

MINUTES
Mid-Minnesota Development Commission: Full Commission Meeting

Wednesday, January 27, 2021
Zoom Conference

Call to Order

Chairperson Crowley called the meeting to order at 7:03 p.m.

Introductions

Meeting attendance was taken, and introductions were provided by roll call. New Commissioners Jon Hawkinson (Mayor of Olivia – Renville Co. municipal representative), Jill Hoff (Local Workforce Development Board/Central Minnesota Jobs and Training Services – public interest representative) and Kathy Grochow (Regional school board representative) were given short introductions. Terry Smith, MMDC's new Regional Transportation Coordinator, also introduced himself and shared information on his background.

Members Present: Robert Anderson, Kevin Crowley, Doug Erickson, Kathy Grochow, Jon Hawkinson, Sue Hilgert, Jill Hoff, Doug Krueger, Robert Moller, Tracy Montgomery, Shawn Mueske, Rollie Nissen, Lorallen Schmeling, Steve Schmitt, Dave Sebesta, Paul Simonsen

Ex-Officio Member Present: Maureen Melgaard-Schneider

Members Absent: Jeff Benson, Gary Danielson, Rick Fagerlie, DuWayne Underthun

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

Guests Present: Jason Swanson, Minnesota River Area Agency on Aging Executive Director

Setting of Agenda

Chairperson Crowley asked for any additions or corrections to the agenda. No additions or corrections were put forward. Commissioner Krueger moved to approve the agenda. Commissioner Nissen seconded the motion, which unanimously carried by roll call vote.

Approval of December 2, 2020 Minutes

Commissioner Hilgert moved to approve the minutes of the December 2, 2020 meeting, as presented. Commissioner Grochow seconded the motion, which unanimously 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 January 15, 2021 was \$2,014.70999. The bills approved totaled \$374,804.81 (payroll \$87,478.37; vendors \$62,185.18; transfer to savings \$225,141.26). The savings account balance was \$412,528.42; Long Term Savings were \$576,124.13; and the 4M balance was \$6,090.10.

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 unanimously carried by roll call vote.

Minnesota River Area Agency on Aging (MNRAAA) Presentation

Commissioner Melgaard-Schneider formally introduced MNRAAA Executive Director Jason Swanson, who provided the Board with an extensive overview of MNRAAA-supported initiatives and services aimed at helping older individuals (federally-defined as individuals who are age 60+) maintain the lifestyle of their choice. Swanson challenged MMDC Commissioners and staff to start talk about aging in a positive light. He also encouraged Commissioners and staff to consider innovative ideas and solutions to assist our aging population (e.g., build intergenerational centers rather than senior centers).

Swanson's MNRAAA presentation/slide deck was included in the Board materials packet for Commissioner reference.

Consent Agenda

The consent agenda consisted of the following:

- Personnel Committee – Dec. 2, 2020
- MMRTCC Subcommittee Minutes – Dec. 16, 2020
- EDA RLF CARES Act Loan Committee Minutes – Jan. 13, 2021

Commissioner Moller moved to approve the Consent Agenda. Commissioner Sebesta seconded the motion, which unanimously carried by roll call vote.

Correspondence and Announcements

Executive Director Day provided new Commissioners Grochow, Hawkinson, and Hoff the opportunity to share a bit more about themselves and their professional and personal backgrounds.

Day informed the Board that a Certificate of Appreciation would be sent to former MMDC Commissioner Frank Eder to express gratitude for his numerous years of service to the MMDC Region.

Day then pointed to the copy of the Renville County Register article found in the Board materials packet. The article featured Commissioner Sue Hilgert and highlighted the Coalition of Greater Minnesota Cities (CGMC) award she received for her demonstration of knowledge, leadership, and active participation in the CGMC program areas during their public service career.

Staff Reports

Chairperson Crowley pointed to the written reports provided in the board materials packet. He encouraged Commissioners to ask any questions they had on the written staff reports. There were no questions.

Old Business

There was no Old Business.

New Business – Action Items & Commission Business

MMDC Value Statement

Day referred to the MMDC Value Statement draft that was included in the Board materials packet. Day shared his belief that all organizations should have a public-facing statement to ensure the residents of our region, our current staff and prospective employees, and potential collaborators have a good understanding of the MMDC's values and culture. Day asked for a motion to approve this statement,

which would be prominently displayed on the MMDC's website and in other prominent locations.

Commissioner Nissen made a motion to approve the new MMDC Value Statement. Commissioner Schmeling seconded the motion, which unanimously carried by roll call vote.

Following the vote, Chairperson Crowley recommended that MMDC staff share this value statement with regional stakeholders, including counties, cities, and townships. Chairperson Crowley suggested that this might help keep the MMDC top-of-mind for stakeholders.

