Forum, which was created by MnDOT to provide advice for the statewide rail plan and to recommend and coordinate projects for which MnDOT should seek Federal Railroad Administration funding.

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Area Agency on Aging

Mid-Minnesota Development Commission (MMDC) contracts with Minnesota River Area Agency on Aging® Inc. (MNRAAA) to implement program development and direct service activities for seniors. MMDC employs two staff positions to conduct the aging program activities.

The MNRAAA mission statement is: *Minnesota River Area Agency on Aging® Inc. is the gateway to resources for older adults, caregivers and service providers in the twenty-seven counties of southwest Minnesota.*

Older Americans Act (OAA)

The OAA is the foundation for all activities conducted through the aging program. This federal program is implemented through the Minnesota Board on Aging to seven area agencies on aging that serve Minnesota. Policies are designed to encourage older Americans' full participation in society. Other provisions to the OAA include:

- Conduct community planning activities to address growing long-term care needs
- Promotion of Evidence Based programs including Chronic Disease Self-Management, Powerful Tools for Caregivers, and Matter of Balance
- Prevention and resource development of mental health needs
- Support to family caregivers through the National Family Caregiver Support Program
- Focus on civic engagement and volunteerism
- Protection of elders from abuse, neglect, and exploitation

Senior Outreach Specialist, Ashley Ronglien promoting MNRAAA services at an area Expo.

Local AAA Activities

- Provided technical assistance to organizations regarding grant writing, grant management, business development and sustainability.
- Participated in area health fairs including Life Connections Expo, MN State Fair, McLeod County and Meeker County Expos.
- Coordinated Eldercare Development Partnership (EDP) grant activities for MNRAAA including quarterly reports and grant activities. Goals focused on supporting implementation of programs that support elders to address chronic health conditions and falls prevention.
- Continued partnership with Retired Senior Volunteer Program (RSVP) to implement Bone Builders Exercise program with physical therapist assessment component throughout Kandiyohi, McLeod County, Meeker, and Renville Counties.
- Coordinated Chronic Disease Self-Management Classes through McLeod County Public Health; Volunteer Leaders provided classes at Club Bethesda.
- Partnered with Lutheran Social Services and Compassionate Care to provide Powerful Tools for Caregivers classes throughout Kandiyohi, McLeod, Meeker, and Renville Counties.
- Conducted numerous Medicare Part D Plan Comparisons throughout the region for consumers during the annual open enrollment period that began October 15 and ended December 7.
- Partnered with West Central Dementia Network to promote community events and Alzheimer's Walk.
- Conducted Matter of Balance Leader Trainings.

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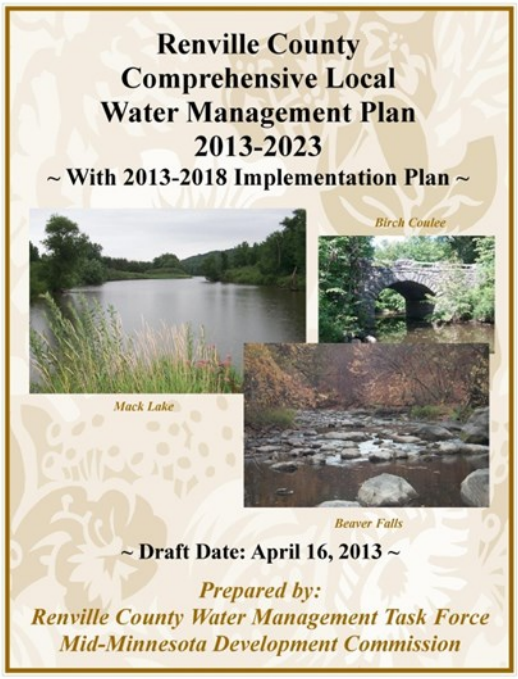
Community Development and Planning

The Community Development Department assists with a wide variety of community development and planning projects for local units of government. This particular program area is not tied to any State or Federally funded program, however, many projects are funded through competitive grants. MMDC also charges a technical assistance rate, which is currently set at $75 per hour. Numerous questions are researched daily without MMDC charging a fee, however, for our Region's citizens, elected officials, and units of government. The Community Development Department specializes in the following types of projects:

- ***Official Plans***, including comprehensive plans, water plans, hazard mitigation plans, and other similar community development documents.
- ***Official Controls***, including zoning and subdivision ordinances, ordinance codification, rules and regulations, and other similar regulatory documents.
- ***Environmental Reviews***, including environmental impact statements and environmental assessment worksheets.
- ***Special Projects***, including grant writing, community surveys, public facilities planning, housing studies, mapping services, and many other technical services.

As one of Minnesota's State Data Centers, MMDC also regularly provides data to businesses, non-profit agencies, private citizens, and units of government from the Census and other informational sources free of charge.



