

**Mid-Minnesota Development Commission  
Commission Meeting and Annual Public Hearing  
MINUTES**

**Wednesday, June 18, 2025, 6:00 p.m. (Public Hearing Held at 7:00 p.m.)**

**Hector Community Center: 130 Main St. S, Hector, MN 55342**

**Members Present:** Commissioners, Kevin Crowley, Todd Frank, Brent Guyan, Jon Hawkinson, Jill Hoff, Roger Imdieke (departed at 7:05, just prior to the public hearing, due to a conflict), Doug Krueger, Mike Kutzke, José Luciano, Maureen Melgaard-Schneider, Greg Mertens, Robert Moller, Shawn Mueske, Rollie Nissen, Sara Pollmann, Yodee Rivera, Lorallen Schmeling, Darren Sombke, and Berit Spors

**Members Absent:** Commissioners Tony Hausladen, Gabra Lokken, Kiza Olson, Reagan Quinn, Scott Refsland, Dave Sebesta, and Carl Shuldes

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

**Staff Absent:** Economic Developer Nate Reuss

**Guests:** None

**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 and staff provided introductions. Commissioner Mike Kutzke, MMDC's new Kandiyohi County Township representative, was given an opportunity to provide the rest of the Commission with additional information on his personal and professional background.

**Approval of Agenda:** Chairperson Mueske presented the agenda. There were no additions offered.

Commissioner Rollie Nissen moved to approve the agenda, as presented. Commissioner Robert Moller seconded the motion, which carried with no dissent.

**Approval of April 23, 2025, Full Commission Meeting Minutes:** Commissioner Robert Moller made a motion to approve the April 23 Commission minutes, as presented. Commissioner Berit Spors 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 April 1, 2025, MMDC started with a checkbook balance of \$10,111.84. MMDC had checkbook receipts of \$87,002.68 and expenditures of \$83,884.89, with an ending balance of \$13,229.63.

MMDC's savings account reflected an April 1 balance of \$112,587.94, MMDC had savings receipts of \$71,467.27 and expenditures of \$164,324.18, with a May 31 savings account balance of \$19,731.03.

Commissioner Crowley also reported that, on May 31, 2025, MMDC had long-term investments totaling \$958,828.27, and noted that some of these dollars are allocated to dedicated reserves for specific purposes. Treasurer Crowley then made a motion to approve MMDC Treasurer's report, as presented. Commissioner Lorallen Schmeling seconded this motion, which carried with no dissent.

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

- A. MMDC Executive Committee: June 4, 2025
- B. MMDC Nominating Committee: June 4, 2025
- C. MMDC Personnel Committee: June 4, 2025
- D. MMDC Budget & Work Program Committee: June 4, 2025
- E. MMRTCC Subcommittee: May 27, 2025

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

## Full Commission and Annual Public Hearing Minutes: June 18, 2025

**Correspondence and Announcements:** Day circulated the Minnesota State Demographic Center's annual population and household estimates for the MMDC Region, and each of MMDC's counties, cities, and townships. Day also circulated a brief economic report that included unemployment rates for the nation, state, MMDC region, each of MMDC's four counties, and the communities of Hutchinson and Willmar. The report also included cost-of-living information and a brief update on the Consumer Price Index/inflation. Day stated that he would include electronic versions of both reports when he sent out the draft version of Commission minutes for this meeting.

**Executive Director's Annual Report for Fiscal Year 2025:** Day pointed to his written report, which was included with meeting materials. He then offered to take any questions and closed by sharing his opinion that it has been a good and productive year at MMDC. He thanked MMDC's commissioners for their support of the organization and also thanked MMDC staff for their hard work and dedication throughout the year.

Commissioner Maureen Melgaard-Schneider took this opportunity to ask Day about his recent meeting with Kandiyohi County Economic Development (KCED) Barbara Carr and asked if Day had any impression of Carr's receptiveness to collaboration, and Day's general impressions. Day shared that he was joined by MMDC Economic Developers Mike Nicholas and Nate Reuss for a portion of this meeting and stated that, based on conversation that followed, all were left with a positive impression. Day said that he appreciated the fact Carr was taking the time to get acclimated before deciding exactly how to refill vacant KCED positions, etc. He then reiterated that his impression was favorable.

**Chairperson's Annual Report for Fiscal Year 2025:** Chairperson Mueske read written comments he had prepared prior to the Commission meeting. Highlights of these comments included:

- Acknowledgment of the fact the political landscape has created a time of uncertainty at MMDC, and recognition of the fact MMDC is well-equipped to handle the changing landscape, in large part due to the fact the organization didn't lose any staff in FY 2025, as well as via the addition of two new staff since May of 2024; Transportation & Community Planner Blake Barnard and Finance Assistant Nikki Johnson.
- Mention of the fact that MMDC has received several grants to help the organization achieve its mission, and the result of a small projected budget surplus at the end of the fiscal year.
- Note of the fact MMDC's revolving loan funds are operating as planned, with several solid loans working to spur economic development in the region.
- Recognition of MMDC's quality planning, fiscal, and other staff, and their capacity to meet the planning and technical assistance needs of the region.
- Mention of the quality of MMDC's commissioners, a talented and dedicated group of leaders that bring unique experience and knowledge.
- Acknowledgement of MMDC's level of responsiveness and the organization's dedication to MMDC's mission.
- A review of MMDC's mission statement.
- An expression of gratitude for all MMDC staff and their efforts.

**Staff Reports:** Day pointed to the written staff reports that were contained within the meeting materials packet. Day stated that present staff would be happy to answer any Commissioner's questions. No questions were offered.

Commissioner Mueske noted that these reports provide good information and suggested that, if there is any question as to what the organization is accomplishing, reading these reports will provide a quality means of developing a good understanding.

**Old Business:** There was no Old Business

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

**Annual Conflict of Interest Form for All Commissioners:** Day pointed to this form, which was included with each Commissioner's per diem sheet received upon arrival to the meeting (a blank copy was also included within the meeting materials packet). Day asked that all commissioners complete the form and provide to Finance Director Darla Bajari or Finance Assistant Nikki Johnson prior to leaving the Commission meeting.

### Election of Officers:

**Commission Secretary:** MMDC Nominating Committee Chair Robert Moller brought forward the recommendation of the Nominating Committee to re-elect Secretary Dave Sebesta for a second two-year term as Commission Secretary, as is allowed by MMDC Bylaws. MMDC's Nominating Committee carried a motion to bring this recommendation during their June 4, 2025, meeting. Commissioner Moller called three times for any other nominations. With no other nominations offered, Commissioner Moller made a motion to re-elect Commissioner Dave Sebesta as MMDC's Commission Secretary. Commissioner Rollie Nissen Seconded this motion, which carried with no dissent.

