

Mid-Minnesota Development Commission Commission Meeting Minutes

Wednesday, December 3, 2025, 6:00 p.m.

Kandiyohi County Health and Human Services Building, Lower Level Multipurpose Room

2200 23rd Street NE, Willmar, MN 56201

Members Present: Commissioners, Kevin Crowley, Todd Frank, Brent Guyan, Jon Hawkinson, Allen Hillstrom, Jill Hoff, Roger Imdieke, Doug Krueger, Mike Kutzke, Gabra Lokken, José Luciano, Maureen Melgaard-Schneider, Greg Mertens, Robert Moller, Shawn Mueske, Rollie Nissen, Kiza Olson, Sara Pollmann, Scott Refsland, Yodee Rivera, Dave Sebesta, Carl Shuldes, John Smith, and Darren Sombke.

Members Absent: Commissioners Tony Hausladen, Reagan Quinn, and Berit Spors.

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: None

Guests: Conway Deuth & Schmiesing, PLLP Partner and Governmental Auditor Justin McGraw

Call to Order: Chair Shawn Mueske called the meeting to order at approximately 6:01 p.m.

Pledge of Allegiance: The Pledge of Allegiance was recited by all commissioners and staff in attendance, led by Chair Mueske.

Introductions: All present commissioners, staff, and guests provided introductions.

Approval of Agenda: Chair Mueske presented the agenda. With no additions or corrections put forward, Commissioner Rollie Nissen moved to approve the agenda. Commissioner Robert Moller seconded the motion, which carried with no dissent.

Approval of September 17, 2025, Full Commission Meeting Minutes: Commissioner Robert Moller made a motion to approve the September 17 Commission minutes, as presented. Commissioner Kevin Crowley 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, 2025, MMDC started with a checkbook balance of \$9,893.88. MMDC had checkbook receipts/deposits of \$110,002.25, and expenditures of \$94,319.05, leaving a net balance of \$25,577.08 on October 30, 2025.

Treasurer Crowley then pointed to MMDC's investments, which were listed in the provided materials packet.

Treasurer Crowley then made a motion to approve MMDC Treasurer's report, as presented. Commissioner Robert Moller seconded this motion, which carried with no dissent.

Consent Agenda: The meeting materials packet contained minutes from the following meetings:

- A. MMDC Transportation Advisory Committee: September 17, 2025
- B. MMRTCC Subcommittee: September 23, 2025; October 28, 2025; and November 25, 2025
- C. MMDC Personnel Committee: November 17, 2025

Chairperson Mueske provided an opportunity for questions and comments on the Consent Agenda items. With no questions or comments, Commissioner Todd Frank made a motion to approve the Consent Agenda. Commissioner Jon Hawkinson seconded the motion, which carried without dissent.

Correspondence and Announcements: Day provided Commissioner John Smith, who is new to the Commission and for whom this was a first Commission meeting, with an opportunity to introduce himself a little further to the other commissioners.

Commissioner Smith informed that he is a retired farmer and that he also worked for Runnings Supply in Hutchinson for 23 years. He now works, on a seasonal basis (summer), for Seneca Foods. He serves as a Township Board member for Ellsworth Township in Meeker County. He has three grown children and his spouse, to whom he's been married for 40 years, works as a nurse at the Hutchinson Hospital.

Day then shared several other items, including:

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- He reminded commissioners to place their per diem sheets and other paperwork items in the basket near the exit, to help staff keep all information organized.
- He noted that the provided per diem sheet included an incorrect date for this evening's meeting and asked commissioners to correct that date when signing.
- He noted that there were several commissioners who had yet to sign and return their position description. Day asked that they review and sign the Commissioner Position Description, which was included with per diem sheets for those commissioners who have yet to sign.
- He circulated information related to Bremer Bank's transition to Old National Bank. Day noted that MMDC has used Bremer Bank and he wanted to ensure that there was no confusion, moving forward if Old National Bank was referenced.
- Day thanked Commissioner Roger Imdieke, who serves the Kandiyohi County Board, for the county allowing MMDC to use the evening's meeting space without charge. Day noted that the January Commission meeting will be held in McLeod County and said that he would appreciate any commissioner's ideas for low- or no-cost meeting locations. Commissioner Kiza Olson said that she had a thought on this and would send Day her suggestion.