Revolving Loan Fund Update

1. Loan Approval – Minnesota Shrimp, LLC

Economic Development Director Nelson provided information on a CARES Act RLF application for Minnesota Shrimp, LLC. This company, based in rural Blomkest on U.S. Highway 71, is applying for \$140,000 to assist with the expansion of their shrimp-raising operation. Principal applicants/borrowers are Paul Damhof and Barbara Frank. The business has been in operation for approximately four years, according to Nelson. Terms are up to 15 years fully amortized, with first payment deferral of up to 6 months. Rate would be 0% for 24 months, then 2% after 24 months, and 4% after 120 months. Collateral includes equipment, inventory, and a junior real estate mortgage on property near the site. The applicant is bringing in \$300,000 (of that, \$100,000 is in cash with the balance of their contribution in existing equipment) and the Southwest Initiative Foundation is lending an additional \$60,000, for a total package of \$500,000. Five jobs would be supported. Nelson reported that the loan application has been reviewed by the CARES Act RLF loan committee and that loan approval is supported by that body. Nelson also commented that the loan fits well with recent local foods initiatives. Chairperson Crowley informed the group that the company will now be able to hatch their own shrimp, rather than relying on shipments. Commissioner Nissen remarked that he has often seen that the business is sold out of their inventory.

Commissioner Moller made a motion to approve the loan, as proposed. Commissioner Hilgert seconded the motion which unanimously carried by roll call vote.

2. CARES Act RLF Progress

Nelson updated the Commission on the status of the CARES RLF. To date, four loans have been closed, with another loan application (beyond Minnesota Shrimp's application) approved. The total amount dedicated to those five loans is \$475,000, so they are averaging just under \$100,000 per loan. About \$400,000 remains available for lending. If the trend continues, this could equate to about four loans. Nelson reported there are a few applications in the works, but they are not to the point where he believes they are likely to actually be considered or closed.

3. Willmar Childcare Center Update

Nelson informed the Commission that the Willmar Childcare Center did have a "First Dollar" presentation with the Willmar Lakes Area Chamber of Commerce. They are now open for business. They are hoping to serve approximately 60 children initially. All licenses and permits are in place. Day added that the business is receiving and has been receptive to guidance from the MMDC, the Kandiyohi County and City of Willmar EDC, the African Development Center, and the Southwest Initiative Foundation. Day also pointed out that the center caters to children from English-learning families. It's possible that the center may be able to apply to take more kids after they are more established.

Pay Equity Report

Finance Director Gimse informed/reminded the Commission that state law requires all public jurisdictions work to eliminate any gender-based inequities in compensation and submit reports to the Minnesota Department of Management and Budget every three years. Our next report is due on January 31, 2021. Gimse pointed to three forms found in the Board materials packet, for the period ending December 31, 2020, including a Predicted Pay Report, Compliance Report, and Implementation Report. The statistical analysis test shown on the compliance report page indicates the results for the three test areas. While a final determination is not in, all indicators and verbal comment from the pay equity contact person point to the MMDC passing. If approved by the Commission, Gimse will officially submit the necessary documents for analysis. Final determination (pass or fail) will likely be received from the State in August. In the meantime, a notice of report submission will be posted in a place of prominence within the MMDC office. It will also be posted at the public library for 90 days. Gimse reported that the MMDC has always met the state's criteria for pay equity (i.e., passed). Gimse then requested approval to submit the reports, as prepared.

Commissioner Schmeling made a motion to approve the submittal of the Pay Equity-related reports. Commissioner Anderson seconded the motion, which unanimously carried by roll call vote.

Audit – Request for Proposals

Day asked for a motion to approve a request for proposals process to evaluate possible auditors. In recent years, the audit has been performed by Conway Deuth & Schmiesing (CDS) and that, while the MMDC staff have not been unhappy with their work, staff also believe it is prudent to find out who else might be available and what they might propose. Commissioner Hilgert inquired as to what the cost was for the 2020 audit. Gimse reported that the last audit had a cost of \$16,600.

Commissioner Krueger made a motion to release a request for proposal for auditing services. The motion was seconded by Commissioner Grochow and unanimously carried by roll call vote.

Aging Update:

Commissioner Melgaard-Schneider informed the Commission that she has been doing some research with the National Institute on Aging because it is important to remember that we are moving into a time when we will have more seniors than any other population segment. Commissioner Melgaard-Schneider reported that, by 2025, the U.S. will have more seniors (65 million) than children 13 years of age or younger (58 million). Melgaard-Schneider reported that she would like to bring one or two factoids to each meeting to inform the group. She reported that the cost of long-term care is incredibly expensive and unaffordable for most families. 2019 figures are now out:

- Median household income for a senior in 2019 is approximately \$43,700
- Annual cost for a private room in a long-term care facility is approximately \$102,200
- The median cost of assisted-living is approximately \$48,600 per year
- The median cost of 30 hours of home care per week is approximately \$35,800 annually

Melgaard-Schneider also reported that workforce shortages exist and will likely get worse. She reported that conditions are poor and that wages are low. She reported

that it is projected that, by 2026, 7.8 million workers will be needed for long-term care and senior care and many of these positions will likely go unfilled.