**Commissioner At-Large:** MMDC Nominating Committee Chair Robert Moller brought forward the recommendation of the Nominating Committee to re-elect Commissioner At-Large Berit Spors for her first full term. Commissioner Moller reminded those present that Commissioner Spors was elected to the At-Large position during a special election, after the relocation of former At-Large Commissioner Tom McDonnell from the MMDC region. MMDC's Nominating Committee carried a motion to bring this recommendation during their June 4, 2025, meeting. Commissioner Spors remains eligible to serve two full terms as Commissioner At-Large, per MMDC's Bylaws. Commissioner Moller then called three times for any other nominations. With no other nominations offered, Commissioner Moller moved to re-elect Commissioner Berit Spors as MMDC's Commissioner At-Large. Commissioner Maureen Melgaard-Schneider seconded the motion, which carried with no dissent.

Commissioner Moller thanked commissioners Sebesta and Spors for their willingness to serve, and this was reiterated by Chairperson Mueske.

**Approval of Identified Special Interest Members:** Day pointed to a roster of Identified Special Interest/Public Interest Members. He noted that there are currently vacancies in FY 2026 for the I.T. Sector and the Healthcare Sector. He stated that Commissioner Kiza Olson has informed him that she will be unable to continue participation, due to regular schedule conflicts. Day asked commissioners to let him know if they were aware of subject matter experts who might be a good fit for and interested in either of these seats. He then asked for a motion to approve the slate of public interest representing commissioners, with the understanding that any new public interest commissioners would be brought to the full Commission for individual approval.

Commissioner Jon Hawkinson made a motion to approve the slate of special/public interest commissioners. Commissioner Todd Frank seconded the motion, which carried with no dissent.

**Chairperson's Committee Appointments for FY2026:** Chairperson Mueske noted that he works with MMDC's executive director to put this committee roster together and that, when doing so, they work to match commissioners' interests and expertise. He also said that he and Executive Director Day would like to work toward a scenario where all commissioners participate on at least one committee, with both longer-term and newer members serving on all committees.

Day then pointed to the FY 2026 MMDC committee roster, which was contained within meeting materials. Day asked commissioners to let him or Chairperson Mueske know if they see themselves assigned to a Committee that doesn't seem appropriate. He also asked commissioners to let him or Chairperson Mueske know if they would like to be considered for a committee to which they are not currently assigned.

This item was informational only and no action was required.

**Report on Executive Director's Annual Performance Review:** Chairperson Mueske informed the Commission that MMDC's Executive Committee met on June 4, 2025. At that time, the Executive Committee reviewed and discussed responses provided by commissioners and staff to a recent survey on their view of Executive Director Day's performance and MMDC direction. Commissioner Mueske noted that the survey did not receive the return rate that the Executive Committee was hoping to receive (69 percent of commissioners and staff responded to the survey, as verified by Commissioner Berit Spors). Mueske noted that the survey is not difficult to complete and said that it would be helpful to the Executive Committee if more commissioners and staff would take the time to complete it in the future.

Commissioner Mueske noted that, while the majority of comments were very good, the Committee did have significant discussion. He noted that there were some criticisms that were shared within the responses. There was also a desire for more quantitative analysis of Day's performance and the

performance of the Commission. He noted that the Executive Committee would be willing to consider more quantitative criteria but noted that it would be good to share these with the executive director sooner rather than later. If commissioners have suggestions as to what could be included in more quantitative measures, they should bring those suggestions forward.

Commissioner Mueske then informed the group that it was agreed by members of the Executive Committee that Day is doing a very good job and said that a decision was made that a performance (i.e., merit/step) increase was warranted. He then offered to answer any questions from the commissioners.

Commissioner Spors reminded Chair Mueske of another June 4 conversation had by the Executive Committee, related to a request for comment whenever a commissioner or staff answers “strongly agree” or “strongly disagree.” Chair Mueske thanked Commissioner Spors for this reminder and stated that further explanation would benefit the Executive Committee if they had strong feelings on a particular question.

Day offered a clarification that any merit/pay increase he receives is contingent upon eligible staff also receiving their merit/pay increases.

Commissioner Maureen Melgaard-Schneider expressed her concern over some of the comments she read. She asked all respondents to avoid making comments that might be considered hurtful. She noted that this was a very good review for the executive director but said that some comments could use polishing. Chair Mueske expressed his agreement and said that the Executive Committee had some conversation to that effect. He suggested that all comments should be constructive in nature.

This item was informational only and no action was required.

**Report on MMDC Staff Performance Reviews:** Day informed the Commission that he conducted performance reviews of all MMDC staff in May. This process included a written review and the opportunity to visit with each staff member to talk about their performance. Day said he was pleased to report that MMDC’s staff are performing well and that, while there were some areas for continued improvement identified, each earned his recommendation for a merit pay increase, as dictated by MMDC’s established compensation schedule. Day noted that there is one staff who is currently at the top step for their position grade. This staff is aware that, should the Commission move to approve merit increases for all eligible staff, they will not receive a merit increase in July, but will remain eligible for any future cost-of-living adjustments.

This item was informational only and no action was required.

**Approval of Personnel Committee Recommendation for Staff Merit Increases:** Day informed the Commission that MMDC’s Personnel Committee met on June 4. He noted that, at that time, the Personnel Committee was informed of his evaluation of MMDC’s staff and received his recommendation for the approval of merit increases, as prescribed by MMDC’s established compensation schedule. He informed the group that the Personnel Committee then carried a motion to bring forward a recommendation to approve merit pay increases for all eligible MMDC staff during this Commission meeting. This step increase would come with a 3.25% pay increase for all affected staff, as per MMDC’s compensation schedule. Day then asked for a motion to approve merit pay increases for all eligible staff.

Commissioner Robert Moller made a motion to approve merit pay increases for all eligible staff. Commissioner Kevin Crowley seconded the motion, which carried with no dissent, after additional discussion.

Commissioner Sara Pollmann requested clarification on cost-of-living adjustments. Day explained that cost-of-living adjustments are considered during the December Commission meeting and go into effect the following calendar year. Pollmann inquired as to if cost-of-living adjustments have been made every year of Day’s tenure as director. Day said that this was indeed the case and went on to explain that these adjustments have typically been very close to or slightly below the year-over-year change in the Consumer Price Index and the increase received by social security recipients.

**Designation of Banks:** Day informed the Commission that MMDC currently maintains accounts at Bremer Bank, Harvest Bank, and U.S. Bank. This includes MMDC’s Minnesota Association of Governments Investing for Counties (MAGIC) investment funds, which are held by U.S. Bank. Day stated that he and MMDC’s Finance Director Darla Bajari recommended that MMDC maintain approval of all banks within the MMDC region as official depositories for checking, savings, petty cash, and investment accounts. He then informed the Commission he was seeking a motion to that effect.

Commissioner Roger Imdieke made a motion to approve all banks within the MMDC region as official depositories for checking, savings, petty cash, and investment accounts. Commissioner Lorallen Schmeling seconded this motion, which carried with no dissent, after additional clarification, requested by Commissioner Robert Moller, that any bank with a physical presence within MMDC's region would be eligible depositories.