MMDC Staff Reports: Chair Mueske pointed to the written staff reports that were contained within the meeting materials packet. He then opened the floor for any report-related questions, also noting that MMDC staff were busy with some very positive things.

Day encouraged commissioners to reach out to staff at anytime between meetings as well and said that staff are always happy to hear from commissioners.

Old Business: There was no Old Business

New Business – Action Items & Commission Business:

- **Formal approval of Allen Hillstrom as MMDC's new commissioner representative of the information technology sector in the public interest:** Day reminded commissioners that they all had the opportunity to learn a bit about Mr. Hillstrom at MMDC's September Commission meeting. He recapped that Hillstrom is from Spicer and has worked in the I.T. sector since 2006. He started West Central Technology in 2018, where he now serves as COO. West Central Technology has locations, in Hutchinson, St. Cloud, and in Willmar, where Hillstrom offices. Additionally, Hillstrom has a second, related business as well as several years of human resources experience. Day expressed his belief that Hillstrom is well-qualified to represent the Information Technology Sector in the public interest and said that he was seeking Hillstrom's official approval at this meeting.

Commissioner Carl Shuldes made a motion to approve Allen Hillstrom as MMDC's new Information Technology Sector representing commissioner in the public interest. Commissioner Robert Moller seconded this motion, which carried with no dissent.

- **Presentation and Acceptance of the MMDC Audit Report for FY 2025:** Conway Deuth & Schmiesing, PLLP Partner, CPA, and Governmental Auditor Justin McGraw presented audit findings from the fiscal year ending June 30, 2025 (FY 2025). Related audit documents were provided to all commissioners in attendance.

McGraw first provided an overview of what is included within the audit documents as well as an overview of MMDC and auditor responsibilities. He noted that it is the auditor's opinion that the financial statements are presented fairly and can be relied upon for future decision-making.

McGraw noted that, in FY 2025, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,780,754. The general fund balance increased by \$92,479, and MMDC's Legacy Revolving Loan Fund (RLF) balance increased by \$22,737. MMDC's CARES RLF balance decreased by \$23,395 and MMDC's ARPA RLF balance decreased by \$12,504.

MMDC had an increase in net position of \$116,173. Much of this increase was due to increases in cash investment balances and RLF receivables outpacing new RLF loans. Capital assets decreased by \$16,895, due to depreciation of existing equipment. MMDC's deferred outflows of resources related to pensions decreased by \$70,587. This change is largely due to the good performance of Public Employee Retirement Association investments and is a good thing as it marks a decrease in MMDC's pension liability. MMDC's current liabilities were down \$32,401 in FY 2025. MMDC's net position for FY 2025 is \$3,965,157. This is what

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MMDC would have if MMDC paid off all debts and sold all assets and is inclusive of MMDC's revolving loan funds.

McGraw went over MMDC's Statement of Activities, noting that this can also be thought of as MMDC's income statement. MMDC saw a slight increase in income in FY 2025, up \$15,280. This increase is reflective of an increase in grants and contributions. MMDC did see a decrease in charges for services rendered, which was down by \$25,356. MMDC's revenues over expenses was \$87,106 for the 2025 fiscal year.

McGraw explained MMDC's cash and investments. MMDC essentially has four separate operating funds.

- General (main operating fund): \$1,232,137
- Legacy Special Revenue (RLF): \$262,173
- CARES Special Revenue (RLF): \$124,641
- ARPA Special Revenue (RLF): \$185,552

The general fund balance increased in FY 2025, after accessing funds in FY 2024 to capitalize the ARPA RLF. Each RLF fund also saw increases to their respective balances. McGraw went over MMDC's committed fund balances:

- Emergency Staff Coverage: \$57,000
- Unemployment: \$40,000
- Operating Capital: \$245,000
- Facilities Fund: \$75,117
- Community Enhancement: \$121,211
- Planning Assistance: \$50,000

MMDC's unassigned balance was \$399,140. These funds can be used for any purpose, at Commission discretion.

