

Mid-Minnesota Development Commission
Full Commission Meeting

Wednesday, March 24, 2021
Zoom Conference

Call to Order

Chairperson Crowley called the meeting to order at 7:00 p.m.

Introductions

Meeting attendance was taken, and introductions were provided by roll call.

Members Present: Robert Anderson, Jeff Benson, Kevin Crowley, Doug Erickson, Rick Fagerlie, Jon Hawkinson, Sue Hilgert, Jill Hoff, Doug Krueger, Thomas McDonnell, Robert Moller, Tracy Montgomery, Shawn Mueske, Rollie Nissen, Chris Rowan, Lorallen Schmeling, Steve Schmitt, Dave Sebesta, DuWayne Underthun

Ex-Officio Member Present: Maureen Melgaard-Schneider

Members Absent: Gary Danielson, Kathy Grochow, Paul Simonsen

Staff Present: Executive Director Eric Day, Financial Director/Office Manager Sue Gimse, Economic Development Director Les Nelson, Regional Transportation Coordinator Terry Smith

Guests Present: None

Setting of Agenda

Chairperson Crowley asked for any additions or corrections to the agenda. Consideration of Board of Commissioners Applicant Berit Spors was added to the agenda (Item C-2, under New Business). Executive Director Day also requested to add Regional Transportation Coordinating Council Advisory approvals to the agenda (Item J, under new business).

Commissioner Nissen moved to approve the agenda, as modified. Commissioner Benson seconded the motion, which carried by roll call vote.

Approval of January 27, 2021 Minutes

Commissioner Hilgert moved to approve the minutes of the January 27, 2021 meeting, as presented. Commissioner Rowan seconded the motion, which carried by roll call vote.

Treasurer's Report

Commissioner Erickson referred to the Revenue and Expenditures found in the Board materials packet. The checkbook balance as of March 15, 2021 was \$2,014.70. The bills approved totaled \$259,803.22 (payroll \$97,531.08; vendors \$45,466.48; transfer to savings \$116,805.66). The savings account balance was \$348,337.15; Long Term Savings were \$576,407.59; and the total 4M balance was \$6,090.69.

Commissioner Erickson moved to approve the treasurer's report and bills to be paid as presented in the Board packet. Commissioner Hilgert seconded the motion, which carried by roll call vote with no further discussion.

Consent Agenda

The consent agenda consisted of the following:

Executive Committee – Feb. 24, 2021 and Mar. 2, 2021

MMRTCC Subcommittee Minutes – Jan. 26, 2021 and Feb. 23, 2021

EDA RLF CARES Act Loan Committee Minutes – Feb. 22, 2021 and Mar. 2, 2021

Commissioner Underthun moved to approve the Consent Agenda. Commissioner Schmitt seconded the motion, which carried by roll call vote with no further discussion.

Correspondence and Announcements

Executive Director Day introduced Commissioners Thomas McDonnell and Chris Rowan and welcomed them to their first MMDC Full-Commission meeting.

Day encouraged all Commissioners to review the two recent articles that featured MMDC staff and/or efforts (one featuring the volunteer driver recruitment effort of Central Community Transit and MMRTCC Coordinator Terry Smith, and the other focused on Willmar's comprehensive planning process). Day noted that both articles were featured on the West Central Tribunes front page and encouraged

Commissioners to share the articles via social media if they haven't already done so, as this helps with Facebook metrics.

Day informed Commissioners that they should expect to receive a survey in the coming weeks as he is requesting their feedback on his performance, noting that this week marks his one-year work anniversary with the MMDC. He added that individual results will be kept anonymous and will be provided to the Executive Committee for their consideration.

Day reminded Commissioners that Executive Committee Elections will be held in June. Two positions are up for consideration, including the Secretary position currently held by Sue Hilgert and the Member-at-Large position currently held by Dave Sebesta. Day added that both Commissioners are finishing first terms in these

positions and could decide to run again. Day requested that Hilgert and Sebesta let Day or Chairperson Crowley know if they were not interested in running for a second term as soon as possible. Day also encouraged other Commissioners interested in running for the Secretary or At-Large seat to him know.