**Investment Recap:** Finance Director Darla Bajari pointed to a printed summary that was included with the meeting materials packet. MMDC currently has a money market account with Harvest Bank, with an interest rate of 1.39%, valued at \$93,146.46. MMDC has a Minnesota Association of Governments Investing for Counties (MAGIC) CD with an interest rate of 4.35% and a maturity date of October 27, 2025. This investment is valued at \$245,825.00. Lastly, MMDC has a second Magic Fund account with an interest of 4.28%, currently valued at \$619,856.81. Day added that these values are as of June 1, 2025, which Bajari confirmed. Day also added that these investments do not include MMDC's checkbook or regular savings account.

**Approval of Fiscal Year 2025 Budget Revisions:** Day pointed to the most recent revision of MMDC's FY 2025 Budget which was included with commissioners' meeting materials. He pointed out that MMDC is currently projecting revenues over expenses totaling \$52,870. He said that, while some minor last-minute deviations are anticipated, MMDC's projected surplus is up from the initial projection of \$17,588. Day informed the Commission that reasons for this include:

- Lower than projected health insurance expenses (projected 10% increase and saw a small decrease)
- Lower than projected Travel & Training costs
- Lower than projected Commissioner Expenses.
- Higher than projected RLF revenue and interest earnings.

Day then informed that, on June 4, 2025, MMDC's Budget and Work Program Committee met to consider the FY 2025 Budget Revision. He said that, at that time, the Committee carried a motion to bring forth a recommendation for the approval of this revision to this Commission meeting. Day then asked for a motion for this approval from the Commission.

Commissioner Robert Moller made a motion to approve the FY 2025 Budget Revision. Commissioner Yodee Rivera seconded the motion, which carried with no dissent after Chair Mueske provided an opportunity for questions and comments. No questions or comments were offered.

**Approval of Final Fiscal Year 2025 Indirect Cost Plan:** Day referred the Commission to MMDC's Cost Pools and Rates revision, included within meeting materials. He then informed that:

- MMDC's revised Leave Additive Rate is 12.76%
- MMDC's revised Fringe Benefit Rate is 32.55%
- MMDC's revised Indirect Cost Rate is 29.1440%

Day then informed the Commission that, on June 4, MMDC's Budget and Work Program Committee met and considered the FY 2025 rate revisions. At that time, the Committee carried a motion to bring forth, to this Commission meeting, a recommendation for the approval of this revision. Day then asked for a motion for this approval from the Commission

Commissioner Roger Imdieke moved to approve the revised/final FY 2025 indirect cost plan, as presented. Commissioner Robert Moller seconded this motion, which carried with no dissent, after Chairperson Mueske requested further explanation of the Indirect Cost Rate.

Day informed that MMDC typically works to keep rates near or below 30%. Day shared that, before his time as executive director, there were years when the Indirect Cost Rate was much higher, largely because of how the former director charged his time. Day explained that he charges much of his time to individual projects or programs, with the remaining time charged as "administration" time. The previous director typically charged the bulk of his time to "indirect." Finance Director Darla Bajari stated that MMDC is required to track indirect costs for grantors. It is important that MMDC has and sticks to a methodology. Indirect Time includes administrative staff time (e.g., finance time, communications time, etc.) that is spread across all programs and grants.

Commissioner Doug Krueger asked if grant auditors, etc. were stringent on how Indirect Costs were determined. Bajari informed that grantors, such as MnDOT, typically want to ensure there is a

methodology in place and that MMDC is following that methodology. Day stated that MMDC receives a fair amount of oversight from State auditors, particularly with MMDC's MnDOT funded programs.

**Assignment of Any Excess FY 2025 Revenue:** Day informed that, later in the evening, the Commission would consider the fact that , MMDC is currently forecasting a modest deficit at the end of FY 2026. Day said that, while he anticipated MMDC will be able to reduce this deficit over the course of the year, as MMDC takes on additional projects, he believed it would be prudent to keep all excess revenue from FY 2025 available by leaving it in MMDC's General Unassigned Fund. He also noted that there may be an opportunity to use this FY 2025 revenue surplus to leverage a grant from the U.S. EDA. He said that, while this may not come to fruition, it's important that MMDC be ready should it become a reality.

Day then noted that, on June 13, he received a request to apply a smaller amount toward the cost of prework that is necessary for the development of Willmar's Railroad Park, another item to be considered later in the Commission meeting.

Day said that it is also important to remember that the Commission can always move funds from the General Unassigned fund to a committed reserve or use these funds to support another worth-while project. He went on to say that, on June 4, MMDC's Budget and Work Program Committee met and considered the assignment of excess FY 2025 revenue. At that time, they carried a motion to recommend keeping the excess revenue available by assigning it to MMDC's General Unassigned fund. Day then asked for a motion to support that recommendation.

Commissioner Kevin Crowley made a motion to keep all excess revenue from FY 2025 available by assigning it to MMDC's General Unassigned fund. Commissioner Lorallen Schmeling seconded this motion, which carried with no dissent after additional discussion.

The discussion included Commissioner Robert Moller's comment that the Budget & Work Program Committee determined that keeping the funds available in the General Unassigned fund would provide MMDC with the greatest amount of flexibility. Chair Mueske added that the Committee had discussions about their expectation that MMDC will work to bring in additional revenue so that the organization doesn't need to use these funds for operational expenses.

Commissioner Doug Krueger asked if there was a "drop dead" date for moving the funds. Commissioner Bajari clarified that MMDC would not ask to take those funds from the General Unassigned budget until the end of the year, if at that point MMDC still needed to cover a budget deficit.

**Kandiyohi County Economic Development (KCED) Request for Funds:** Day pointed to an overview of pre-work services, including a cultural resources report, wetlands report, and threatened and endangered species report, needed for the development of Willmar's industrial rail park. He explained that, on June 6, 2025, he received a request from Kandiyohi County Economic Development Director Barbara Carr, for a contribution from MMDC to help cover this pre-work expense.

Carr is looking for \$4,000 from MMDC, which would be added to \$4,000 committed by Kandiyohi County Economic Development and \$4,000 committed by the City of Willmar. Unless another contributor is found, the property owner will be responsible for the remainder of the prework cost. It is believed that the development of this rail park will serve as a catalyst for the continued evolution of Willmar's industrial park. Day said that, as he understands it, prospective tenants and rail park users include a cold storage facility, a power production technology business, and fertilizer facility.

Day expressed his belief that a \$4,000 MMDC investment, to assist with prework costs, would be a worthwhile investment, not just for Willmar but for the surrounding region's economy and then shared his recommendation for the Commission to commit to the \$4,000 contribution. He then requested a motion to that effect.

Commissioner Rollie Nissen made a motion to approve a \$4,000 contribution toward the cost of the described prework services required for the continued development of Willmar's rail park. Commissioner Maureen Melgaard-Schneider seconded this motion, which carried with no dissent after additional discussion.

Additional discussion included further clarification of the total prework expense and contributions from the parties involved. Day reiterated that MMDC would contribute \$4,000, the Kandiyohi County Economic Development would contribute \$4,000, the City of Willmar would contribute \$4,000, and that the owner would contribute the remaining \$9,000, unless another contributor was identified, for a total of \$21,000, which was the total reflected in the bid from Bolton and Menk, Inc.

