**Wednesday, December 4, 2024, 6:00 p.m.**

**Meeker County Courthouse (lower level): 325 North Sibley Avenue, Litchfield, MN 55355**

**Members Present:** Commissioners Tiffany Barnard, Kevin Crowley, Doug Erickson, Brent Guyan, Tony Hausladen, Jon Hawkinson, Jill Hoff, Doug Krueger, José Luciano, Maureen Melgaard-Schneider, Robert Moller, Shawn Mueske, Rollie Nissen, Reagan Quinn, Scott Refsland, Lorallen Schmeling, Steve Schmitt, Carl Schuldes, Dave Sebesta, Berit Spors, and Jeff Vetsch.

**Members Absent:** Commissioners Mike Brouwer, Roger Imdieke, Kiza Olson, Yodee Rivera, and Tom McDonnell.

**Staff Present:** Executive Director Eric Day, Finance Director Darla Bajari, Finance Assistant Nikki Johnson, Economic Developers Mike Nicholas and Nate Reuss, Regional Development & Grant Specialist Carol Lundgren, Transportation & Community Planner Blake Barnard, and Communications Specialist Ben Carlson, Mobility Manager Terry Smith.

**Staff Absent:** None

**Guests:**  Justin McGraw, Conway Deuth & Schmiesing, PLLP (auditing firm)

**Call to Order:** Chairperson Shawn Mueske called the meeting to order at approximately 6:00 p.m.

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

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

# **Approval of Agenda:** Chairperson Mueske presented the agenda and noted one addition to the Consent Agenda, brought forward by Executive Director Day. This was the addition of the Comprehensive Economic Development Strategy (CEDS) Committee agenda, for that Committee’s December 3 meeting.

# Commissioner Robert Moller moved to approve the agenda, as amended. Commissioner Dave Sebesta seconded the motion, which carried with no dissent.

# **Approval of September 18, 2024, Full Commission Meeting Minutes:** Commissioner and Commission Secretary Dave Sebesta made a motion to approve the September 18 Commission minutes, as presented. Commissioner Scott Refsland 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, which was contained within the meeting materials packet. He reported that, on September 1, 2024, MMDC started with a checkbook balance of $59,164.02. MMDC had receipts of $384,010.55 and expenditures of $439,793.37. Commissioner Crowley reported an ending checkbook balance of $3,381.20 as of November 21, 2024. Commissioner Crowley also pointed out MMDC’s investment information, also included within the materials packet. He noted that MMDC currently has about $925,000, including all dedicated reserve funds.

Treasurer Crowley then requested the Commission move to approve MMDC Treasurer’s report, as presented. Commissioner Lorallen Schmeling made a motion to approve the Treasurer’s Report. Commissioner Rollie Nissen seconded this motion, which carried with no dissent.

**Presentation of Annual MMDC Audit Report: Auditor’s Report:** Certified Public Accountant, municipal audit expert, and CDS CPAs and Advisors Partner Justin McGraw presented audit findings from the fiscal year ending June 30, 2024 (FY 2024). Related audit documents were provided to all Commissioners in attendance.

McGraw first provided an overview of what is included in an audit report. He then took the Commission through MMDC’s Statement of Net Position in 2024, compared with 2023. He noted that MMDC had an increase in assets in 2024 (+$113,308), largely due to RLF loans-receivable balances and the new ARPA (American Rescue Plan Act) funding that came to MMDC during the 2024 fiscal year. MMDC also had increased amounts owed by other governments. Capital assets (office space, equipment, furnishings, vehicle, etc.) decreased in 2024 (-$24,214), largely due to the depreciation amortization of current equipment and the right-to-use asset of MMDC’s office space on the MinnWest Technology Campus.

There was a slight increase (+$5,606) in current liabilities, largely due to the professional services received during the year. Long-term liabilities (e.g. lease liability and net pension liability) decreased (-$171,022). Net position (i.e., the amount MMDC would have if all debts were paid, and all assets sold) increased (+$53,267).

McGraw then pointed to the Statement of Activities. There were some larger changes here in 2024. While the great majority of MMDC’s new ARPA RLF funds were received in FY 2023, the smaller remainder came in FY 2024. Therefore, operating grants and contributions were down compared to FY 2023 (-$299,471). This was not unexpected. Charges for services increased in FY 2024 (+$77,290). Overall, MMDC’s expenses were down, just slightly, in FY 2024 (-$2,062). However, technical assistance expenses rose as additional funding/projects came in and more personnel time was dedicated to the additional work (+$101,354). U.S. Economic Development Administration expenses were down compared to FY 2023 (-$142,943), largely due to the additional time and expense associated with standing up the, then new, ARPA RLF in 2023.

