**Wednesday, January 24, 2024, 6:00 p.m.**

**1107 11th Street East, Glencoe, MN 55336** (Glencoe City Center)

**Members Present:** Commissioners Kevin Crowley, Brent Guyan, Tony Hausladen, Jon Hawkinson, Roger Imdieke, José Luciano, Robert Moller, Rollie Nissen, Kiza Olson, Yodee Rivera, Lorallen Schmeling, Dave Sebesta, and Jeff Vetsch.

**Members Absent:** Commissioners , Tiffany Barnard, Mike Brouwer, Doug Erickson, Jill Hoff, Doug Krueger, Maureen Melgaard-Schneider, Shawn Mueske, Reagan Quinn, Christopher Rowan, Steve Schmitt, Carl Shuldes, Paul Simonsen, and Berit Spors.

**Staff Present:** Executive Director Eric Day, Finance Director Darla Bajari, Economic Developers Michelle Marotzke and Nate Reuss, Transportation & Community Planner Mike Nicholas, Mobility Manager Terry Smith, and Communications Specialist Ben Carlson.

**Staff Absent:** None

**Guests:**  None

**Call to Order:** In Chairperson Shawn Mueske’s absence, Vice Chairperson Lorallen Schmeling called the meeting to order at approximately 6:01 p.m.

**Pledge of Allegiance:** The Pledge of Allegiance was recited by all Commissioners and staff in attendance, led by Vice Chairperson Schmeling.

# **Introductions:** All present Commissioners and staff provided introductions.

# **Approval of Agenda:** ViceChairperson Lorallen Schmeling presented the agenda and called for any additions. Neither Executive Director Day, nor any Commissioners present offered any additions.

# Commissioner Rollie Nissen moved to approve the agenda. Commissioner Jon Hawkinson seconded the motion, which carried with no dissent.

# **Approval of December 6, 2023, Full Commission Meeting Minutes:** Executive Director Day informed that, while he had no corrections to the December 6, 2023 minutes, he did have a clarification. Day pointed to page 7 of the Commission meeting packet and explained that just before the included MAGIC Fund resolution, it was noted that the MAGIC fund rate would be variable. However, the resolution itself referenced fixed rates. Day informed that he had failed to clearly convey at the meeting that fixed rates were an option with the MAGIC Fund. He added that, at least initially MMDC’s current plans included the variable rate option, to ensure easy access to funds.

Commissioner Tony Hausladen requested clarification on whether the meeting in question was a remote or in-person meeting. Day clarified that Day was speaking of the December 6, 2023 in-person full Commission meeting, noting that there were also notes from a remote committee meeting within the materials packet.

With that, Commissioner Roger Imdieke made a motion to approve the minutes of the December 6, 2023 meeting. Commissioner Kiza Olson seconded the motion which carried with no dissent.

**Treasurer’s Report:** Commissioner and Commission Treasurer Kevin Crowley provided an overview of the Treasurer’s Report. The checking account balance, as of November 28, 2023 was $33,396.19. Since that time, MMDC’s expenditures totaled $91,425.23. Receipts (transfer of savings to checking) totaled $95,009.93. The checkbook balance as of January 17, 2024, was $36,980.35.

Commissioner Crowley then made a motion to move the MMDC Treasurers Report forward, as presented. Commissioner Robert Moller seconded the motion, which carried with no dissent.

**Note:** A report on current investment values, an accounting of all revenue and expenditures, and a board payment listing were all included within the meeting materials packet.

# **Consent Agenda:** The meeting materials packet contained minutes from the following recent meetings for the consent agenda:

* 1. Loan Approval Board (ARPA/CARES): December 12, 2023
	2. MMDC Executive Committee: December 18, 2023

Commissioner Tom McDonnell made a motion to approve the Consent Agenda. Commissioner Kevin Crowley seconded the motion, which carried without dissent.