Commissioner Robert Moller asked if it was likely that KCED, or another involved party, would be asking MMDC for additional funds down the road. Day said that this prework is being done so that KCED can submit an application for a large amount of federal funding. Day did not expect that MMDC would be asked to be financial contributor at that point.

Commissioner Melgaard-Schneider inquired as to if there was an awareness of what type of species the endangered species report might involve. Commissioner Todd Frank indicated that, most likely, the species could include endangered amphibians, birds, or insects that could be impacted. Commissioner Roger Imdieke stated that bats are often another species of concern.

Commissioner Krueger then stated that his concern would be that the project may come to a halt if it was found to have a significant impact on any endangered species. Commissioner Robert Moller said that, regardless, the study is required to move the project forward. Commissioner Krueger indicated his understanding of this and clarified that it was simply his hope that there had been at least some cursory examination that led project partners to believe they should be able to move forward and that this study was a formality.

Commissioner Moller asked Commissioner Roger Imdieke, a Kandiyohi County Commissioner and KCED Joint Powers Board member, if he had taken the opportunity to look at the issue. Commissioner Imdieke reported that he had examined the issue briefly. He said that, often, if there is an expected impact on an endangered species, this is mitigated by performing the work at a time of the year when that species is less affected. He said that most endangered species issues can be dealt with and said that, given the location of the development, it was unlikely there would be any adverse archaeological or cultural resources implications to the project.

**Approval of Anticipated MMDC Work Plan for Fiscal Year 2026:** Day referred to a draft of MMDC's Work Program for FY 2026. He stated that all MMDC staff have reviewed this plan, have had the opportunity to inform its development, and are aware of what is contained within it. He went on to say that, on June 4, 2025, MMDC's Work Program and Budget Committee carried a motion to recommend approval of this FY 2026 workplan at this Commission meeting. Day then requested such a motion.

Commissioner Robert Moller made a motion to approve the FY 2026 workplan, as presented. Commissioner Roger Imdieke seconded this motion, which carried with no dissent after brief discussion.

Discussion included a question from Commissioner Imdieke as to whether Day believed the plan offered sufficient flexibility. Day indicated that he believed the plan does offer sufficient flexibility and said that it was important to remember that this is a plan only, and that plans can evolve.

**Update on Existing Revolving Loan Funds:** Economic Developer Mike Nicholas pointed to the written report included within the meeting materials packet and offered to take any questions. Day added that, earlier that Day, MMDC received a loan payoff from a Hutchinson borrower, who had originally come to MMDC for a loan because of hardships related to the COVID-19 pandemic. Day said that MMDC's revolving loan fund helped them to stay open until more business could resume and they could get themselves into a better financial position. They are now working with a private lender to refinance their entire package and move forward.

Commissioner Robert Moller asked which fund was involved with this loan. Finance Director Bajari informed that it was an ARPA RLF, so the loan payoff dollars will return to that fund. Commissioner Robert Moller inquired as to whether there are potential borrowers looking at MMDC's RLF opportunities. Nicholas said that there were several prospective borrowers in the application development pipeline, including some who are looking to borrow relatively modest amounts and others who are looking to borrow a large amount. At Commissioner Moller's request, Nicholas informed the Commission that the maximum amount available is \$150,000 and said that he has one prospective borrower interested in \$125,000.

Day stated that there are often applications that don't come to fruition and encouraged all commissioners to connect entrepreneurs to MMDC if they were in need of gap financing for a business establishment, expansion, to purchase new equipment, or some other business need. He noted that many of MMDC's revolving loans have come to fruition after the borrower was connected to MMDC via a commissioner.

## Full Commission and Annual Public Hearing Minutes: June 18, 2025

Nicholas informed, when asked, that MMDC's current lending rate is 8.0%, or one point above the prime rate, as posted by the Wall Street Journal. He added that this rate has been steady for some time. Day shared that area bankers have shared that this rate is quite competitive.

Commissioner Doug Krueger asked if there are now time limits on relending the money that is returning to the ARPA RLF due to the loan payoff. Finance Director Bajari informed the Commission that MMDC's initial ARPA RLF allocation was quickly disbursed, and that the fund is now in the revolving/relending phase. Therefore, while MMDC still needs to follow the approved ARPA lending plan and other federal regulations, there is no time restriction.

Commissioner Todd Frank inquired as to if the interest earnings are also added to the revolving loan fund, along with the principle. Day answered that 50% of the interest earnings and fees are used to help cover loan administration and that the other 50% is put into the fund from which the loan originated, to help it grow.

Chair Mueske noted that another of MMDC's revolving loan fund customers, Smokey Dukes, which provided sample packs of their smoked pretzel product for the April Commission meeting, are now selling their product online, adding that he has placed an order. Commissioner Melgaard-Schneider informed that she had ordered as well. Commissioner Jill Hoff noted that the pretzels are also available for purchase at the NAPA store in Hutchinson.

This item was informational in nature and no further action was required.

**Motion to Recess:** To accommodate MMDC's annual public levy hearing, Commissioner Rollie Nissen made a motion to recess the Commission meeting. Commissioner Todd Frank seconded the motion, which carried with no dissent.

### Mid-Minnesota Development Commission Annual Public Hearing Wednesday, June 18, 2024, 7:00 p.m.

Hector Community Center (130 Main Street South, Hector, MN 55342)

**Call to Order:** Commissioner Shawn Mueske called the public hearing on MMDC's CY 2026 levy increase to order at approximately 7:03. p.m.

**Reading of Official Public Notice of Meeting/Public Hearing:** Day read the notice that was posted in newspapers across the MMDC region, as well as on MMDC's website and Facebook page, as follows:

May 28, 2025

From the Office of: Mid-Minnesota Development Commission  
1700 Technology Drive NE, Suite 300  
Willmar, MN 56201  
320-235-8504

\*\*\*\*\*  
**NOTICE OF PUBLIC HEARING**

The Mid-Minnesota Development Commission will hold a public hearing on Wednesday, June 18, 2025, beginning at 7:00 pm, at the Hector Community Center, located at 130 Main Street South, Hector, MN 55342.

The purpose of this public hearing is to officially adopt the Fiscal Year 2026 budget (July 1, 2025, through June 30, 2026) and to consider any increase in the levy of MMDC's ad valorem tax, within limitations set by state statute (limited to a 3.0% increase) and which would not be received in full or used until the Fiscal Year 2027 budget is effective.

Additionally, the Mid-Minnesota Development Commission will be convened from 6:00 to 8:00 p.m. This public meeting will recess, at or just before 7:00 p.m., to accommodate the aforementioned public hearing. The meeting will then be reconvened after the conclusion of that public hearing. The Commission meeting will include regular commission business, MMDC program updates, and any consideration of applications to MMDC's revolving loan program, if those applications meet the threshold for review from MMDC's full Commission.



Eric Day, Executive Director  
Mid-Minnesota Development Commission

**Setting of Public Hearing Agenda:** As the expressed purpose of this public hearing was to address the CY 2026 MMDC tax levy, Chair Mueske informed that no agenda items would be added (all other business would be addressed as part of the regular Commission meeting).