McGraw then reported that MMDC’s General Fund had a decrease in cash balance in FY 2024 (-$33,831). This was, in part, due to contributions made by MMDC to establish the new ARPA RLF (during the fund’s establishment period, the U.S. EDA contributed $400,000 while MMDC provided a $100,000/20% local match). The Legacy RLF fund had an increase in cash balance (+$22,441) as loan payments were received. MMDC’s CARES Act RLF had a decrease in revenue (-$36,124) as more loans were disbursed. MMDC’s ARPA RLF showed an increase of cash balance (+$27,669), due to the completion of that fund’s establishment (funds added from the U.S. EDA and MMDC’s General Fund).

MMDC’s change in General Fund Balance was positive, with revenues outpacing expenditures. The General Fund’s total balance was $896,456 at the end of FY 2024, including Non-Spendable ($259), Committed ($588,328) and Unassigned ($307,869). MMDC had a modest increase in the Committed Fund Balance (+$14,500), compared to FY 2023, as well as a modest increase in Unassigned funds (+$14,673). A breakdown of the Committed balance was included in audit presentation materials, as follows:

* Emergency Staff Coverage: $57,000 (up from $45,000 at the end of FY 2023)
* Unemployment: $40,000 (up from $37,500 at the end of FY 2023)
* Operating Capital: $245,000 (unchanged)
* Facilities Fund: $75,117 (unchanged)
* Community Enhancement: $121,211 (unchanged)
* Planning Assistance: $50,000 (unchanged)

MMDC’s five-year trend has been that revenues have outpaced expenditures. In Fiscal Year 2024, MMDC had revenue of $1,004,455 (up from $939,408 in FY 2023), and expenditures of $964,232 (up from $912,531 in FY 2023).

Revenue sources in FY 2024 included:

* MMDC Levy: $397,702 (up from $385,506 in FY 2023)
* Federal Sources: $302,840 (down from $363,905 in FY 2023 – due, in part, to the sunsetting CARES Grant)
* State Sources: $126,961 (up from $93,597 in FY 2023)
* Local Sources: $120,375 (up from $56,233 in FY 2023)
* Interest: $23,447 (up from $10,923 in FY 2023)
* Other: $33,130 (up from $29,244 in FY 2023)

General Fund expenditures in FY 2024 included:

* Administration: $108,798 (up from $84,645 in FY 2023)
* Technical Assistance: $326,941 (up from $224,267 in FY 2023)
* Transportation Planning: $104,374 (up from $88,345 in FY 2023)
* EDA Administration: $166,289 (down from $296,820 in FY 2023)
* Regional Transportation Coordinating Council (RTCC): $241,462 (up from $210,687 in FY 2023)
* Administrative Services: $6,980 (up from $5,823 in FY 2023)
* Capital Outlay: $9,388 (up from $1,944 in FY 2023)

At the conclusion of FY 2024 (June 30, 2024), 17.81% of MMDC’s Legacy RLF was available in cash (82.19% loans receivable). The Legacy RLF balance (cash on-hand + loans receivable) was $867,428 at that time.

At the conclusion of FY 2024, 8.51% of MMDC’s CARES RLF was available in cash (91.49% loans receivable). The CARES RLF balance was $869,592 at that time.

At the conclusion of FY 2024, 13.36% of MMDC’s ARPA RLF was available in cash (86.64% loans receivable). The ARPA RLF balance was $496,584 at that time.

McGraw than provided an overview of MMDC compliance. MMDC is in compliance with the Audit Guide issued by the Office of the State Auditor. No compliance issues were noted. Material weaknesses within Government Auditing Standards include a limited segregation of financial duties, which is common in a small office. Commissioners were encouraged by McGraw to pay close attention to MMDC finances, ask questions, and be another “check and balance” to the organizations financial process. The second noted material weakness was the fact that the process included auditor-prepared financial statements.

Day noted that MMDC is working toward addressing the limited segregation of duties with the addition of MMDC’s new Finance Assistant. McGraw said that this was great and invited MMDC staff to consult with auditors when considering how best to separate financial responsibilities.

No Single Audit compliance issues or material weaknesses were noted.