Day also reminded the Commission that committee assignments will be made in the coming months. He encouraged Commissioners to let him know if there was a committee in which they were particularly interested in joining and/or interested in leaving. Chairperson Crowley reiterated that it would be good for the MMDC if we incorporate new Commissioners into the various committees.

Staff Reports

Chairperson Crowley pointed to the written reports provided in the board materials packet. He expressed that MMDC staff have been very busy over the course of the past year. There have been many things happening and some new hires, which he stated has been very good for the organization.

Chairperson Crowley specifically pointed to the fact that Les Nelson's report included information on his pending retirement (June 2021). Nelson expressed appreciation for the recognition.

Day informed Commissioners that the staff report for Kyle Ten Napel was emailed separate of the materials packet for tonight's meeting, as he was out of the office at the time the packet was distributed.

Old Business

There was no Old Business.

New Business – Action Items & Commission Business

Aging Update

Commissioner Melgaard-Schneider informed the Commission on three items:

1. Commissioner Melgaard-Schneider informed the Commission that the State of Minnesota has reported that 1,454,834 people have received a COVID-19 vaccine. Minnesota is nearing an 80% vaccination rate for seniors. MN has identified 89 breakthrough cases. These people have developed COVID-19 symptoms even after being fully-vaccinated. Providers have wasted 396 doses due to broken vials or syringes, and/or other spoilage.
2. The Minnesota Department of Human Services has announced their Live Well at Home Grants for this fiscal year. Maximum award is \$350,000 per year. There are three general categories of services or projects:
 - i. Capital and renovation grants.
 - ii. Long-term services and supports (Melgaard-Schneider pointed out that this might be a possible opportunity for transportation providers)
 - iii. Poor home and community-based services.Full information on this grant can be found on the Department of Human Services' Website. Proposals are due on April 16, 2021.
3. Melgaard-Schneider informed the group that Minnesota has signed up to be a part of the Age-Friendly Minnesota concept. This means that communities are assessed for their level of age-friendliness, to include assessment of the services that are available to help seniors remain in their homes. Melgaard-Schneider informed that an Age-Friendly bill is being considered at the State Capital at present (SF1786, sponsored by Senator Karin Housley). The amended bill was heard on the morning of March 17. Amendments were related to concerns over the size of the committee, the need for a fiscal note, and the removal of equity/inclusion language. Melgaard-Schneider expressed that she was unsure of the ability of this bill to become law, in large part due to the lack of a fiscal note. She reported that she would watch this and report additional information as it comes available.

Liability Coverage – Waiver Form

Finance Director Gimse informed the Commission that the League of Minnesota Cities Insurance Trust provides property, casualty, and workers' compensation coverages for the MMDC. Each year, the MMDC must complete an application renewal package for those programs. For fiscal year 2022 the property and casualty rates will remain flat. However, the MMDC will likely see increased expenses due to additional expenditures and payroll, which is largely due to the CARES Act Grant-funded staff additions. Workers' comp rates saw a slight rate increase as well as an increase in premium due to increased payroll expenditures. Part of the renewal process requires the Board to decide whether to waive the statutory tort limits. In previous years, the MMDC has elected to not waive the statutory tort limits. This means that no claimant can recover more than \$500,000 on the items for which the limits apply, with a \$1,500,000 limit per occurrence. This information was provided in the meeting materials packet, along with a copy of the waiver form. Gimse informed the Commissioners that staff recommendation would be to continue to not waive those tort limits.

Commissioner Nissen made a motion to not waive tort limits. Commissioner Schmelting seconded the motion which unanimously carried by roll call vote.

Prospective New Board Members for Consideration

Two applicants were considered for Board participation:

1. Shirley Carter: Day pointed to biographic information included in the meeting materials packet for prospective board member Shirley Carter, who is applying to join the board to represent the Healthcare Sector in the Public

Interest. Carter is the Executive Director of the Carris Health foundation and is active in the community, particularly in issues that support women's education, social services, and community health. Day asked for a motion to appoint Carter to the MMDC Board.

Commissioner Moller made a motion to approve Shirley Carter for MMDC Board participation, representing the Healthcare Sector in the public interest. Commissioner Hilgert seconded the motion, which unanimously carried by roll call vote without further discussion.