MMDC's FY 2025 revenue sources included:

- Property Tax Levies: \$407,501
 - Federal Sources: \$310,077
 - State Sources: \$187,962
 - Local Sources: \$103,831
 - Interest: \$39,602
 - Other: \$13,388
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- Total: \$1,062,361

MMDC's FY 2025 expenditures by program:

- Administration: \$127,874
 - Technical Assistance: \$258,246
 - Transportation Planning: \$96,245
 - EDA Administration: \$215,856
 - Regional Transportation Coordinating Council: \$227,258
 - Administrative Services: \$9,340
 - Energy Efficiency: 21,889
 - Other Local Programs: \$16,819
 - Capital Outlay: \$3,769
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- Total: 977,296

MMDC's FY 2025 expenditures by object code:

- Salaries/wages: \$614,550
 - Employee benefits: \$211,683
 - Occupancy: \$27,471
 - Transportation and Mileage: \$15,290
 - Office: \$34,187
 - Professional Services: \$34,924
 - Other: \$39,191
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- Total: \$977,296

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MMDC's Legacy RLF balance was \$890,165. This fund is now defederalized, giving the Commission a fair amount of discretion as to how it is used or invested. The combined investment and loans receivable balance grew in FY 2025, due to loan payoffs. McGraw noted that MMDC hasn't had a loan in default for several years, and this is supporting fund growth.

MMDC's CARES RLF cash balance also grew in FY 2025, compared to FY 2024 (14.26% vs. 8.51%). This is because more loans were paid back and fewer new loans made. The CARES balance is lower than in FY 2024, due to an allowance for bad debt. McGraw stated that this allowance is advisable in case any CARES loans become delinquent or if loans need to be written off entirely. With the allowance for bad debt, the fund balance was \$846,197 as of June 30, 2025.

MMDC's ARPA RLF cash balance was similarly higher in FY 2025, compared to FY 2024 (36.72% vs 13.36%), due to more loans being paid and fewer loans being made. With an allowance for bad debt, the fund balance was \$484,080 as of June 30, 2025.

McGraw stated that legal compliance items were also audited. There were no issues of noncompliance with state statute found. With regard to MMDC's internal controls, material weaknesses include limited segregation of duties and auditor-prepared financial statements. These weaknesses are very typical of an agency of MMDC's size. McGraw said that a limited segregation of duties may be a potential risk, but that risk may be outweighed by the cost of adding more staff. McGraw encouraged commissioners to examine all financial reports carefully, and to ask questions of MMDC's finance staff.

No compliance issues or material weaknesses were noted during the federally-required FY 2025 single audit.

McGraw provided an opportunity for MMDC's commissioners to ask questions and pointed to his provided contact information if commissioners think of questions at a later date.

Commissioner Robert Moller pointed out that MMDC's committed reserves were identical in FY 2025 and FY 2024. McGraw said that the only group who can decide to commit additional committed funds or use committed funds is the Commission itself. If no decision is made to add or use these funds, the fund balances will not change.

Commissioner Sara Pollmann asked if it was typical for an organization like MMDC to have a limited segregation of duties weakness. McGraw said that this is very typical of a small organization like MMDC. McGraw added that the way to remove this weakness is to take more of the financial responsibilities away from Finance Director Bajari, by adding staff or outsourcing. Day added that it was not just about reducing the finance director's responsibility but also removing the finance director's access to those functions.

Commissioner Pollmann then indicated her satisfaction with MMDC's finance team. Day stated that MMDC has a top notch finance team. He then welcomed any commissioner to visit the MMDC office, sit down with Finance Director Bajari, and take a look at MMDC's finance records. Day said that there is nothing to hide and said that he wanted all commissioners to know they have that access. He added that MMDC staff consider all commissioners their supervisors. Day then thanked McGraw and his team for the thorough and professional service CDS has provided again this year. This was echoed by Chair Shawn Mueske.