McGraw informed that his firm (CDS) encountered no difficulties during the audit process. There were no disagreements with management. He offered some general recommendations regarding the Revolving Loan Funds. These include ensuring borrowers’ proof of insurance coverage remains current in the loan file and that there is sufficient documentation to show that a bank was unable to provide the financing required by the loan applicant. This is required by the Revolving Loan Fund Plans (CARES and ARPA).

Day shared that there was at least one situation where there was a bank involved with a loan, and so they did not turn down financing. However, Day and the RLF staff will be working to ensure there is documentation of the fact the participating bank could not meet the applicant’s entire need. Day said that this is what MMDC Economic Development staff are doing for an application currently in-process. Day does not anticipate future problems with obtaining this documentation. McGraw confirmed that this would meet the need. Economic Developer Nate Reuss expressed that he and Economic Developer Mike Nicholas are confident they can resolve this lending-gap documentation issue. Reuss expressed appreciation of the work of the auditing firm.

After an opportunity was provided to ask further questions of McGraw, Commissioner Kevin Crowley made a motion to approve the FY 2024 Audit Report, as presented. Commissioner Steve Schmitt seconded the motion, which carried without dissent.

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

* 1. MMDC Personnel Committee: November 22, 2024
  2. MMRTCC Subcommittee: September 25, October 15, and November 26, 2024

Additionally, minutes for the following meeting were provided to all Commissioners in attendance, for addition to the Consent Agenda.

* 1. Comprehensive Economic Development Strategy (CEDS) Committee: December 3, 2024

Chairperson Mueske provided an opportunity for questions and comments on the Consent Agenda items With no questions, Commissioner Robert Moller made a motion to approve the Consent Agenda. Commissioner Carl Shuldes seconded the motion, which carried without dissent.

**Correspondence and Announcements:** Executive Director Day took this opportunity to inform that the Commission has several members leaving their elected offices, and one Commissioner who is relocating to the metro area. Therefore, they will be unable to join in any official capacity in 2025. Those leaving include Commissioners Tiffany Barnard, Doug Erickson, and Jeff Vetsch, all of whom are leaving public office, and Commissioner Tom McDonnell, who is relocating to Shakopee. Day stated that he is in the process of identifying individuals to take their place.

Day noted that Renville County will assign a Commissioner. Additionally, a couple of school board members have been suggested and he will be reaching out. These will be approved by the region’s school board chairs who live within the borders of MMDC’s four counties. Commissioner McDonnell has ideas for potential candidates to serve in the Public Interest as a representative of the Information Technology Sector and Day will follow-up with these after his initial inquiry. Their approval would be determined by the full Commission.

Day also noted that the Commission still has a vacancy for Meeker County’s municipalities. He has reached out to Cosmos City Councilor Angelica Hopp, who attended as a guest in September, to see if election results will allow for her participation. At the time of his last contact with Hopp, she was leaving her current City Councilor role but said she may stay on with the Cosmos City Council if another Councilor, who was running for Mayor, won their election. If Ms. Hopp is unable to participate, Day has at least one other candidate in mind to approach for this seat. This person would be approved by Meeker County’s mayors.

Day went onto explain that, pursuant to MMDC’s Bylaws, Commissioner Tom McDonnell’s seat on the Executive Committee will need to be refilled. McDonnell currently serves as MMDC’s Commissioner At-Large. Day noted that he had consulted with Nominating Committee Chair Robert Moller and determined a special election will be necessary. This should occur during the Commission’s February 5, 2025, meeting. The abbreviated term for this new Commissioner At-Large will conclude on June 30, 2025, though, according to Bylaws, they will be eligible for two additional consecutive two-year terms.

Day added that MMDC’s Executive Committee currently includes three elected Commissioners – Kevin Crowley, Lorallen Schmelling, and Dave Sebesta. Therefore, any interested Commissioner can be nominated, or can nominate themselves, for the At-Large Vacancy. MMDC will retain a majority of elected members. Any Commissioner interested in serving in the capacity of Commissioner At Large on our Executive Committee should notify Day or MMDC Nominating Committee Chair Robert Moller, on or before January 24 so a vote can be held at the February 5 Commission meeting.

Day’s final announcement was that the MMDC Team is very happy to have Finance Assistant Nikki Johnson onboard. He mentioned his understanding that Johnson’s training on MMDC’s processes is off to a good start and said that he’s optimistic that MMDC will be able to tackle a couple of larger projects and take on more fiscal hosting or related work soon. He added that any Commissioner aware of an organization in need of a fiscal host should feel free to connect them with him or with Finance Director Darla Bajari so their needs and MMDC’s ability to serve them can be discussed. He added that his goal is to ramp this service up gradually but said he was happy to talk with any prospective fiscal host client.