**Presentation:** Day pointed to a printed slide deck that was provided to each Commissioner upon their arrival. Additional copies were also printed for any members of the public who wished to attend, though no members of the public, beyond MMDC's commissioners and staff, were present.

Day's presentation included a projection of how staff will be spending their work hours in FY 2026, as compared with FY 2024 and FY 2025. He noted that, previously, a significant number of hours had been devoted to MMDC's Regional Food Business Center work. However, that grant remains frozen by the federal government, due to changes in presidential priorities, and that project has not been added to MMDC's FY 2026 workload. Day stated that, as more projects are secured, it is expected that hours to General administration will decrease. He also added that there has been an increase in MMDC's Indirect and General Administration categories over the course of the last two years and that this is largely related to the addition of the part-time finance assistant position.

Day then pointed to an image that provided an understanding of how MMDC's revenue will look, by program area. In FY 2026, before pointing to an image that showed a list of projects currently in progress or on the radar. Day also referred to an image that provided a breakdown of projected FY 2026 expenses. He noted that project-tied personnel costs remain, by far, the largest MMDC expense, about 71% of MMDC's budget. Day also explained that "services" include things like MMDC's audit and legal expenses, as well as rent and utilities, and the "communications" include everything from internet to postage to cell phone stipends and meeting postings. This is also where some of MMDC's subscriptions and memberships are seen, as well as some significant RTCC-related public outreach, which is charged to the RTCC grant.

Day pointed to an image that provided fiscal year revenue budget comparisons for FY 2024, FY 2025, and FY 2026. Anticipated interest earnings were included, as was a 3.0% increase to MMDC's levy, though only half of that increase would be seen in FY 2026. Day noted that an increased amount of technical assistance revenue was included for FY 2026. This is largely the result of MMDC's MN Department of Commerce and McKnight Foundation-related energy efficiency planning dollars.

Finally, Day pointed to an image that showed the difference between MMDC's projected FY 2026 revenues and expenses. He noted that, at present, MMDC is projecting an \$83,094 shortfall but also noted that the plan is to add more work and reduce this deficit over the course of the fiscal year. Day pointed out that it is common for regional development commissions to start the year with a projected deficit. He explained that this is similar to a tradesperson having a good understanding of their overhead expenses, but not yet having every job lined up before the start of the year.

**Call for Testimony:** Chair Mueske called three times for testimony from the public on the MMDC levy. None was provided.

Chair Mueske then opened the floor for questions or comments from MMDC's Commissioners. Commissioner Robert Moller asked how MMDC will go about finding additional projects, beyond seeking referrals from MMDC's Commissioners. Day informed that MMDC staff are currently working on an updated menu of services, to be shared with MMDC's city and county administrators, clerks, and elected officials, to ensure these individuals know what MMDC is available for. Day also pointed out that another grant opportunity, to be discussed later in the meeting, would close a significant portion of the projected deficit.

Commissioner Maureen Melgaard-Schneider expressed that she has optimism that there will be communities interested in MMDC's technical assistance and other offerings. She then asked if it might be possible for MMDC to place a classified advertisement with the League of Minnesota Cities, Minnesota Social Services Association, or a similar entity. Day said that this was a good idea worth looking into. Melgaard-Schneider said that, as some employers are slowing their hiring due to economic and political uncertainty, they may be more interested in instead working with an entity like MMDC on a short-term contractual basis.

Commissioner Todd Frank suggested that local chambers of commerce might also be interested in linking MMDC to prospective clients in need of MMDC services.

Communications Specialist Ben Carlson said that the menu of services will also be sent to MMDC's network of social media collaborators, entities for whom MMDC shares content and vice versa (e.g., local Economic Development Authorities, foundations).

Commissioner Yodee Rivera suggested that there are many communities who hold events to highlight and support their small businesses, and that this might be another opportunity for MMDC to grow organizational presence while supporting local enterprises.

Commissioner Robert Moller asked about the budgeted 10% increase to MMDC's health insurance costs, which was noted within a presentation slide. Day stated that, since he's been executive director, MMDC has used a 10% figure as a placeholder for health insurance expenses. He noted that the increase typically hasn't been more than 10% and that, in the last two years, MMDC has enjoyed a very slight decrease in premiums. He went on to say that, at some point, MMDC's luck is going to run out and noted that there have been other RDCs and government entities who have seen 12-15% increases in recent years. This is why MMDC always includes an increase in the budget. Commissioner Moller inquired as to when MMDC might learn of the increase amount for the coming year. Day stated that this information will be available in October. Commissioner Moller then asked how large of a financial impact a 10% increase would have on MMDC's budget. Finance Director Bajari said that she didn't have this figure with her but noted that, even if the increase is less than 10%, one employee moving from individual to family coverage can have a major impact.

Day then pointed to his written justification for a full 3.0% levy increase; the maximum increase allowed by statute. This justification included a recap of MMDC's levy history since 2003. He reminded that, due to the 3.0% increase limit, MMDC can never recoup a levy not taken in a given year, and that this has a compounding effect. To provide a frame of reference, Day then handed out a document that included certified levy increases and decreases from across the MMDC region, at the county, city, and township level for CY 2025.

In short, Day stated that the 3.0% levy increase was needed to keep up with the rising cost of doing business. If approved, a 3.0% increase would equate to an additional \$12,385, and that MMDC's total levy for CY 2026 would be \$425,230, spread across MMDC's four counties. He added that his home in Litchfield has a 2025 taxable market value of \$237,940 and that his household pays \$3.71 cents toward the MMDC levy, or about 16 ten-thousandths of one percent of his home's value. Day then noted that MMDC's levy is small enough that, depending on development and property valuations in their county, even with a full 3.0% increase, some stakeholders may still actually see a small decrease in their MMDC levy share. Day said that, in 2023, his household paid \$3.81 but that in 2024, that amount dropped to \$3.53.

Commissioner Kevin Crowley noted that, for his Pennock home, last year's 3.0% increase to MMDC's levy went up just \$0.12.

Commissioner Doug Krueger said that he would not be able to support a levy increase. He stated that McLeod County had just held their Board of Equalization hearing and that he heard from members of the public. He stated that some of the people MMDC serves are already at their max and that his constituency, including farmers and homeowners, cannot afford more taxes.

Commissioner Robert Moller requested clarification of the increase amount. Day stated that the increase would amount to \$12,385 spread across the four counties. Day then shared that Kandiyohi County bears 32%, McLeod 24%, Meeker 19%, and Renville 25% of the total.

Commissioner Todd Frank asked if there was anything to connect what MMDC did in the last year to increase the tax base. Commissioner Frank suggested that the benefit may outweigh the financial impact of the levy increase. Commissioner Krueger said that he would like to see such a study, if one existed, but said that his constituents have been adversely affected by the state's formula for property valuation. He shared his belief that the taxable market rates are set too high and that owners wouldn't be able to sell the properties for their assessed value. Chair Mueske stated that, while it is impossible to quantify a return on the MMDC levy, there is an obvious positive impact to MMDC's work, including increased jobs.