Commissioner Robert Moller then made a motion to approve the FY 2025 audit, as presented. Commissioner Rollie Nissen seconded this motion, which carried by roll call vote, with no dissent.

- **MN DEED Small Business Assistance Partnerships Program Grant Application:** Day reminded the Commission that, in September, he mentioned MMDC had just submitted two large grant applications. One of those applications was for the MN Department of Employment and Economic Development's Small Business Assistance Partnership Program. Essentially, MMDC applied for funds to provide additional no-cost consultation services to small business owners and entrepreneurs in the region. To some extent, MMDC already does this work. However, MMDC receives no real funding for it.

Unfortunately, while the state had \$5.17 million to award, they received an overwhelming response to their request for proposals. 48 organizations applied for funds, with requests totaling \$21.7 million. In partnership with Southwest Regional Development Commission, MMDC had requested \$320k for the two-year grant.

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Day stated that, while this request for proposals didn't go MMDC's way, believes that it's important to stay on DEED's radar. This grant application signaled that MMDC is interested in partnering with them to support the region's business community and workforce.

Day informed that MMDC also has a grant application into the U.S. EDA Disaster Supplemental Program. MMDC has requested \$200k, which would be matched with \$50k from MMDC. Of that \$250,000, \$112k would be used to assist our McLeod and Renville Communities, who were covered by the 2024 disaster declaration, with project predevelopment costs (e.g., engineering or architectural work, environmental studies, etc., related to an infrastructure project). The remainder would go to MMDC and would be used to develop U.S. EDA and other federal grant applications on behalf of McLeod and Renville County communities, and as MMDC assists these communities with the development of their local economic development authorities. At this time, it is unknown when MMDC will hear back on this grant. However, MMDC Economic Developer Mike Nicholas reported that he has a scheduled call with the U.S. EDA's representative on December 4. This means the application is getting some attention from the agency.

Day also informed the Commission that two other applications for the EDA's Disaster Supplemental opportunity have been submitted from regional partners. One to support the redevelopment of a county roadway adjacent to the Southern Minnesota Beet Sugar Cooperative (County Rd. 21), and another to tear down an existing classroom auditorium on Ridgewater's Hutchinson campus and replace that auditorium with a new electrician training facility.

Commissioner Moller asked, with regard to the DEED grant application, how much of the money went to outstate Minnesota, vs. the Twin Cities Metropolitan Area. Day said that he did not have that information at this time. While MMDC had received notification that MMDC was not funded, information on the awardees had not been shared. Economic Developer Mike Nicholas said that there were a fair number of coalitions from Greater Minnesota who were pursuing funding through this opportunity. Day added that the Small Business Development Center and Kandiyohi County Economic Development have been past awardees.

Commissioner Todd Frank asked if there was an opportunity for MMDC to receive feedback on what MMDC could have done differently. Day said that if there is an opportunity to get this feedback, MMDC will pursue it.

- **Consideration of combined recommendations for MMDC's 2026 health premium contribution, health savings account contribution, and a cost-of-living adjustment:** Day informed that, on November 17, MMDC's Personnel Committee met and, among other things, received his recommendation for MMDC health premium and HSA contributions as well as a cost-of-living adjustment. Day pointed to the minutes from that meeting which were included in the meeting materials packet. Day then summarized points from his written recommendation:
 - MMDC budgeted for a 10% increase to health premiums in CY 2026. Our actual increase will be 19.4%.
 - MMDC also budgeted to allow for a 3% cost-of-living adjustment in 2026.
 - Day said that it is important to remember that the COLA differs from the merit increase which is provided to eligible employees – those not at the top of their pay scale – in July. That increase is contingent upon good performance. While the merit increase rewards good performance and the increased value to our agency – value that comes with increased skill and experience – the COLA is simply intended to ensure our staff are not devalued by inflation.
 - The merit increase is a 3.25%, all or nothing, increase, as dictated by MMDC's salary schedule. The COLA, on the other hand, must be set by the Commission each year.
 - MMDC currently covers 100% of individual health premiums and 76% of family health premiums, for our high-deductible plan.
 - Because MMDC has a high-deductible plan, MMDC also contributes \$230/month to each employee's Health Savings Account.
 - MMDC provides no dental or short- or long-term disability insurance and contributes nothing toward the available vision plan.
 - This year, the October Consumer Price Index report showed that year-over-year inflation was at 3.0% and Social Security recipients will receive a 2.8% cost-of-living adjustment.