**Staff Reports:** Chairperson Mueske pointed to the staff reports that were included within the meeting materials packet and provided an opportunity for Commissioners to ask questions.

Commissioner Kevin Crowley pointed to the mention, within Executive Director Day’s report, of the fact that some office improvements may be called for, including improvements to lighting in some of the offices. Commissioner Crowley highlighted the importance of good quality lighting in work areas and questioned whether or not it was advisable to put off any improvements in this area. Day explained that, when MMDC moved to the MinnWest Technology Campus in 2020, lighting upgrades were made in the MMDC “gallery” (front/reception room) as well as in the Finance office. He said that improvements to other offices could be considered sooner rather than later, especially if any staff reported lighting or eye strain difficulties.

Day mentioned that other possible upgrades included the updating of carpet in several MMDC offices, as well as some paint. He also mentioned that a window film may be necessary on west-facing windows, to reduce glare in the afternoons. Day said that his intent was to make sure these improvements could happen over the course of time and as budgets allow.

Day encouraged all Commissioners to read the staff reports and said that these should be referred to whenever a Commissioner is unsure of how MMDC has worked to be of service to the region.

Commissioner Doug Krueger inquired as to whether Day discussed the Kaizen Health rider brokerage services with PrimeWest Health, when Day met with that entity. Day clarified that the PrimeWest Health event he attended was the organization’s annual fall conference. He said that MMDC Mobility Manager Terry Smith has had more extensive conversations with PrimeWest about specific mobility management topics. Mobility Manager Terry Smith informed the Commission that PrimeWest Health is in the process of evaluating Kaizen Health. He is uncertain as to whether Kaizen will continue to be the selected service provider for Medicare/Medicaid related ride brokerage.

Commissioner Krueger said that he would like MMDC to look into taking over the Medicare/Medicaid ride brokerage for MMDC’s region. Day said that, while he didn’t think this was feasible, and that at least one full-time individual would need to be hired, he could look into it. Day noted that, as of several years ago, the per-transaction cost for Kaizen’s service was under $5. Even with inflationary adjustments, he’s not sure, at least at this time, if MMDC could be cost-competitive. Commissioner Krueger reiterated that, as cost-savings may be possible for the participating counties, he would like Day to investigate further. Day said that he would do so, with the help of Mobility Manager Smith.

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

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

**Consideration of Cost-of-Living Adjustment and Health Savings Account (HSA) and Medical Premium Contribution Recommendations:** Day pointed to the COLA, HSA, and Medical Premium Contribution recommendations included within the packet. He reminded that, each year, in late November or early December, he brings a recommendation for a cost-of-living adjustment to the MMDC Personnel Committee for their consideration. On November 22, the Personnel Committee met to consider Day’s written recommendation.

Day explained that hisrecommendation was based on several factors, including:

1. Health insurance premiums for CY 2025 will be slightly less than they were in CY 2024 (down about 1%). MMDC budgeted for an 8% increase, based on what Day, Finance Director Bajari, and some Commissioners had been hearing from others earlier in the year.
2. According to the U.S. Bureau of Labor Statistics’ November 13 release, the Consumer Price Index increased by 2.6% from October 2023 to October 24. The CPI measures the average change over time for prices paid for a broad basket of commonly used goods and services.
3. Social Security recipients will receive a 2.5% cost-of-living adjustment for CY 2025, according to the Social Security Administration.
4. MMDC continues to project a modest surplus at the end of the current fiscal year. This surplus was originally projected at $20.412 and is now expected to be slightly higher, barring the unforeseen, due to the lower-than-expected health insurance premiums.
5. Unemployment remains quite low in our region (2.4% in October, which is slightly lower than the States rate of 2.6% and the nationwide rate of 4.1%)

Day then informed that, on November 22, the Personnel Committee considered these factors and followed Day’s recommendation to bring forward, to the full Commission, a three-part recommendation:

**First**, for MMDC to continue to pay 100% of the health insurance premium for eligible employees who choose “single” coverage and 76% of the health insurance premium for those who opt for “family” coverage; **Second**, for MMDC to continue contributing $230/month toward each eligible employee’s Health Savings Account; and **Third**, for MMDC to approve an upward cost-of-living wage adjustment of 2.5% for all employees.