Main Projects during the Fiscal Year

Region 6E Water Plans – The largest Community Development Department project during 2012 involved MMDC writing water plans for Kandiyohi, Meeker, McLeod, and Renville Counties. Local Water Plans are required by the State in order to be eligible to receive funds annually to administer local water planning priorities. Although the amount received each year varies, over the last five years counties have received on average between $12,000 to $16,000. The Board of Water and Soil Resources (BWSR) has oversight responsibilities with local water plans. BWSR also assigns a staff member, referred to as a Board Conservationist, to work with each county Water Plan development and implementation.

MMDC assisted Region 6E with developing plans in 2002 and updates in 2007. The counties each maintain a local water plan task force (referred to as the Water Management Task Force in Renville County) to assist with developing the contents of the plan, and to assist with making decisions on how to properly fund and implement local projects. MMDC bid $7,500 per plan to assist each county with creating new water plans. The total project cost for each county exceeded $20,000, largely due to BWSR making each county be held to higher standards than it did in both 2002 and 2007. It should be noted the State's Water Planning statutes were last revised in 2003.

Buffalo Creek Watershed – The Community Development Department also continued to work with the Buffalo Creek Watershed on implementing a number of projects. The primary project involved writing a policy manual for the

(Continued on page 10)

(Continued from page 4) *Economic Development*

- Staff served on various committees throughout the region, including Renville County Revolving Loan Fund Committee, Kandiyohi County Business Retention and Expansion Committee, and Kandiyohi County Revolving Loan Fund Committee.
- Staff continues to administer the Federal Economic Development Administration Revolving Loan Fund.
- The planning grant Mid-Point Progress Report was authored by staff and forwarded to the Chicago Office of EDA. This document is required to be completed in the planning grant scope of work.
- Staff attended a meeting the was held at the State of Minnesota Department of Employment and Economic Development (DEED) Office in St. Paul, Minnesota. Discussion centered on renewable energy and how to grow this industrial base in Minnesota. Meaningful discussion was afforded with many ideas brought forward. Staff also met, at that time, the new Commissioner for DEED Katie Clark.
- A Regional Economic Development Professional meeting was held in Granite Falls. Staff attended the event. The event featured local speakers on Economic Development initiative in the region.
- Staff attended an Economic Development Administration Chicago Regional Office training conference in September in Chicago. All Minnesota Economic Development Districts were represented at the conference. Staff was educated on valuable information regarding grant authorship, Revolving Loan Fund Administration, and general Economic Development District Planning Grant Administration.

(Continued from page 6) *Area Agency on Aging*

- Conducted Welcome to Medicare and Senior Surf presentations throughout the year.
- Increased number of contacts through increased media connections; press releases; and regular radio interviews. See Table Below:

	In-Person Assistance				By-Phone Assistance			
County	**2009**	**2010**	**2011**	**2012**	**2009**	**2010**	**2011**	**2012**
Renville	6	5	18	51	132	194	165	263
McLeod	10	6	29	96	276	305	309	466
Kandiyohi	17	20	63	110	339	486	407	594
Meeker	2	18	20	97	191	222	269	408
Total	35	49	130	354	938	1,207	1,150	1,731

Advisory Council on Aging (ACA) 2012 Members

Long Term Care - Susan Meyer
McLeod County 60+/MMDC - Charles Warner
Meeker County 60+ - Amy Wilde
Renville County 60+ - Dr. Kathryn Kelly
MNRAAA/MMDC - Maureen Melgaard-Schneider
Public Health - Robin Sikkila

The following is a list of projects funded with Title III funds for calendar year 2012:

Transportation: Kandiyohi and Meeker Counties
Legal Services/Education: Western Minnesota Legal Services
Congregate Dining and Home Delivered Meals: Lutheran Social Services

Revolving Loan Fund Program

In 1995, a grant was received, in the amount of $950,000 from the Federal Economic Development Administration to initially capitalize a Revolving Loan Fund Program. The award was partially matched by the Commission, local units of government, and the Southwest initiative Foundation. Program goals include, assisting businesses with gap financing and creating employment opportunities within Region Six-East's four-county service area.

After due diligence, loans are funded for working capital, real estate purchases, and equipment purchases. The Revolving Loan Fund Committee provides lending expertise and makes recommendations of loan funding to the governing board.

The purpose of the RLF program is to strengthen and diversify the economy. This is reached by providing a source of low interest financing to businesses, when credit is not otherwise available from other sources, and to ensure the successful completion of a project or activity. Job creation and retention is a priority of the fund, as well.

The RLF program was funded in 1996 from a variety of sources. These sources include:

Federal Economic Development Administration
State of Minnesota
Southwest Initiative Foundation
Counties of Kandiyohi, McLeod, Meeker, and Renville
Mid-Minnesota Development Commission

Dental Office - Hector MN

Over the past 17 years the fund has provided $3,925,990 in total loans to businesses in the four county service area. The RLF has leveraged private financing in the amount of $19,514,189. The RLF has created or retained 555 jobs. Over the history of the RLF, 54 loans have been funded to businesses in the four county service area.