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- MMDC continues to reduce the initially projected FY 2026 deficit. While MMDC started the year with a projected deficit of just over \$83,000, MMDC staff are now projecting a deficit of \$49,721. Though this figure assumes the budgeted 3% COLA adjustment and the higher health premiums. A COLA at any lower amount will further reduce this projected deficit, as will any additional project and/or grant revenue.
- MMDC has several project proposals and one major grant application in play at this time. Any of these could help the agency further reduce the projected budget deficit.
- MMDC ended FY 2025 with surplus revenue of \$92,479, as confirmed by our auditor, and this was added to MMDC's general fund.
- The COLA recommendation that was provided to MMDC's Personnel Committee accounted for the higher than anticipated increase to MMDC's Health premiums and effectively zeroed out the additional 9.4% increase that wasn't budgeted (budgeted for 10.0%, while the actual increase will be 19.4%).

Day reported that, at their November 17 meeting, after consideration of all this information, MMDC's Personnel Committee carried a motion to approve his recommendations and bring them forward to the full Commission for consideration. Those recommendations were:

1. For MMDC to continue health coverage contributions at a rate of 100% for single coverage and 76% for family coverage;
2. For MMDC to continue contributing \$230 per month to each employee's health savings account;
3. For MMDC to provide all employees except for the executive director with a 2.2% cost of living adjustment; and
4. For MMDC to provide no cost-of-living adjustment to the executive director at this time, with the caveat that the executive director COLA could be revisited when the final FY 2026 budget projections become available in June.

Day then stated that, unless any member of the Personnel Committee has something to add, he would be requesting that the Commission follow the Personnel Committee's lead by accepting and adopting his health premium, HSA, and COLA recommendations.

Commissioner Sara Pollmann stated that, while she thought it was commendable that the executive director would forgo his COLA adjustment, she wanted to inquire as to if this had ever been done before. Day indicated that this was the first time. However, he said that this was also the first time MMDC has seen such a significant increase to health premiums. Day said that his goal was to try and maximize the COLA adjustment for his team, while also working to absorb the unanticipated premium increase. Commissioner Pollmann shared her concern that this should not become a regular occurrence as it is important to ensure the executive director wage is not devalued. If it is devalued over time, the Commission may need to consider a significant increase to fill the executive director position, should Day, one day, depart. Pollmann indicated that she has seen this occur at the school district level, adding that it is important for all staff, including the executive director, to feel they can afford to stay in their MMDC positions.

Commissioner Pollmann then asked what the MMDC year end projection would need to look like in order for Day to consider taking a COLA in line with the other MMDC staff. Day said that, in his mind, MMDC would need to project a small surplus, of no less than \$3,000.

Commissioner Mike Kutzke expressed that, while he understands the nature of Director Day's recommendations, he thought it would be a mistake not to extend the COLA to the executive director. He added that it is important to make sure all MMDC staff are compensated correctly. Chairperson Mueske, who was in attendance at the November 17 Personnel Committee meeting, stated that this was discussed at length but that, ultimately, they decided to support the director's recommendation, with the hope that MMDC can finish the year in such a way that further consideration can be given and Day can receive the COLA adjustment.

Commissioner Carl Shuldes asked, if Day were to receive the COLA adjustment, would this reduce the COLA for the other MMDC staff. Chair Mueske indicated that this would likely not be the case but rather it would likely mean an increase to MMDC's projected deficit.