Day then deferred to any MMDC Personnel Committee member or members interested in offering additional comments. Commissioner Berit Spors, a member of the MMDC Personnel Committee, expressed that the Committee had robust discussion on Day’s COLA, HSA, and healthcare premium recommendations. With that, she made a motion to approve the three-part recommendation of the Personnel Committee. Commissioner Robert Moller seconded the motion, which carried with no dissent after discussion and with Commissioner Tiffany Barnard abstaining.

Discussion included a comment from Commissioner Lorallen Schmeling, who inquired as to whether the $230 HSA contribution is a large amount. Day stated that no staff have expressed dissatisfaction with the $230 amount. He reminded the Commission that MMDC offers no dental coverage and that all elected vision coverage is paid out of employees’ pockets. However, the $230 HSA contribution can be used to offset these dental and vision costs. Day said that, in his estimation, when you factor the lack of dental and vision coverage, the $230 per month contribution is about right. Day said that this amount has not been adjusted during his time at MMDC and so it may be smart to look at a modest adjustment in the future.

Commissioner Doug Krueger pointed out that the $230 per month HSA contribution is more than fair and added that the amount can accumulate in employees’ accounts – it is not “use it or lose it”. Commissioner Krueger went on to say that he could live with and support the 2.5% COLA increase.

Commissioner Dave Sebesta asked for confirmation that HSA contributions were not taxable. Day confirmed this is the case and that they are not taxable dollars. Commissioner Krueger pointed out that this provides for additional value.

**MMDC Commissioner Position Description Draft:** Day reminded that, during the September Commission meeting, it was suggested that a position description would be useful to Commissioners. Something that outlined responsibilities and could be referred to from time to time. Day pointed to a drafted position description that was included within the meeting materials packet and requested suggestions for its improvement. He noted that this was not intended to be a final version but rather a document brought forward to encourage more discussion so that a position description can be created that the Commissioners believe is appropriate.

Chairperson Shawn Mueske stated that, as some Commissioners were seeing the document for the first time, the matter could be deferred and revisited at the February 5, 2025, Commission meeting.

Commissioner Scott Refsland commented that, as a new Commissioner, he believed the drafted position description provides a nice snapshot of Commissioner responsibilities.

Commissioner Doug Krueger noted his concern that the position description might counter Commissioners’ ability to freely express their opinions in situations where they did not agree with Commission action. He expressed that the position description might stifle freedom of speech. Day expressed that he hoped there was nothing included in the position description that would restrict dialogue or dissenting opinions. He said that he was happy to adjust language to satisfy Commissioners.

Chairperson Mueske pointed out item 15 under General Responsibilities, which stated: “Support the decisions made by the Commission and avoid public disagreement with Commission decisions, recognizing that all Commission members must share a unified voice once decisions are made.” Commissioner Jon Hawkinson also expressed his discomfort with the item, adding that Commissioners should be able to express that, despite the fact a decision was made, and the Commission was moving forward, they were not in agreement with the decision in question. Commissioner Tiffany Barnard suggested an inclusion that public discussion is encouraged. Commissioner Steve Schmitt also offered that some further clarification could be beneficial. Commissioner Krueger noted the complicating factor that the County Board on which he serves may take a different stance on a given issue than does MMDC.

Day said that he would be happy to retool item 15, and that he would send out a suggested revision prior to the February 5, 2025, meeting so that Commissioners could consider it. Day added that he wants to ensure that all Commissioners are comfortable with the position description as it is intended to be for them and the work is being done on their behalf.

Chairperson Mueske inquired as to whether there were other responsibility items in question among the Commissioners. None were brought forward. This item will be considered under Old Business on February 5, 2025.

**Aging Related Information/Update:** Commissioner Maureen Melgaard Schneider reminded that Medicare Open Enrollment ends on December 7. She noted that she had provided Day with the toll-free number for the Senior Linkage Line, which can help with Medicare Open Enrollment information (800-333-2433).

Commissioner Melgaard-Schneider informed that, on November 25, Attorney General Keith Ellison joined with her, in her capacity as Minnesota Board on Aging Chair, and with Senior LinkAge Line Medicare Product Manager Kelli Jo Greiner to discuss a significant challenge facing more than 60,000 Minnesotans, related to Medicare Advantage health insurance plans. Things have changed for 2025 and some Medicare Advantage organizations that have previously offered services in Minnesota may no longer be offering Medicare Advantage services in 2025.