2. Berit Spors: Day pointed to biographic information not included in the meeting materials packet but emailed separately earlier today. He also shared his screen to allow Commissioners the opportunity to view this information. Spors is applying for a Board position, representing People with Disabilities, Children, and Youth, in the Public Interest. Spors is the Director of McLeod

Counties Health and Human Services Department and is a former employee of the MMDC (Aging Department). Commissioner Krueger expressed that Spors was well-qualified and a good candidate for the MMDC Board. Day then asked for a motion to appoint Spors to the MMDC Board.

Commissioner Benson made a motion to approve Berit Spors for MMDC Board participation, representing People with Disabilities, Children, and Youth in the Public Interest. Commissioner Rowan seconded the motion which unanimously carried by roll call vote without further discussion.

Audit Services Firm Selection

Work Program & Budget Committee Chairperson provided Finance Director Gimse the opportunity to inform the Commission of the process and outcome of the recent request for proposals (RFP) for auditing services. Gimse informed the Commission that the comprehensive RFP was sent to 28 firms, to seek service proposals for the 2021 fiscal year audit and the option of two additional fiscal years (FY2022 and FY 2023). 11 proposals were received, all from qualified firms. Gimse reported that she and Executive Director Day created an evaluation form to review the submitted proposals. This was shared and discussed with the Work Program & Budget Committee meeting which was held prior to today's Full Commission meeting. Several qualifiers were considered, with particular emphasis on whether the firm had ever performed and audit for a regional development organization (RDO) and if they either had a presence in or evidence of significant work within the MMDC region. Level of experience, talent, and availability were also considered, as were value-added services and cost. Average cost over the three-year period ranged from \$10,700 per year to \$27,000 per year. Staff recommended to the Work Program & Budget Committee that the MMDC accept the proposal from and remain with Conway, Deuth, and Schmiesing (CDS), who have been the auditing firm of choice for the MMDC since 1998. CDS's average price per year for the three year period is \$18,250, which is in-line with other firms that submitted proposals of similar quality and had similar RDO experience. This selection, if approved by the Commission,

would give the MMDC a continuity of services and would require less staff time (no need to bring another firm up to speed on the MMDC/RDOs).

Gimse informed the Commission that, based on the above information, the MMDC's Work Program & Budget Committee is recommending that the MMDC enter a three-year contract with Conway, Deuth, and Schmiesing for audit services for Fiscal year's 2021, 2022, and 2023. She then requested a motion to approve the Work Program & Budget Committee's recommendation.

Commissioner Benson made a motion to enter into a contract with Conway, Deuth, and Schmeising for audit services for Fiscal Year's 2021, 2022, and 2023.

Commissioner Moller seconded the motion, which unanimously carried by roll call vote after some additional discussion/clarification (motion specifics and price).

Revolving Loan Fund and U.S. Economic Development Administration Update

1. CARES Act Revolving Loan Fund (RLF): Economic Development Director Nelson updated the Commission on the status of the CARES Act RLF. He informed Commissioners that six loans, totaling \$625,000, have been closed. Three loans have closures pending, in the amount of \$176,000. It is hoped that these three loans will be closed this week. One application is pending, with a request of \$69,000. Once lent, the \$870,000 RLF fund will be completely expended. Nelson stated that he expects the U.S. Economic Development Administration will look favorably upon the fact that the MMDC was able to get the money disbursed relatively quickly.
2. Original RLF: Nelson reported that the MMDC's original RLF has 15 loans outstanding with a total principal balance of \$738,309. Funds currently available for relending from this fund is \$202,700. Commissioners were encouraged to refer businesses who might be interested in financing. This RLF does require that a bank be involved and there are job creation requirements, etc. Nelson stated that he is available to speak with prospective borrowers to provide them with more information.
3. U.S. Economic Development Administration (EDA): Nelson informed the group that it appears that, as a result of the American Rescue Plan, there will be EDA funds made available for public works/infrastructure projects. Two projects are currently being discussed with the EDA Region's representative. They include the Minnesota Valley Railway upgrades in southern Renville County. The other project would involve improving Renville County Road 21, just west of the Southern Minnesota Beet Sugar Cooperative, which is currently in need of upgrades. The U.S. EDA expects to receive \$3 billion dollars, much of which would likely go to infrastructure grants/projects, though it is difficult to say how the money will be disbursed at this point and how much of the money will come to Minnesota.