Commissioner Krueger noted that McLeod County also started their own county EDA, which also requires significant taxpayer dollars. Day mentioned that the taxes paid to support a county EDA will typically be higher than the taxes paid via MMDC's levy.

Day noted that, in his five years at MMDC, he has never taken a call from a taxpayer upset over their levy amount. He encouraged any commissioner who receives such a call to refer the caller on to him. Commissioner Krueger noted that there are several levy line items that taxpayers don't understand, and so they tend to blame the County Commission.

With no other comments or questions offered, Commissioner Kevin Crowley made a motion to approve a 3.0% increase to MMDC's levy for CY 2026. Commissioner Robert Moller seconded this motion, which carried by roll call vote, after further discussion.

Additional discussion included a comment from Commissioner Robert Moller, regarding MMDC's projected FY 2026 deficit and the need for these additional levy funds. Commissioner Krueger stated that, while there are reserves, he will protest their use to cover deficits. MMDC will need to look for cuts elsewhere.

18 total votes were cast, including 17 votes cast in the affirmative and one vote cast in the negative. Commissioner Doug Krueger provided the dissenting vote.

**Closure of Public Hearing:** With the CY 2026 Levy set, Commissioner José Luciano moved to close the public hearing. Commissioner Rollie Nissen seconded this motion, which carried with no dissenting votes.

**Reconvening of Commission Meeting:** Commissioner Jon Hawkinson made a motion to reconvene the June 18, 2025, meeting of the Mid-Minnesota Development Commission. Commissioner Robert Moller seconded the motion, which carried by roll call vote with no dissent.

#### **New Business (Continued):**

**Approval of Fiscal Year 2026 Budget:** Day pointed to a budget projection for FY 2026. He stated that MMDC is currently projecting an end-of-year deficit of \$83,094, but that this assumes no additional project service agreements or grant-funded work. Day reminded that it is normal for RDCs to start the year with a projected deficit, which can also be thought of as a capacity for more work or projects.

Day stated that he has met with MMDC's staff, and there has been discussion of the fact that MMDC will need to take on a few more projects to reduce this projected deficit, adding that all staff were on board with this. Day went on to say that, on June 4, 2025, MMDC's Budget and Work Program Committee met, considered the FY 2026 Budget Projection, and carried a motion to recommend its approval at this Commission meeting. Day then asked the Commission to approve this FY 2026 Budget Projection, with the understanding that MMDC will work to close this projected deficit.

Commissioner Robert Moller made a motion to approve the MMDC Fiscal Year 2026 Budget Projection. Commissioner Rollie Nissen seconded this motion, which carried with no dissent, after additional discussion.

The additional discussion included a question from Commissioner Sara Pollmann. She inquired as to how unusual it was for MMDC or another RDC to project a deficit for the next fiscal year. Day stated that, in FY 2024, MMDC started with a projected deficit that was slightly larger than the currently projected deficit. By the end of the year, MMDC closed that deficit and finished the year with excess revenue. Chair Mueske then noted that, if business doesn't come in, then cuts need to be made, without a reliance on reserve funds. He then expressed his confidence that MMDC will bring in additional projects. Day noted that most of MMDC's expenses are related to staffing and that any cut to staffing also cuts capacity to take on more projects. Commissioner Krueger stated that he understood this is a bit of a "catch 22," and stated that he understood the reason MMDC's budget used to be so much lower was because MMDC didn't take on projects and, therefore, didn't need as much staff.

Commissioner Kevin Crowley noted that MMDC is projecting an increase in personnel costs, but that this means MMDC will have the capacity to take on more projects.

Day stated that, to ensure stakeholders understand MMDC's value, Commission meeting minutes are now shared with various stakeholders, including county administrators, city administrators, managers, and clerks, superintendents, and all of the region's local elected officials. Day said that he also includes, along with these minutes, MMDC's staff reports so they have a firm understanding of MMDC's efforts.

Commissioner Maureen Melgaard-Schneider said that, as commissioners, they are all responsible for the promotion of MMDC's ability to serve the region. She noted that MMDC may not always be the best fit but said that it should be up to Day and his team to make that determination. Commissioner Melgaard-Schneider encouraged all commissioners to keep their eyes and ears open, at all times, for opportunities that would help MMDC serve the region. Day added that, if there is an entity who is referred and it is determined that MMDC is not the right fit, then MMDC will refer that entity to another agency that is more appropriate. Commissioner Krueger noted his agreement that MMDC is underutilized.

Day closed by saying that there is a reason MMDC relies on diverse funding streams and doesn't rely solely on tax revenue. He stated that, if this was the case, MMDC would know almost exactly where they would be at the conclusion of each fiscal year. However, MMDC has diverse funding streams, with the levy, grants, interest and RLF income, and project income. Day said that it is his job to ensure MMDC continues to benefit from this funding diversity.

**Approval of Fiscal Year 2026 Indirect Cost Plan:** Day reported that, on June 4, MMDC's Budget and Work Program Committee met, considered the projected indirect cost rate for FY 2026, and carried a motion to recommend approval at this Commission meeting. Day referred to a summary of MMDC's projected Leave Additive, Fringe Benefit, and Indirect Cost rates included in the meeting materials packet. He noted that commissioners could also find MMDC's full FY 2026 Indirect Cost Plan within the meeting materials. Day then asked for a motion to approve this FY 2026 Indirect Cost Plan.

Commissioner Robert Moller made a motion to approve MMDC's Fiscal Year 2026 Indirect Cost Plan. Commissioner Rollie Nissen seconded the motion, which carried with no dissent, after a brief discussion.

Discussion included a comment from Chair Mueske, that MMDC typically likes to keep the Indirect Cost Rate around 30% and that MMDC is currently projecting about 33%. Day noted that being closer to 30% is a goal and said that, typically, as more projects and/or grants come in, a few more costs move from Indirect to Direct, though these changes are not always large.

Commissioner Doug Krueger asked how Minnesota's new Paid Leave law will affect MMDC budgets. Day informed that those costs were already factored into the budget. Day said that MMDC's cost for CY 2026 will be about \$3,200, with additional costs shouldered by each employee.

**Approval of KCED Executive Director Barbara Carr as an MMDC Loan Approval Board Member (CARES and ARPA RLFs):** Day shared that MMDC's CARES and ARPA RLF lending plans dictate that the Loan Approval Board Membership for these plans include MMDC's Chair, MMDC's Treasurer, and then various economic and workforce development professionals from around our region. Former Kandiyohi County Economic Development Executive Director Aaron Backmann served on MMDC's CARES and ARPA Loan Approval Boards until his retirement. Now that KCED has a new Executive Director in place, Barbara Carr, Day stated that he and MMDC's economic development professionals would like to get her officially approved for CARES and ARPA Loan Approval Board Membership. Day then asked for a motion to that effect.

Commissioner José Luciano made a motion to approve KCED Executive Director Barbara Carr for participation on MMDC's CARES and ARPA Loan Approval Boards. Commissioner Robert Moller Seconded the motion, which carried with no dissent, after further clarification of the CARES and ARPA LAB membership, as requested by Commissioner Robert Moller.