Commissioner Melgaard-Schneider provided updates on the Legislative Task Force on Aging. The Task Force is almost ready to finalize recommendations to the MN Legislature for possible 2025 legislation. Their final report is due January 15, 2025, and the Task Force is expected to sunset at the end of that month. The MN Board on Aging has proposed four essential elements, including:

* Provide a direct line of communication to the Governor and their office to give voice to older people. Commissioner Melgaard-Schneider reported that the Governor’s office has been very helpful to this point.
* Commit resources to lead advocacy, research, analysis, community education and outreach, and cross agency coordination.
* Integrate work with the Age-Friendly Minnesota Council through the multisector blueprint for aging.
* Revise the Minnesota Board on Aging’s legislative statute to strengthen its authority to work directly with the governor and their office, the legislature, state agencies, and tribal nations.

Overall, the MBA is committed to remaining actively engaged throughout this process to ensure the final structure included in the Legislative Task Force on Aging report reflects the best possible solutions for all Minnesotans.

Commissioner Melgaard-Schneider is not sure, given the most recent budget forecast, that there will be much appetite for the Task Force’s proposal. The Minnesota Management and Budget Office forecasts a $616 Million balance at the end of the 2026-2027 biennium, $1.1 Billion less than prior estimates. Projected reductions in income and sales tax revenues, combined with higher spending for long-term care and special education are causing a growing structural imbalance throughout the budget planning horizon. Commissioner Melgaard-Schneider noted that it could be that the Legislative Task Force’s recommended policies are passed but indicated that the related funding may be more questionable.

Commissioner Melgaard-Schneider said that, in October, the Board on Aging spent several days approving the CY 2025 Area Agencies on Aging Plans/Budgets, including the 2025 plan for the Minnesota River Area Agency on Aging, which serves the MMDC region. Across the board, the trend is towards transferring dollars from congregate meals to home-delivered meals. She expressed her belief that this was a continuation of pandemic-era practices and also the result of transportation difficulties amongst some aging individuals.

Commissioner Melgaard-Schneider also provided some follow-up on the loneliness epidemic and social isolation, a topic on which she has now given several presentations. She noted that she ran across a piece in the KFF Health News:

- Donald Hammen, 80, and his longtime next-door neighbor in south Minneapolis, Julie McMahon, have an understanding. Every morning, she checks to see whether he’s raised the blinds in his dining room window. If not, she’ll call Hammen or let herself into his house to see what’s going on.

Commissioner Melgaard-Schneider noted that this is the complete opposite of some of the technology solutions that are out there to solve isolation issues. She said that, in some cases, these person-to-person solutions may be just as effective. It’s good for us to realize that there is a balance that needs to be maintained to combat the loneliness epidemic.

In close, Commissioner Melgaard-Schneider commended the format used and the accountability offered by the report on the National Association of Development Organizations conference, which was included with this meeting’s Executive Director’s report. She said that readers could envision themselves being in the conference and receiving the sessions and offered her kudos for its thoroughness.

**Items of Interest from Other Elected or Public Interest-Representing Commissioners:** Commissioner Jill Hoff noted that CareerForce partners Central Minnesota Jobs and Training Services and Southwest MN Private Industry Council are looking for individuals interested in being trained to become meat-cutters. This is an in-demand occupation in this area of the state, and she will provide a flyer to Day to include with the minutes. MMDC Economic Developer Nate Reuss mentioned that this training is aligned with the efforts of MMDC’s Regional Food Business Development Work and thanked Commissioner Hoff for bringing it up.

Commissioner Tiffany Barnard, who serves on the Hutchinson School Board, informed that she recently attended the Minnesota Rural Education Summit and that, while there, she learned that operating referendums passed for 62% of the rural school districts that had them on the ballot (the operating referendums failed for 38% of these districts). She said that districts are in dire straits and shared her prediction that, as the state is likely to be short on funds, and as the incoming federal administration is talking about cuts to the U.S. Department of Education, more districts will be looking at raising their operating levies. In part, these requests may be tied to capital expenses associated with redesigning school restroom facilities. State law changes allow people to use any restroom that corresponds to their gender identity, and she believes voters might be willing to spend money on single/private bathroom stall reconfigurations. She noted that this, and bathrooms more generally, will likely be a hot topic at the school district level in the coming months.

Commissioner Berit Spors noted that she had heard some districts were looking at instituting a four-day school week as a cost-saving measure. She asked if this was another trend Commissioner Barnard was seeing. Commissioner Barnard said she was aware that several districts, including districts in the MMDC Region, were looking at this. Commissioner Carl Schuldes said that this is no longer being considered in Willmar. Commissioner Barnard said one of the major things to consider is that school districts employee many hourly staff who may not be interested in retaining their jobs on a four-day per week schedule. Some cafeteria staff, for instance, may not be interested in staying given the probable cut in their hours.