1. **Correspondence and Announcements:** Executive Director Eric Day took opportunity to inform on MMDC’s upcoming Energy to Grow workshops. He reminded that MMDC received funds from the USDA to connect small and midsize businesses with energy savings opportunities (e.g. rebates and grants). Workshops, both in-person and virtual, will be offered this spring. MMDC has partnered with Clean Energy Resource Teams and the University of Minnesota Extension to deliver this content. MMDC is also creating a new energy-focused page on our website to provide easy access to information. Economic Developer Michelle Marotzke circulated related energy savings guide information.

Day also informed that, due to frequent conflicts, Commissioner Paul Simonsen, who represents Renville County Townships, has informed Day that he would like to step down from the Commission. Commissioner Simonsen has asked Day to present the opportunity to serve at the upcoming meeting of Renville County’s townships. Day expressed his appreciation for Commissioner Simonsen’s willingness to help MMDC recruit our next Renville County Townships-representing Commissioner.

**Staff Reports:** Executive Director Day referred to the written director and staff reports that were provided within the meeting materials packet and provided an opportunity for Commissioners to ask questions. There were no questions.

# **Old Business:** There was no old business

# **New Business – Action Items & Commission Business**

* 1. **MN Department of Commerce Grant:** Day informed that MMDC received a grant award from the Minnesota Department of Commerce to provide grant writing and grant management assistance to those who are eligible for and interested in clean energy grants made possible by the Inflation Reduction and Infrastructure Inflation and Jobs Acts (IRA, IIJA). Day noted that MMDC had asked for $100,000 per year for the coming three year period. MMDC was awarded $95,000 per year for the next three years ($285,000 in total). Each of the other regional development commissions also applied for and received these MN Department of Commerce funds (most receiving the same amount and one receiving slightly less). Day informed that the MN Department of Commerce is working on the contract, which he’s been told should be ready for execution in early February.

Commissioner Yodee Rivera requested clarification that MMDC would be using the funds to provide grant writing services. Day confirmed that this was the case and that the grant writing and grant management services could be provided without cost to the eligible grantee, which could include a local government, nonprofit, or even a business, depending on the grant opportunity. Day also noted that MMDC could work to connect eligible grantees with the Statewide Competitiveness Dollars set aside by the MN 2023 Legislature in order to assist grantees with nonfederal financial match requirements.

Commissioner Roger Imdieke noted that identifying the grant opportunities is often difficult and inquired as to how an applicant might become aware of the opportunities available. Day noted that a good deal of the work involved with this Department of Commerce opportunity would include a process of discovery and then outreach to eligible entities. Day informed that this outreach may look a little different, depending on the opportunity and eligibility criteria. Day informed that it would be easy to connect with the local government units to make them aware of the opportunities that might be appropriate for them. However, to reach farmers, agencies like Farm Bureau might be used to help share information. Chambers of Commerce might also be used to reach local businesses. Commissioner Imdieke asked that MMDC staff be sure to include, during outreach, information on local match requirements, which can be prohibitive. Day noted that the purpose of the Statewide Competitiveness Fund dollars was to assist with that match.

Commissioner Hawkinson inquired about the program timeline. Day informed that the contract with the MN Department of Commerce should be executed in February and that discovery would begin right away. He mentioned that he hoped grant application work would begin soon.

Commissioner Schmeling requested confirmation that this grant will be for a three year period. Day confirmed that it was a three year grant, $285,000 in total and $95,000 per year. Commissioner Schmeling then asked if there would be a spending deadline. Day qualified that he hadn’t seen the contract language as of yet but guessed that a final spending deadline of June 2027 might be possible. Day did say that he expected the Department of Commerce would work to keep MMDC on-track, adding that this shouldn’t be difficult.

**MMDC Staffing Update:** Day informed that, as soon as MMDC learned that we would be awarded Department of Commerce funds, the Regional Development & Grant Specialist position, which was approved on December 6, was advertised. Day reminded that this position is, in effect, a retooling of MMDC’s Community Planner position, which was vacated by Community Planner Ben Dolan just before the holidays. While it certainly provides room for planning work, it has significant emphasis on grant writing, including but not limited to the grant writing services associated with MMDC’s Department of Commerce Grant.

Day then informed that he, along with Finance Director Darla Bajari, interviewed six different candidates, all of whom Day thought could have been successful in the role. When interviews were complete, Day and Bajari ranked the candidates separately. As it turned out, these rankings were identical. Day then offered the position to their candidate of choice.