New Prospective Board Member

Day pointed to biographical information for Thomas McDonnell, which was included in the Board materials packet. He informed the commission about Mr. McDonnell, who has expressed an interest in representing the Manufacturing/Production Sector in the public interest. If approved, McDonnell could begin participating during the March meeting of the Board of Commissioners. Day provided highlights from McDonnell's biographic information, including his position with the Southern Minnesota Beet Sugar Cooperative, his participation on the Olivia EDA, and the fact that he is an Eagle Scout. Day stated that he has had good conversation with McDonnell and that he thought McDonnell would be a good addition to the MMDC Board, especially since he is privy to workforce and manufacturing productions issues at the SMBSC.

Commissioner Krueger made a motion to approve Thomas McDonnell's participation as an MMDC Commissioner. Commissioner Hilgert seconded the motion which unanimously carried by roll call vote.

Following the vote, Day provided a board recruitment update for the Board. Day stated that he has had communication with the new Mayor from the City of Watkins, who has expressed interest in the Meeker County Municipal position. He has also had communication with Shirley Carter, of the Carris Health foundation, who is considering participation as a representative of the Healthcare Sector in the Public interest. Day has also reached out to youth worker Hamdi Kosar, of Pact for Families and was waiting on an answer from her. Day reported that if Carter or Kasar both indicate that they are not interested or do not have capacity, then he will continue to search for two individuals who fall into one of the following three categories:

- A person who works in the Healthcare Sector and can represent that sector in the public interest,
- A person who works with youth/young adults and can represent that population in the public interest,
- A person who has a disability or works with people with disabilities and can represent that population in the public interest.

Five-Year Assessment Process

Day informed the Commission that he expects to hear from the Minnesota State Auditor, during the later half of 2021, about the five-year assessment process. Day reported that it is his understanding that this process is not overly-prescriptive but that he wanted to let the Board know that it would be one of the things he would be working on in 2021.

MMRTCC Update

Day reiterated his pleasure that Terry Smith is now onboard at MMDC's Regional Transportation Coordinator. Day stated that he has already been doing a great job.

Phase 4: Day reported that he has learned that Phase 4 of the RTCC grant will be a 2-year phase and that it is his understanding that the match will be kept at 10%. Day stated that the grant does fund a portion of his salary, etc., and so it has little impact to the MMDC's budget. Day reported that a logic model will be incorporated into the workplan and that he and Smith will be receiving training on this. Day also reported that the state is moving in the direction of having one Transportation Management Coordination Center (i.e., one-call/one-click center) to serve all of Greater Minnesota and that this center would be supported on the regional level by the MMRTCC, which would work to ensure there were adequate transportation resources from which the TMCC could draw to provide rides to regional residents. Day reported that there will be a TMCC visioning session on January 28 and that both Day and Smith would attend that session.

Day reported that Smith has reached out to the MMDC Region's four Veterans Services offices and has found a Veterans Service Officer who is interested in participating on the MMRTCC Advisory. Day reported that both the MMRTCC Advisory and MMRTCC Subcommittee supported this, given they provide many rides to our veterans. Day stated that Smith has also been busy developing relationships with counterparts from around the state and has even had some discussion with a potential provider who is established in the Mankato area but is interested in coming to the MMDC region.

Day stated that Smith will also be busy working with the MMDC's Communications Specialist to develop videos that will educate regional residents on transportation-related topics.

Smith stated that he has been busy learning the job and attending meetings, which have been very informative. Smith said that he found a recent meeting focused on mobility hubs to be particularly interesting.

Tour of New MMDC Website

Day took a few minutes to share his screen and show the Board the original/classic MMDC website, to remind them of what the MMDC has had to this point, and then showed Commissioners the new website which will go live this week.

Day stated that the MMDC will be spending time adding content, including local photos, news stories, events, properties for sale, community development incentives, etc. to the pages. Day said that he will let Commissioners know when it is appropriate to drive traffic to the site after the “soft launch” period. He said that his hope is that the site will be used as a go-to resource for anyone who is working to attract employers and workers to our region.

Commissioner Krueger inquired as to how Commissioners should inform the MMDC of events, etc. so they can be added to the site. Day stated that Commissioners could share that information by clicking the “contact us” button on the website. Day also stated that this information could also be emailed to the MMDC directly, using the MMDC’s main email address, Communication Specialist Ben Carlson’s email address, or Day’s email address.

Other:

No other information or business was discussed.

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 8:46 p.m.

Respectfully Submitted,

Eric Day, Acting Secretary

Kevin Crowley, Chairperson

Suzanne Hilgert, Secretary