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Commissioner Scott Refsland informed the Commission that, when the Personnel Committee met, it was made clear that the issue would be revisited when the final FY 2025 budget revision numbers became available toward the end of the fiscal year.

Commissioner Todd Frank remarked that an unknown is the cost of the new Minnesota Paid Leave program. He asked where MMDC is at with that budget item. Day informed that the Minnesota Paid Leave Act premiums should total no more than about \$3,400, and this expense was accounted for in the FY 2026 budget. Commissioner Allen Hillstrom asked for clarification as to whether that was the full premium, or just MMDC's share of the premium. Day said that this was for MMDC's share of the premium, adding that, as a small employer, MMDC will cover the equivalent of 0.22% of staff wages and each staff member will contribute an amount equivalent to 0.44% of their wages.

Commissioner Hillstrom then stated that he is aware that MMDC is locked into the Public Employees Insurance Program for the time being but asked if MMDC had looked around for better rates. Day said that MMDC did look at a couple of different options with MMDC's insurance broker. Day said that no comparable coverage was found without considerably higher rates. Commissioner Hillstrom asked if MMDC had shopped for group insurance policies only, or if MMDC considered Individual Coverage Health Reimbursement Arrangements (ICHRA) as well. Day informed that MMDC looked at group insurance policies only. Hillstrom suggested that MMDC also consider ICHRA next time around.

Commissioner Doug Krueger added that, while the cost of the Minnesota Paid Leave Program premiums will be \$3,400, there is no way of knowing how much it could cost MMDC if any staff needs to take a leave of absence. Commissioner Krueger then said that he would support the recommendations of the Personnel Committee, and indicated his appreciation for Day's recommendations, with the caveat that Day's COLA be revisited when the final budget revision numbers become available.

Commissioner Kevin Crowley made a motion to approve the recommendation of MMDC's Personnel Committee and adopt Executive Director Day's recommendations:

1. For MMDC to continue health coverage contributions at a rate of 100% for single coverage and 76% for family coverage;
2. For MMDC to continue contributing \$230 per month to each employee's health savings account;
3. For MMDC to provide all employees except for the executive director with a 2.2% cost of living adjustment; and
4. For MMDC to provide no cost-of-living adjustment to the executive director at this time, with the caveat that the executive director COLA could be revisited when the final FY 2026 budget projections become available in June.

Commissioner Jon Hawkinson seconded this motion, which carried after additional discussion, with Commissioner Yodee Rivera dissenting.

Further discussion included a request for clarification from Commissioner Robert Moller that, while MMDC had originally budgeted for a 3.0% COLA, this motion was for a 2.2% COLA, with Day taking no COLA adjustment at this time, to help offset the higher than anticipated health premiums, and that by Day taking no COLA, he was buffering the other MMDC staff from a larger hit to their COLA. This was confirmed by Chair Mueske. Day expressed his appreciation for Commissioners' comments and concern over his wage, but said that he is not concerned because he knows the MMDC team will continue to work to reduce the projected FY 2026 deficit, adding that he is still optimistic MMDC can end the year in the black.

Commissioner Yodee Rivera asked if the caveat to reexamine Day's COLA also included the ability to increase all staff COLAs to the 3.0% that was originally budgeted, if the final budget projection allowed for this, indicating that she would be in favor of such a move. Commissioner Sara Pollman stated that she was in agreement with Commissioner Rivera, and said that getting all staff, including Day, to a 3.0% COLA for CY 2026 should be the goal. Commissioner Kiza Olson said that making any further adjustment retroactive to January 1 should also be considered. Chair Mueske indicated his appreciation of staff's budgeting and willingness to wait until it is known that the money is there before providing a full 3.0% COLA adjustment.

No amendments were offered to the original motion, and this was clarified by Commissioner Yodee Rivera. Commissioner Kevin Crowley said that there was considerable discussion at the Personnel

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Committee level and that the committee ultimately decided to follow Day's recommendations in the hopes that an adjustment could be made later.