Carol Lundgren will begin with MMDC on Monday, January 29th. He informed that Lundgren brings significant grant writing and management experience from her time with the City of Eden Prairie, where she performed in several roles, eventually including work as their Sustainability Coordinator. More recently, Lundgren also worked as a Stormwater Best Management Practice Specialist for the Capitol Region Watershed District. She also brings some experience from industrial sales, the service industry, and the healthcare sector.

Lundgren holds a Bachelor of Environmental Planning from the U of M and will complete her Master of Natural Science and Environmental Education degree (Hamline University) in 2024. Day circulated Lundgren’s resume for those Commissioners who might be interested in learning more.

Day stated that it is possible MMDC might receive additional funding from the McKnight Foundation, to help stakeholders connect with grant opportunities that support clean energy interests. However, MMDC likely won’t know anything until May or so, and the details remain to be seen.

Day reminded that MMDC may also see an increase in our MnDOT Transportation Planning award. MMDC receives $75k per year for this work and the award amount hasn’t changed in quite a few years, so this would largely be an inflationary adjustment.

Day also reported that MMDC has received some inquiries from organizations interested in having MMDC assist them with non-energy related grants, strategic plans, and possible planning projects. Not all of these will come to fruition but, if they do, Day said that MMDC will need to ensure adequate capacity to deliver. He then said that he preferred to see how things pan out with McKnight Foundation, MnDOT, etc., before MMDC adds staff too quickly. He also noted that MMDC has a couple of workstations still available, so there’s no concern of outgrowing the office in the foreseeable future.

Commissioner Kevin Crowley inquired as to if the fact that MMDC has hired a Regional Development & Grant Specialist would help improve the likelihood of McKnight Foundation funding. Day informed that he believed McKnight Foundation already assumed the regional development commissions would either have or hire staff for these efforts. He did note that, had MMDC encountered difficulty finding our new hire, that this could have hurt our chances of additional McKnight funding.

* 1. **Pay Equity Compliance Report:** Day informed that, every few years, the State of Minnesota requires that MMDC report information with regard to gender equity in the workplace. Day pointed to the report prepared by Finance Director Darla Bajari, which was included within the meeting materials packet. Day informed that he was seeking approval of this report so that it could be submitted to the MN Department of Management and Budget.

With no questions from the Commission, Commissioner Tony Hausladen made a motion to approve the Equity Report. Commissioner Dave Sebesta seconded the motion, which carried with no dissent.

* 1. **Required MMDC Procurement Policy:** Day informed that, because MMDC receives two grants from MnDOT – our Transportation Planning Assistance Grant and our Regional Transportation Coordinating Council grant and because some of the dollars MMDC receives are federal, there are rules in place to ensure procurement is handled fairly and appropriately. All grantees are required to have a fairly extensive procurement policy.

Day informed the Commission that MnDOT provided MMDC with a template to use for procurement policy development. He added that it’s rare the policy will actually impact MMDC, as few of our purchases would meet even small purchase thresholds. However, he noted that he had reviewed the provided template and had no concerns. He then input relevant MMDC information. Day pointed to pages 30-69 of the meeting materials packet, where the draft version of the MMDC Procurement Policy was located and said that he was looking for a motion to approve this policy.

With no questions from the Commission, Commissioner Robert Moller made a motion to approve the MMDC Procurement Policy. Commissioner Kevin Crowley seconded the motion, which carried with no dissent.

* 1. **Aging Related Information:**  Day shared printed information provided by Commissioner Melgaard-Scheider, who was unable to attend this meeting. In short, Day summarized that Commissioner Melgaard-Schneider wanted everyone to know that the Legislative Task Force on Aging continues its work. Day reminded that this legislative task force was established to:
* review and develop state resources for an aging demographic,
* identify and prioritize necessary support for an aging population through statewide and local endeavors to ensure people can remain in their communities, and
* ensure all aging-related policies are inclusive and reflect the full population of the state.