Day commended Nelson for the work he's put into disbursing the EDA CARES Act RLF and for the leadership he has given his Economic Development Team in this area.

Original EDA Defederalization

Day informed the Commission that, in the fall of 2020, new legislation was passed to allow existing RLF funds that are at least seven years old and in good standing to be defederalized. The fund could be kept as an RLF, as MMDC staff would recommend, or could be put toward another economic development purpose. If the MMDC does decide to continue with an RLF, terms can be adjusted to MMDC's liking. This could include adding the option to be a primary/sole lender (rather than just a gap financier), considering refinancing, etc. Day stated that it would be his recommendation that the Revolving Loan Committee recommend loan terms and to bring their recommendations to the Full Commission. Commissioner Benson expressed his belief that it would be good to continue to use the funds for revolving lending. Day did add that, since the fund would be defederalized, the MMDC could decide to do something different with the fund at a later date, should revolving lending no longer be the Commission's priority. Day also expressed that the RLF does provide a small but important income stream to help defer administrative costs. Chairperson Crowley stated that, from his banking perspective, the original purpose of the fund was for gap financing and that he believes the need for gap financing is still there. Day then asked for a motion to approve the following resolution to defederalize the original revolving loan (a resolution draft was included in the meeting materials packet).

RESOLUTION

WHEREAS the recently enacted Reinvigorating Lending for the Future Act authorizes the United States Economic Development Administration (EDA) to release its federal interest in certain Revolving Loan Fund (RLF) awards that have operated satisfactorily for seven years beyond the disbursement of grant funds; and

WHEREAS the United States EDA has invited the Mid-Minnesota Development Commission (MMDC) to request release of EDA's federal interest in the organization's long-held EDA revolving loan fund award; and

WHEREAS the Mid-Minnesota Development Commission's RLF has operated satisfactorily for more than seven years beyond grant disbursement; and

WHEREAS the defederalization of this RLF will reduce the Mid-Minnesota Development Commission's administrative burden and allow RLF award funds to be used for broader economic development purposes, including less-restrictive lending.

NOW THEREFORE BE IT RESOLVED that the Mid-Minnesota Development Commission supports the release of the United States EDA's federal interest in the MMDC's qualifying revolving loan fund.

BE IT FURTHER RESOLVED that the Mid-Minnesota Development Commission is committed to using associated dollars to continue the administration of a revolving loan fund, which will support our region's economy and promote job retention and expansion via business financing, a Public Works and Economic Development Act-supported activity.

BE IT FURTHER RESOLVED that the Mid-Minnesota Development Commission will comply with any ongoing restrictions required by the Reinvigorating Lending for the Future Act.

Attest:

Chairperson

Date

Executive Director

Date

Commissioner Benson made a motion to approve the resolution to release the U.S. EDA's federal interest in the MMDC's qualifying revolving loan fund, as presented. Commissioner Rowan seconded the motion, which unanimously carried by roll call vote after the clarification that specific loan terms for this RLF fund would be determined at a later date.

MMRTCC Overview and Update

Day and MMRTCC Coordinator Smith provided an overview of the Mid-Minnesota Regional Transportation Coordinating Council program/grant. This was intended to be informational for newer Commissioners as well as a review for longer-term Board Members. Day reviewed MMRTCC work accomplished to date, set-backs (e.g., COVID 19, gaps in staffing), achievements, and current plans to move forward with Phase 4 of the program, provided the Commission gives approval for this work and the required ten percent funding match for each of the next two program years. Day requested the MMDC approve the following resolution:

RESOLUTION

WHEREAS the Minnesota Department of Transportation (MnDOT) wishes to continue its partnerships with identified stakeholders to forward Regional Transportation Coordination Councils (RTCC) throughout greater Minnesota; and

WHEREAS the goal of the RTCCs is to improve the mobility of “transportation disadvantaged” individuals, including older individuals and individuals with disabilities, by improving coordination among transit providers, private sector transportation providers, and other service agents to fill transportation gaps, streamline transportation access, and provide increased transportation; and

WHEREAS the Mid-Minnesota Development Commission is currently administering a Phase 3: RTCC Implementation grant; and

WHEREAS the two-year Phase 4 RTCC Grant will allow continued advancement of the work program highlighted in the one-year Phase 3 RTCC Implementation Grant; and

WHEREAS the local financial match will remain at no less than ten (10) percent for each year of the Phase 4 RTCC Implementation Grant.