**Aging Update:** Commissioner Maureen Melgaard-Schneider provided a brief overview of highlights on aging-related legislation that passed during the 2025 State Legislative Regular and Special Sessions.

Regular Session (ended May 19th):

- The State & Local Govt. Conference Committee passed its budget bill SF3045 (<https://www.revisor.mn.gov/bills/bill.php?b=senate&ssn=0&y=2025&f=sf3045>):
  - The Healthy Aging Subcabinet legislation was not included in the budget agreement or final language
- A letter from MN Management & Budget (MMB) to Representative Klevorn offering to "produce a Multisector Healthy Aging Plan" was posted to the final committee agenda. While there is no specific funding nor language describing this work, the Minnesota Board on Aging (MBA) leadership plans to reach out to MMB to seek clarification

## Full Commission and Annual Public Hearing Minutes: June 18, 2025

- o The MBA was also added as a representative to the MN Assistive Technology Advisory Council under this bill

Special Session (ended June 9th):

- Human Services budget bill HF3  
(<https://www.revisor.mn.gov/bills/bill.php?b=House&f=HF3&ssn=1&y=2025>):
  - o Increased funding for (senior) nutrition - Adds \$500K in FY2026-27 and \$1.5M in FY2028-29.
- Health & Human Services budget bill HF2  
(<https://www.revisor.mn.gov/bills/bill.php?b=house&f=HF0002&ssn=1&y=2025>):
  - o Catholic Charities Homeless Elders Program - One-time appropriation of \$1M in FY2026.
- Commerce Finance & Policy bill HF4  
(<https://www.revisor.mn.gov/bills/bill.php?b=house&f=HF0004&ssn=1&y=2025>):
  - o Increases to Medigap premiums for Medicare beneficiaries purchasing a policy outside of annual open enrollment period.

Federal Health and Human Services Budget Highlights

- Proposed funding levels remain stable for many aging and disability programs, including Older Americans Act (OAA) programs. Proposes to eliminate funding for:
  - o Senior Community Service Employment Program (SCSEP)
  - o Low Income Home Energy Assistance Program (LIHEAP)
  - o Community Services Block Grant (CSBG)
  - o Section 202 and 811 Housing Vouchers for older adults and people with disabilities
  - o Chronic Disease Self-Management Education (CDSME)
  - o White House Conference on Aging
  - o University Centers for Excellence in Developmental Disabilities (UCEDDs)
  - o Limb Loss Resource
  - o Paralysis Resource Center
  - o Voting Access for People with Disabilities

Reorganization within HHS:

- Consolidates programs formerly housed at the Administration for Community Living (ACL) into the Administration for Children and Families (ACF). As part of the reorganization, ACF will become the Administration for Children, Families, and Communities (ACFC).
- Combines the following agencies into the newly formed Administration for a Healthy America (AHA):
  - o Health Resources and Services Administration (HRSA),
  - o Substance Abuse and Mental Health Services Administration (SAMHSA),
  - o Office of the Assistant Secretary for Health (OASH),
  - o National Institute for Environmental Health Sciences (NIEHS), and
  - o Some programs from the Centers for Disease Control and Prevention (CDC).

Federal Update – Reconciliation Bill

- The bill forwarded to the U.S. Senate, as currently written, includes provisions that would significantly reduce the financial resources available to philanthropy. These provisions include: • Increasing taxes on private foundation investment income • Reducing the value of the charitable deduction • Limiting charitable deductions for corporate donors • Expanding unrelated business income taxes (UBIT) to include fringe benefits.
- Any reductions in giving, whether from individuals, corporations, or foundations, directly affect service to community organizations. These policies would make it more difficult for donors to give and for nonprofits to sustain their operations.

Commissioner Melgaard-Schneider closed her report with a comment on how, especially given the events of the previous week (i.e., assassination of a Minnesota legislator (Melissa Hortman) and her spouse and the attempted assassination of another Minnesota legislator (John Hoffman) and his spouse) people must find ways to work together civilly.

**Items of Interest from Other Elected or Public Interest Commissioners:** Chair Mueske invited any other commissioner with information to share on happenings or developments from their area or within their realm of expertise.

- Commissioner Yodee Rivera informed that the City of Glencoe went through a park planning process a couple of years ago. This year, the City is welcoming the addition of a new dog park as well as a new pickleball facility. Both of these projects came to fruition as a result of good collaboration between the City and local nonprofits, who made significant financial contributions toward each project.
- Commissioner Rivera informed that the City of Glencoe is embarking on a housing study. The goal is to incorporate a great deal of public input. The mayor and city council members, including Commissioner Rivera, will be staffing a booth at Glencoe Days. They hope to have good conversations and get quality input at this venue. Materials will also be translated into Spanish and Commissioner Rivera is hopeful that her presence will make it possible to get more participation from the Spanish speaking community.
- Commissioner Rivera then informed that the McLeod County United Way is in the process of dissolving. This is due to a lack of funding and the fact that an anticipated merger with United Way of St. Cloud did not come to fruition.
- Commissioner Rollie Nissen noted that there remain uncertainties with regard to funding for MN Highway 23. He said that while some work has been completed in the MMDC region (e.g., work to improve an intersection between Willmar and Raymond) funding for an approximate one-mile stretch of the highway, west of U.S. Highway 71 is less certain. This stretch is to be converted from a two-lane highway to a four-lane divided highway. Much of the work for this was completed in the early 1970s but the final stages of construction were never completed. Commissioner Nissen noted that, based on comments from Kandiyohi County Public Works director Mel Odens, there may still be some funding for this project.
- Commissioner Todd Frank noted that, given the excessive rainfall that had occurred in the past week, it would be good for all to keep an eye out for businesses who may be in need of support or assistance.
- Commissioner Nissen also noted that a portion of Kandiyohi County Rd. 20 is currently closed due to the formation of a large hole, a result of the recent flooding.
- Commissioner Lorallen Schmeling informed the Commission that the bridge directly south of Cedar Mills, along Meeker CSAH 26, was immediately closed after a recent inspection revealed it to be unsafe. The bridge will require complete replacement, and this is expected to take about two years.

**MN Paid Leave Laws – 2026:** Day reminded all Commissioners about the email he sent previously, which included a link to a MN Paid Leave webinar he attended. Day encouraged all commissioners who are employers or who have a hand in budgeting for a local unit of government view the webinar, which he said was well done and would likely answer the great majority of their paid leave questions.

This webinar can be found at: <https://northriskpartners.com/unpacking-mn-paid-family-medical-leave-what-employers-need-to-know/>. Day also encouraged all commissioners to share the webinar with others in their networks.

**EDA Disaster Supplemental Grant Application Resolution:** Day informed the Commission that, this month, the U.S. EDA released a Disaster Supplemental grant opportunity to assist counties affected by natural disasters in 2024. Two of MMDC's counties, McLeod and Renville, received 2024 disaster declarations, due to heavy rain events. Eligible entities within these counties, including the counties themselves, communities within the counties, Ridgewater College, etc., may apply for funds from the US EDA to support their economy- and workforce-related projects. Day stated that, after reading the notice of funding opportunity (NOFO) he and MMDC's economic development professionals understand that MMDC can also apply for funds, via the grant's "readiness path". The goal of this would be to improve local capacity to develop and implement economic recovery and resilience strategies and projects.