Day stated that, because the printed information contains weblinks, he would also share an electronic version, via email. Commissioner Dave Sebesta noted that Commissioner Melgaard Schneider, with whom he serves on MMDC’s MMRTCC Subcommittee, is always very good about sharing information from the Legislative Task Force and other sources and shared that she is consistent supporter of quality transportation for nondriving seniors. Commissioner Sebesta also informed that Commissioner Melgaard-Schneider had brought the [www.minnesotahelp.info](http://www.minnesotahelp.info) website to the MMRTCC Subcommittee’s attention. Day informed that this site provided a wealth of resources and encouraged all Commissioners to explore it.

* 1. **Items of Interest from Other MMDC Commissioners:** Vice Chairperson Lorallen Schmeling opened the meeting to any other Commissioners who had information to share. Commissioner Rollie Nissen provided an update on the Minnesota Highway 23 Coalition. He informed that the Coalition is currently studying portions of the Highway’s south corridor (sections between Willmar to Pipestone) and north corridor (east of Foley). Lower traffic volume is a complicating factor in some of these areas.

Commissioner Nissen also informed that a large Highway 23 Coalition challenge, the St. Cloud bottleneck, is being looked at as a long-term project possibility. He noted that the proposed solution would include the addition of an additional bridge over the Mississippi River on the south side of St. Cloud, which would allow drivers to navigate around more congested, slower-going areas. At present, it can take over 30 minutes to navigate through St. Cloud along the Highway 23 route.

* 1. **Fraud Victimization Awareness & Prevention Workshops:** MMDC Economic Developer Michelle Marotzke reminded the Commission that MMDC received a grant from Southwest Initiative Foundation to deliver information that would help to prevent seniors from becoming victims of fraud. Two workshop series will be delivered this spring. One series will be directed toward seniors and the other will be directed toward those who work with them. Day pointed to workshop flyers which were included in the meeting materials packet. Marotzke informed that the workshops will be delivered throughout the MMDC region. The flyers will be sent out electronically for easy sharing and registration. Day added that additional workshops have been requested and that MMDC is not opposed to adding venues. The workshops will also be recorded so that the information may be more easily shared with those who might fall victim to fraud.

Vice Chairperson Schmeling noted that a family member had recently attended a presentation from the Hutchinson Police Department and, just within the Hutchinson Community at least 110 reports of fraud are made each year. It’s understood that this probably reflects just a small fraction of the actual instances of fraud. Artificial intelligence is aggravating the problem.

Commissioner Crowley shared that, prior to the Christmas Holiday, he had stopped at a local retailer to purchase a number of gift cards for family members. He stated that the person who rang up this purchase asked him a series of questions to ensure he wasn’t falling victim to fraud.

* 1. **Revolving Loan Plan Updates:** Day informed that in recent years, the revolving loan fund plans have been brought forward for the approval of any changes in the pursuit of continuous improvement. This year, there were no major changes. However, some verbiage was adjusted to ensure consistency and clarity. Day provided an example of ensuring each of the three revolving loan fund plans included language stating loans $60,000 and above were to be sent to the Full Commission, or Executive Committee acting on behalf of the full Commission, after approval from the Loan Approval Board. Previously, this was inconsistent as some of the plans stated that loans above $60,000 would be sent to the Full Commission.

MMDC Economic Developer Michelle Marotzke confirmed that there were no other significant material changes to rates or terms. Day informed the Commission that he would be seeking a separate motion to approve each of the three revolving loan plans.

1. **Legacy RLF Plan and Strategy:** Commissioner Jon Hawkinson made a motion to approve the updated version of the Legacy RLF Plan and Strategy. Commissioner Rollie Nissen seconded this motion, which carried without dissent.
2. **CARES RLF Plan and Strategy:** Commissioner Kevin Crowley made a motion to approve the updated version of the CARES RLF Plan and Strategy. Commissioner Robert Moller seconded this motion, which carried without dissent.
3. **ARPA RLF Plan and Strategy:** Commissioner Robert Moller made a motion to approve the updated version of the ARPA RLF Plan and Strategy. Commissioner Tom McDonnell seconded the motion, which carried without dissent.