Commissioner Krueger noted, and Commissioner Barnard confirmed, that childcare is another consideration. Commissioner Barnard speculated that if more schools move to a four-day week, it might also lead to more districts considering year-round school. Commissioner Lorallen Schmeling noted that he hasn’t heard any complaints about the four-day school week from residents of the Atwater-Cosmos-Grove City (ACGC) or Maynard-Clara City-Raymond (MACCRAY) districts. He said that parents seem to have adjusted to the daycare issue at ACGC. Commissioner Doug Krueger noted that different areas of his county have different needs but noted that, in many cases, grandparents are no longer able to assist with childcare.

Commissioner Dave Sebesta spoke about some of the recent housing development within the City of Hutchinson. Several developers have come to Hutchinson. One major project will involve the redevelopment of a site formerly occupied by a clinic. 79 housing units have been proposed for that space. Another entity would develop 30 acres in northwest Hutchinson, just east of the golf course. The plans are for about 200 housing units, including 100 units of apartments and a mixture of single-family dwellings and triplexes. Additionally, a roughly 40-acre piece of land just east of the Hutchinson Menard’s location is going to be developed for single-family homes. Commissioner Lorallen Schmeling noted that this development would include 38 residential lots. Commissioner Sebesta sees these as positive developments for the City of Hutchinson. He noted that, three years ago, a housing study reported that the city would have a shortfall of 1,000 housing units by 2025. Commissioner Jill Hoff inquired as to if any of this housing would be subsidized/affordable housing. Commissioner Sebesta said that one developer was looking at how he might make housing more affordable. This may include the construction of smaller units. Commissioner Krueger noted that many cities won’t allow small units. He added that the rents are becoming harder and harder to afford.

Commissioner Jon Hawkinson inquired as to if any Commissioners were aware of communities considering the allowance of accessory dwelling units (ADUs) to help answer housing shortages. Commissioner Doug Krueger said that McLeod County has an ordinance prohibiting ADUs unless the property owner can show good reason and provide a doctor’s note indicating the necessity. Commissioner Steve Schmitt indicated his belief that Meeker County’s ordinance does allow for a secondary dwelling for a related individual on a long-term basis. Commissioner Jill Hoff, a Meeker County resident, said that her son is currently in the process of building an ADU on her neighboring and aging mother-in-law’s property. This was allowed by the County, per Hoff, because it was necessary to have an additional person on the property to help care for her mother. If that was not the case, Commissioner Hoff stated the building permit would have been denied.

Chairperson Mueske said that, while this evening’s topical discussion (a new addition to the Commission meeting) would be centered on increasing public participation and volunteerism, given the obvious interest in housing, this could be added as a future discussion topic. Day indicated that he would put that on the agenda for February 5, 2025.

**Pay Equity Compliance:** Day informed the Commission that, every three years, MMDC is required to file paperwork with the State of Minnesota’s pay equity coordinator to verify Local Government Pay Equity compliance. In short, the goal is to ensure women are being fairly compensated for their work at MMDC, in line with what we pay men in similar roles and with similar skills and experience. Day pointed to documentation included within the meeting materials packet, indicating that the State has found MMDC to be in compliance. Day acknowledged and thanked MMDC Finance Director for ensuring the State had all of the documentation they required to come to their conclusion.

**Commission Discussion Topic:** Chairperson Shawn Mueske introduced a new feature for this MMDC Commission meeting, a Commission discussion topic. He read the prepared topic aloud:

*“How can communities, and our region, increase participation in the public process (e.g., responding to the U.S. Census, attending public council & board meetings, running for office, participating in local ad hoc committees, etc.) and increase the rate of volunteerism more generally? Is there an appropriate role for MMDC?”*

Day reminded that, at the September Commission meeting, there was a good deal of desire expressed for more opportunities for in-depth, interpersonal interaction amongst Commissioners and between Commissioners and staff. Day said that, in an effort to foster more of this type of interaction, in addition to offering pre-meeting social time at this evening’s meeting, he’s done his best to carve out time in the meeting agenda for a topical discussion.