NOW THEREFORE BE IT RESOLVED that the Mid-Minnesota Development Commission authorizes staff to submit an RTCC Phase 4 Grant Application for financial assistance and to subsequently execute a grant agreement for Fiscal/Program Year 2022, with the State of Minnesota for continued implementation of the Regional Transportation Coordinating Council (RTCC) Grant.

BE IT FURTHER RESOLVED that the Mid-Minnesota Development Commission is committed to providing the necessary non-federal share of project dollars necessary to fund Phase 4 RTCC grant project expenses during Fiscal/Program year 2022. This commitment is for at least ten percent of the total cost to the project during this first year program year of the two-year grant period. This required local share will be made available as needed and is not encumbered in any way that would preclude its use toward this project.

BE IT FURTHER RESOLVED that the Mid-Minnesota Development Commission authorizes the Executive Director and/or Board Chairperson to execute the

aforementioned grant agreement with MnDOT Office of Transit and any amendments thereto.

Attest:

Chairperson

Date

Executive Director

Date

Commissioner Nissen made a motion that the MMDC adopt the resolution to authorize staff to submit an RTCC Phase 4 Grant Application for financial assistance and to subsequently execute a grant agreement for Fiscal/Program year 2022, and to provide the necessary non-federal share for the project dollars necessary at a rate of not less than ten percent, as presented. Commissioner Benson seconded the motion, which unanimously carried by roll call vote after further clarification that there is currently no intent to ask counties or other entities for additional dollars (matching funds would be from MMDC only).

MMRTCC Advisory Membership Approvals

Day informed the Commission that the MMRTCC Subcommittee had approved Rick and Ruthie Agman, two Willmar-area transportation/transit consumers, for participation on the MMRTCC Advisory Council. Day clarified that these two individuals would share one seat. Day also informed the Commission that Veteran Services Officer Lee Stock, who serves veterans in Renville County, has also been approved by the MMRTCC Subcommittee for participation on the MMRTCC Advisory Council. Day then requested a motion giving the MMRTCC Subcommittee full authority to approve MMRTCC Advisory changes moving forward. Day clarified that the Advisory members do not vote and do not have authority over staff or programming. However, they do provide good information and guidance to MMRTCC staff.

Commissioner Sebesta made a motion to give the MMRTCC Subcommittee full authority to approve MMRTCC Advisory membership changes, as requested. Commissioner Rowan seconded the motion, which unanimously carried by roll call vote after additional comments from Commissioner Hilgert, who stressed that the MMRTCC Subcommittee meets monthly and is well-aware of program work and

happenings. She also expressed that it is necessary to ensure engaged MMRTCC Advisory membership and stated that this action would promote that engagement. Day also indicated that he would continue to inform the Full Commission of MMRTCC Advisory membership changes.

Day then requested a motion to approve Advisory Committee members Rick and Ruthie Agman, who will share one Advisory seat, and Lee Stock, since these individuals were approved by the MMRTCC Subcommittee prior to the Subcommittee having full-authority over membership decisions.

Commissioner Hilgert made a motion to approve Rick and Ruthie Agman and Lee Stock to serve on the MMRTCC Advisory. Commissioner Moller seconded the motion, which unanimously carried by roll call vote.

Other:

Commissioners and staff discussed and offered some speculation as to how American Rescue Funds might be disbursed to counties, etc., and potential allowable uses for those funds. Day pointed out that there are no certainties at that point but that he did not expect another revolving loan fund capitalization.

Adjournment

With no further business, Commissioner Anderson moved to adjourn the meeting. Commissioner Schmitt seconded the motion which unanimously carried by roll call vote.

Chairperson Crowley adjourned the meeting at approximately 8:40 p.m.

Respectfully Submitted,

Eric Day, Acting Secretary

Kevin Crowley, Chairperson

Suzanne Hilgert, Secretary