Day went on to say that he and MMDC's economic development team are interested in pursuing a Disaster Supplemental grant that would provide MMDC funding necessary to lead disaster grant applications for eligible McLeod and Renville County stakeholders. Day said that staff would also like to provide technical assistance to improve our local community's capacity for economic development. This could include helping McLeod and Renville County communities form local Economic Development Authorities, helping their existing EDAs improve their effectiveness, and working with local staff, city

councils, planning commissions, etc., to improve their ability to develop and implement economic recovery and resilience projects. Day added that MMDC would use existing staff to accomplish this work. Day referred to a basic, preliminary project budget that was provided within the meeting materials packet. He noted that this budget would be for an 18-month period, the maximum suggested duration for projects in the EDA's readiness pathway. He also pointed out that this preliminary budget currently includes \$112,444 of pass-through to cover pre-work associated with any eligible entity's EDA Disaster Supplemental Grant application, which could include engineering, environmental studies, etc., costs that must generally be borne by the local entity. Day said that it was important for the Commission to understand that, if awarded, this grant would only serve McLeod and Renville Counties, since they were the counties included within the disaster declaration.

Day anticipates a 20% local match will be required for a proposed \$250,000 project, though he added that the EDA can choose to require a larger local match. Should MMDC's application be approved, his plan would be to tap into MMDC's General Unassigned Revenue, in effect using MMDC's FY 2025 surplus revenue. To do this, Day informed that the Commission would need to adopt a resolution. He then pointed to a resolution that had been prepared for the Commission's consideration. If adopted, it would allow MMDC to access up to \$75,000 for the local match, in the event the EDA requires a higher local percentage or in the event MMDC must add or increase the size of project components, based on conversations with the EDA. Day said that his goal was to keep the local match at or near \$50,000. Day said that he would read the resolution aloud, unless the Commission carried a motion to suspend the reading. He also stated that he anticipated MMDC would submit an application in July or early-August, if the resolution is adopted. Day cautioned that, while this plan currently looks like it has at least some potential, staff could discover that plans aren't feasible and that MMDC must pull the plug, based on discussion with our EDA representative. Day said that he would keep the Commission informed of any such developments and would share any application before submittal.

Commissioner Robert Moller made a motion to suspend the reading of the resolution. Commissioner Jon Hawkinson seconded the motion. This motion carried with no dissent.

This resolution read as follows:

### **RESOLUTION**

**WHEREAS** the Mid-Minnesota Development Commission Region, also known as Minnesota Economic Development District 6E, was impacted by natural weather disaster in 2024; and

**WHEREAS** the Mid-Minnesota Development Commission Region/Minnesota Economic Development District 6E Counties of McLeod and Renville are currently included in the Active Disaster Designation FEMA-4797-DR (i.e., DR-4797-MN – June 28, 2024); and

**WHEREAS** Mid-Minnesota Development Commission wishes to implement economic recovery strategies to enhance the ability of our disaster-affected communities to withstand and recover from adverse changes in economic conditions, including effects from industry contractions or economic impacts from natural disasters; and

**WHEREAS** the United States Economic Development Administration (EDA) has made an additional \$1,447,000,000 in Disaster Supplemental Funding available to the U.S. Economic Development Administration (EDA), to help communities and regions devise and implement long-term economic recovery strategies through a variety of non-construction and construction projects in areas where a Presidential declaration of a major disaster was issued under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

**WHEREAS** pursuant to the FY 2025 EDA Disaster Supplemental Notice of Funding Opportunity, one permitted use of awarded FY 2025 EDA Disaster Supplemental funds is the development of planning and capacity building projects designed to increase a community's readiness to apply for and/or implement future disaster recovery funding, including future local, state, or federal funding for disaster recovery; and

**WHEREAS**, pursuant to the FY 2025 EDA Disaster Supplemental Notice of Funding Opportunity, local matching funds, equivalent to no less than twenty (20) percent of the total expense associated with an FY 2025 EDA Disaster Supplemental assistance-funded project, are required for grant award.

**NOW THEREFORE BE IT RESOLVED** that the Mid-Minnesota Development Commission authorizes staff to respond to the FY 2025 EDA Disaster Supplemental Notice of Funding Opportunity by submitting a proposal in pursuit of an EDA Disaster Supplemental grant to improve local community readiness for and success of future economic development and disaster recovery projects in disaster declaration affected communities (communities within the Minnesota Counties of McLeod and Renville), via strategy development, capacity building, and/or associated project predevelopment.

**BE IT FURTHER RESOLVED** that Mid-Minnesota Development Commission is Committed to providing the necessary non-federal share of dollars for this project, up to \$75,000. This required local share will be made available upon grant award and is not currently 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 or Commission Chair to execute the aforementioned grant agreement, and any amendments thereto, with the U.S. EDA.

Attest:

\_\_\_\_\_  
MMDC Chair

\_\_\_\_\_  
Date

\_\_\_\_\_  
MMDC Vice Chair (Acting Secretary)

\_\_\_\_\_  
Date

Commissioner Doug Krueger inquired as to whether this grant opportunity was included in recent cuts to the Federal Emergency Management Agency (FEMA). Day said that, while the disaster declarations were made by FEMA, it was his understanding this was not the case, and that this is an EDA opportunity which operates as part of the U.S. Department of Commerce. Day informed that approximately \$1.5 billion is available to eligible entities nationwide, and that the funds are usually divided by EDA region. MMDC is in the Chicago region, which typically receives less funding than some of the other regions who are more prone to natural disasters like hurricanes and fires.

After further clarification that MMDC would seek the funding to increase service to McLeod and Renville Counties so they could pursue EDA Disaster Supplemental Grants, Commissioner Krueger indicated his belief this was a great idea. Commissioner Yodee Rivera expressed her agreement and noted that the City of Glencoe had significant damage resulting from the 2024 rain events, including damage to a local park. Day clarified that the EDA's opportunity would be more commerce focused and would not focus on things like parks. Commissioner Rivera confirmed her understanding of this and indicated that there are a number of businesses that also experienced disaster-related difficulties.

Commissioner Doug Krueger confirmed that there were a number of McLeod County communities who had damage from the 2024 rain and flooding event and then made a motion to adopt the resolution to commit the required matching funds needed for a successful grant application, as presented. Commissioner Yodee Rivera seconded this motion, which carried by roll call vote with no dissent, after a request for clarification on the local match requirement.

**Adjournment:**

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

Chairperson Shawn Mueske adjourned the meeting at approximately 8:12 p.m.

Respectfully Submitted,

\_\_\_\_\_  
Eric Day, Acting Secretary

\_\_\_\_\_  
Shawn Mueske, Chairperson

**The Next MMDC Commission Meeting Will Occur on Wednesday, September 17, 2025, at 6:00 p.m., Likely at a Meeker County Location (to be confirmed).**