The following is a breakdown of the number of businesses financed by county and total amount provided:

County	Number of Businesses	Amount
Kandiyohi	18	$1,226,000
McLeod	15	$918,000
Meeker	8	$917,000
Renville	13	$864,990

The Revolving Loan Fund is accepting applications as funds become available from the repayment of existing loans. For more information, please contact Les Nelson, Economic Development Director, at (320) 235-8504 ext. 241.

THANK YOU TO OUTGOING COMMISSIONERS

There were six Mid-Minnesota Development Commission Board Members who ended their time on the Board in December 2012 or January 2013. The Commission wishes to recognize these members.

Commissioner	Representing	Service on MMDC Board
Steve Ahmann	City of Willmar	Jan 2011 to Dec 2012
Eric Dahlager	Region 6E School Districts	April 2009 to Jan 2013
Dale Fenrich	Meeker County Townships	April 2007 to Dec 2012
Ron Kutzke	Meeker County Commissioner	Jan 2001 to Dec 2012
Dennis Peterson	Kandiyohi County Commissioner	March 2003 to Dec 2012
John Smith	Mayor of Kingston	April 2011 to Dec 2012

A special Thank You is given to Ron Kutzke who served as MMDC Board Chairperson from June 2008 to June 2012 and Dennis Peterson who served as a MMDC Board Vice Chairperson.

(Continued from page 5) *Transportation Planning*

- The Commission serves as the Minnesota Valley Rail Road Coalition's fiscal agent.
- Staff attended the MnDOT District 8 and 7 Toward Zero Deaths (TZD) conference that was held in April.
- Staff communicated with various communities about trails questions. Staff also attended a MnDOT public meeting on their Statewide Bicycle Planning Study held in Willmar during the month of March.

(Continued from page 7) *Community Development and Planning*

District. After working with the Board of Managers on sorting issues out, it was decided that all policies would be included in the District's Overall Plan, which MMDC will be updating in 2013. In addition, an Administrative Handbook will be created.

Hazard Mitigation Plans – In 2007, MMDC assisted Kandiyohi, Meeker, McLeod, and Renville Counties with creating Hazard Mitigation Plans, which all expire in 2013. These Plans identified how each county can minimize the loss of life and/or property by implementing projects prior to disasters occurring. To assist with preparing for the updates, the Community Development Director, Matthew Johnson, took three training courses in 2012 administered by the Federal Emergency Management Agency (FEMA). Matthew passed the courses and received three Certificates of Achievement.

Financial Report

Fiscal Year begins on July 1

	Actual Figures Fiscal Year 2012			Original Budget Fiscal Year 2013	
Revenues			***Revenues***		
Economic Development Admin	$ 64,197		Economic Development Admin	$ 62,628	
Revolving Loan Fund Admin	27,668		Revolving Loan Fund Admin	31,124	
HHS - MNRAAA	131,519		HHS - MNRAAA	127,220	
Department of Transit	10,192		Department of Transit	-	
Total Federal Sources		$ 233,576	***Total Federal Sources***		$ 220,972
Agricultural Credit	$ 19,466		Agricultural Credit	$ 19,466	
Department of Transportation	50,000		Department of Transportation	50,000	
HHS - MNRAAA	28,880		HHS - MNRAAA	39,247	
HHS - EDP/Sail	57,088		HHS - EDP/Sail	57,088	
Total State Sources		$ 155,434	***Total State Sources***		$ 165,801
Property Taxes	$ 262,429		Property Taxes	$ 253,227	
Interest and Dividends	8,111		Interest and Dividends	4,583	
Inspection Services	2,287		Inspection Services	-	
Technical Assistance	29,738		Technical Assistance	118,684	
Other	32,441		Other	37,519	
In-kind	24,478		In-kind	19,029	
Total Local Sources		$ 359,483	***Total Local Sources***		$ 433,042
Total Revenues		**$ 748,493**	***Total Revenues***		**$ 819,815**
Expenditures			***Expenditures***		
Personnel	$ 390,821		Personnel	$ 424,001	
Supplies & Printing	11,593		Supplies & Printing	5,948	
Communications	10,165		Communications	9,164	
Capital Outlay	916		Capital Outlay	8,000	
Services	935		Services	9,752	
Volunteer Services & Other	1,991		Volunteer Services & Other	3,265	
Travel & Training	23,581		Travel & Training	32,120	
Commission	9,468		Commission	13,550	
In-kind	24,478		In-kind	38,946	
Indirect	235,531		Indirect	221,764	
Total Expenditures		**$ 709,479**	***Total Expenditures***		**$ 766,510**

Mid-Minnesota Development Commission

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Please visit us at:
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Serving the People of Kandiyohi, McLeod, Meeker, and Renville Counties since 1974.

2012 MMDC Staff

Executive Director ..... Donn Winckler

Financial Director/Office Manager ..... Sue Gimse

Aging Program Director ..... Kate Selseth

Senior Outreach Specialist ..... Ashley Ellingson

Economic Development Director ..... Les Nelson

Community Development Director ..... Matthew Johnson

Admin.Assist./Technology Support Specialist ..... Terresa Westerman