CARES and ARPA Plans will now be submitted to the U.S. EDA for their final approval. This is no longer required, however, for MMDC’s defederalized Legacy RLF Plan.

* 1. **Other RLF Updates:** Economic Developer Michelle Marotzke informed that an RLF just closed this week for Rendezvous, a Willmar entertainment center that features axe throwing, table games, food and drink, etc. This will be located in a currently vacant space east of Willmar’s downtown area along U.S. Highway 12.

Marotzke passed an MMDC RLF information card, which includes term information, etc.

Day noted that there are a couple of RLF projects in the pipeline.

MMDC Economic Developer Nate Reuss noted that Marotzke recently coordinated a meeting for regional development organizations, which provided an opportunity to compare notes, policies, and practices. Reuss noted that he found this meeting to be quite beneficial.

Commissioner Roger Imdieke requested clarification on MMDC’s interest rates. Marotzke informed that MMDC’s rate is one point above the Wall Street Journal Prime Rate, and that this rate is fixed for the life of the loan. MMDC typically does not refinance loans unless the refinancing is occurring as part of a larger project (e.g., an expansion). Day noted that there are times when the borrower may refinance through a different lending institution and pay MMDC off in the process. Commissioner Crowley noted that this is typically only done in situations when the borrower is refinancing all of their loans. Marotzke added that all CARES borrowers are now paying interest and reminded that, during the initial disbursement of these funds, zero percent interest was allowable. MMDC structured these initial disbursements in such a way so that interest rates would step up from zero percent to two percent, and eventually to four percent.

Commissioner Robert Moller inquired as to how many dollars were currently available for lending. Marotzke informed that MMDC has about $1,800 available in the ARPA RLF, about $18,000 available in the CARES RLF, and approximately $140,000 available in the Legacy RLF. Marotzke informed that she is currently working with a potential borrower who may be seeking $55,000 and another who may be seeking $35,000 to $40,000. Day added that information that was current as of last week, when materials packets were mailed, was contained within staff reports. Day also noted that it’s interesting to see the wide variety of businesses supported.

Finance Director Darla Bajari mentioned that, with the closure of the last loan, the ARPA RLF completed initial disbursement. Day also informed that MMDC received a loan payoff from one lender in the last week. This company is now considering business expansion.

Commissioner Robert Moller asked if all borrowers were current. Day informed that there is one borrower that, as of last week and since the mailing of the meeting materials packets, is behind by one payment. Day informed that MMDC staff are on top of this to ensure the problem is resolved. Day stated that, if this loan continues to be an issue, then he will make the Commission aware.

Communications Specialist Ben Carlson added that some borrowers are happy to continue displaying MMDC’s “Proudly Supported By MMDC” yard-style signs beyond the duration for which they are obligated to do so. He noted his belief that this is because of the good experience these borrowers have had working with Nate and Michelle and that this helps him tell the story of MMDC via social media, etc. Day encouraged all Commissioners to refer entrepreneurs to MMDC if it is believed they could benefit from gap financing or technical assistance.

* 1. **Mileage Reimbursement Update:** Day informed that, as of January 1, the federal mileage reimbursement rate has moved to $0.655 to $0.67 per mile. Day added that, as mileage is a significant expense, ride sharing is always appreciated, though he also indicated his understanding that this doesn’t always work out. He also added that staff are encouraged to use the MMDC agency vehicle whenever practical, as this vehicle is paid for and the miles come at a lower cost to our organization.

**Other:** There were no other items discussed. Vice Chairperson Lorallen thanked MMDC Commissioners and Staff for a good meeting and quality reports.

**Adjournment:**

With no further business, Commissioner Rollie Nissen moved to adjourn the meeting. Commissioner Kiza Olson seconded the motion, which carried with no dissent.

Chairperson Shawn adjourned the meeting at approximately 6:58 p.m.

Respectfully Submitted,

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Eric Day, Acting Secretary

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Dave Sebesta, Secretary

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Lorallen Schmeling, Vice Chairperson

**The Next Full MMDC Commission Meeting Will Occur on Wednesday, April 10, at 6:00 p.m.**

(Likely in Kandiyohi County. Specific Location to be Determined)