- **MN Paid Leave Update:** Day informed that MMDC is ready for the new Minnesota Paid Leave Program. All staff have received their required notices, etc. Participation in this program is required for all employers except for the federal government. As a small employer, MMDC will contribute the equivalent of 0.22% of each employee's wage to this insurance program. Each employee will contribute 0.44% of their wage. All commissioners and staff were encouraged to view a webinar, put on by North Risk Partners, an independent insurance broker. This webinar was shared via an email from Day on October 31. In CY 2026, the total cost of MMDC's program contribution will be about \$3,400.

Employees may take a paid medical leave of up to 12 weeks if they have a qualifying medical issue. They may also take up to 12 weeks for a family issue (family medical, bonding with new child, safety leave). The maximum benefit is 20 weeks in a one-year period. While on leave, employees will receive between 55% and 90% of their regular wages, up to a maximum benefit of \$1,423 per week. Employees may use accumulated leave to top off their wages. In doing so, they may receive up to 100% of their regular wage.

Day said that, in January, he will bring some minor adjustments to MMDC's Personnel Policy Manual for Commission approval, to remove any language that may be in conflict with the new law.

Commissioner Allen Hillstrom inquired as to if there was a plan to increase MMDC's dedicated reserve for emergency staff coverage, to help cover additional expenses related to the engagement of another service provider or additional staff if they become necessary should a staff person need to take a leave. Day said that the Commission typically considers reserve balances in June but agreed that it would be a good idea to look at this particular reserve. Day said that, in most cases, if a staff member must take a leave, other staff will work together to help cover their work. However, there are certain circumstances when that would not be possible. Day specifically cited any instance of the finance director requiring a paid leave, noting that it would likely be necessary to bring in additional assistance, via contracting, in that case. Day added that MMDC's staff are very dedicated to their work and that, if they do need to take a leave, it will be for a major reason, and their work responsibilities should be the least of their concerns.

- **Revolving Loan Funds Update:** MMDC Economic Developer Nate Reuss pointed out the RLF report that was included in the meeting materials packet. Reuss noted that there were no new payoffs or closings since the last Commission meeting. He and Economic Developer Mike Nicholas are doing more outreach at this time. Day informed that, despite there being no new loans, the Economic Development Team has been working with perspective borrowers. However, sometimes, in the end, the answer is "no", and it can take a bit of time to get to that answer. Day said there is currently almost \$500,000 available to lend, and that this was, in large part, due to a handful of early loan payoffs at the beginning of the calendar year. He also mentioned that he and Reuss had spoken, earlier on December 3, about the need to make sure all the region's commercial real estate brokers and agents are aware of MMDC's RLF programs.

Day reminded the Commission that many of MMDC's successful loans were the result of a commissioner referral and encouraged more commissioners to refer. After referral, there are hurdles the prospective borrower will need to clear, including having a clear business plan and sufficient personal investment in the project. Chairperson Mueske added that, as per the audit report, there have been no recent defaults in MMDC's RLF programs. He stated that MMDC should continue doing what MMDC is currently doing to ensure good health for our RLF programs.

Commissioner Maureen Melgaard-Schneider asked if one of MMDC's engaged rideshare drivers, working within MMDC's Rideshare Support Project, would be eligible to borrow from MMDC's RLF programs, if they had interest. Day stated that they would be eligible.

- **Upcoming Comprehensive Economic Development Strategy Update:** Day informed the Commission that, in 2026, MMDC's economic developers, with support from other MMDC staff, will be working on the five-year update to the economic development district's Comprehensive Economic Development Strategy, or CEDS. He remarked that this is typically a year-long process and reminded commissioners that the CEDS is a regional economic development roadmap for the four-county region. It is the mechanism by which the region receives designation as an economic development district from the U.S. Economic Development Administration. Without this designation, none of MMDC's stakeholders would be eligible to apply for federal funding through the U.S. EDA, for infrastructure projects, etc.