To launch the conversation, Day asked how we can encourage more public participation, and get more people to show up at local county, city, township, and school board meetings, and also how we can get more people interested in running for office, especially locally. Day noted that, during his tenure, Minnesota House of Representatives member Dean Urdahl promoted the idea of ensuring civics education during grade 12, when young people were preparing for adult life. A high-quality conversation, which included numerous MMDC Commissioners and staff was held. Highlighted thoughts and ideas included:

* The acknowledgement that it is hard to get people to commit to regular meetings (e.g. service club meetings).
* Discussion on the importance of parents modeling public participation for their children.
* Acknowledgment that some organizations make it difficult for people, including young people, to participate (e.g. paperwork and application process required by some animal shelters – though it was acknowledged that there is a reason for these processes).
* Questions surrounding whether local government is an instruction topic in school (at least one Commissioner with a high school student noted that it is indeed an instruction topic).
* The recognition that many people are unaware of what the job of a locally elected official (e.g. County Commissioners) entails.
* A statement that many local elected officials are underpaid for their time and effort.
* Acknowledgement that the lack of participation includes but is not limited to the younger generation.
* The potential of including volunteer rosters for people interested in contributing but not interested in meetings. Some people are more task-oriented.
* The idea that there may be more people who would be interested in coming forward, however they would like to be asked/invited to participate.
* Acknowledgement that there may be a lack of understanding of the value of volunteerism amongst some individuals.
* The observation that, at least in some communities, younger people are volunteering more, specifically for Fire & Rescue services, than their parents (e.g., 20-somethings volunteering more than those in their 40s and 50s).
* Acknowledgement that time is limited for many, especially parents who are trying to make a living and keep up with their children’s vigorous school and extra-curricular schedules. Many are, understandably, prioritizing their kids.
* A hypothesis that some people, particularly older people, might be more apt to participate on state and other tasks forces and committees if the opportunity was offered virtually. However, some areas don’t have the necessary broadband infrastructure to support this method of participation. Open meeting rules can also be a complicating factor for public meetings.
* One mentioned that their community has used events like “dinner with the mayor” to encourage public participation and raise funds for community projects.
* It was noted that sometimes, when people are invited to meetings (e.g., when students or families are invited to school board meetings), the meetings may include very negative and off-putting public comments. It might be helpful to redesign meetings so that they are generally less formal, and so that public comment periods are included at the end of the meeting, when there is more time to answer questions, etc. The chair also has influence over meeting tone.
* The statement that the use of Roberts Rules and Parliamentary Procedure has been reduced in recent years, and the fact that this may cause some meetings to be more drawn out. Also, the observation that people who participated in FFA or 4H when they were young are often more familiar and comfortable with parliamentary procedure.
* The observation that the first time a person attends a meeting is often when they have a problem, and that they may be coming to the meeting intimidated and unfamiliar, increasing the potential of a negative experience.
* The reminder that public speaking is widely known to be a top fear among adults in the U.S.
* The observation that many haven’t ever been to a truth in taxation meeting.

Chairperson Mueske wrapped the conversation and asked the Commissioners if allowing time for a topical discussion is something they would like to continue doing at future meetings. Responses to this question were positive, with several Commissioners noting they thought the topical discussion was valuable. Day noted that his secondary motive, after giving people opportunity to share topical ideas, was to help Commissioners and staff get to know each other better, which supports more meaningful discussion in other areas.

Day then asked, more generally, if the Commission liked the changes to this evening’s meeting (e.g., the pre-meeting social time provided for those who could attend; the slightly-elevated refreshment, the seating arrangement (smaller tables of 4-5 rather than one large square), and the topical discussion). Day asked if Commissioners would like to see this format again and if this was a step in the right or wrong direction. Commissioners expressed their support for continued carve-outs for topical discussions and other meeting-enrichment activities.

Day informed that, prior to the February 5, 2025, Commission meeting, a tour of Ridgewater College’s Hutchinson Campus will be offered (5:00 p.m.). This will be an opportunity to learn more about the programs offered on the Hutchinson campus, receive updates on enrollment, etc., and stop into the CareerForce office and learn about the programs offered there.

**Adjournment:**

With no further business, Commissioner Robert Moller moved to adjourn the meeting. Commissioner Jon Hawkinson seconded the motion, which carried with no dissent.

Chairperson Shawn Mueske adjourned the meeting at approximately 8:00 p.m.

Respectfully Submitted,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Eric Day, Acting Secretary

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Shawn Mueske, Chairperson

**The Next MMDC Commission Meeting Will Occur on Wednesday, February 5, 2025, at 6:00 p.m.**

The location of this meeting will be Ridgewater College’s Hutchinson Campus (room number/specific location to be determined). A tour of the campus is being planned for those who can attend. This would occur at 5:00 p.m., before the Commission meeting.