The update to the CEDS will involve a good deal of public engagement. It will also include a fair number of hours dedicated to writing. Day said that staff will need to take care to avoid key words and phrases

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that fail to align with the current federal administration's priorities (e.g. clean energy, equity); while still ensuring it truly reflects the will of our stakeholders. Day then said that, because a number of commissioners are on MMDC's CEDS committee, he wanted to make sure all were aware that this work will be done in 2026.

- **Consideration of MMDC's Communications Policy Update:** Day pointed to the updated MMDC Communications Plan, which was included within the meeting materials packet. Day noted that this plan had been reviewed by members of MMDC's Marketing & Communications Committee, and their suggested revisions have been incorporated. Day said that he was looking for plan approval at this meeting.

Commissioner Sara Pollman, a member of MMDC's Marketing and Communications Committee, made a motion to approve the plan, as presented. Commissioner Rollie Nissen seconded this motion, which carried with no dissent.

Discussion included comments from Chair Mueske and Commissioner Melgaard-Schneider, that the new plan was an impressive document. Day thanked Communications Specialist Ben Carlson for leading this process.

- **Consideration of Suggested Revisions to MMDC's Financial Operations Manual:** Day pointed to a draft version of an update to MMDC's Financial Operations Manual. This draft included struck-through language as well as suggested additions. He said that the goal of this update is to reflect current conditions and practices. He said that he was uncertain as to when the last Operations Manual update occurred, but it was prior to his employment at MMDC and, therefore, was not reflective of MMDC's current segregation of duties. He noted that the previous version also included references to things like an in-office petty cash account, which MMDC no longer maintains, as well as other outdated information. Day then asked for approval of the Financial Operations Manual update, adding that the document will be reformatted once the changes are approved.

Commissioner Carl Shuldes made a motion to approve the presented changes to MMDC's Financial Operations Manual. Commissioner Melgaard-Schneider seconded this motion, which carried with no dissent, after a question from Commissioner Moller related to MMDC's cell phone stipend policy.

Day clarified that all staff use their personal cell phones for Commission business, and that they receive a \$50 per month stipend for this use. Day said that staff were, at one time, polled and that a decision was made to drop individual land-lines. Day said that staff do have the option of giving out the main MMDC number, from which callers can be transferred, either by Communications Specialist Ben Carlson or by selecting an option from MMDC's "phone tree". When asked, Day clarified that no MMDC staff are expected to answer their phones outside of their normal working hours.

Commissioner Todd Frank recommended that the December 3, 2025, date be incorporated into the document revision, for future reference. Day agreed this was an excellent suggestion.

Chair Mueske noted that, while the segregation of financial duties was included within the updated manual, he expected that MMDC will still see that weakness appear on future audit reports. Day said that he was hoping to see a note acknowledging progress in this area.

- **Commissioner Webpage:** Day pointed to a page in the materials packet that included an image of a new webpage that has been added to MMDC's website for commissioners' use. On this page, MMDC will keep a number of resources to ensure commissioners' easy access. At this time, no private information will be kept on the page, so no password will be required to access it. Day pointed to instructions on how to find the page and encouraged commissioners to offer suggestions of additional items to add to it.
- **Aging Update:** Commissioner Melgaard-Schneider shared aging-related updates with the Commission. These updates included:
 - The 2026 cost-of-living adjustment (COLA) for Social Security benefits will be 2.8%. For many, much of this increase will likely go to increased Medicare Part B premiums, which will be \$202.90 in 2026, up from \$185 in 2025.
 - Open Medicare enrollment began on October 15 and goes through December 7, 2025. There is still time to contact Minnesota Aging Pathways (MAP), formerly Senior Linkage Line. MAP can be reached Monday through Friday from 8:00 a.m. to 4:30 p.m. by calling 800-333-2433 or via live chat online at mn.gov/aging-pathways.

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- The MAP information and assistance line has been swamped since before the open enrollment period even started. Much of the call volume resulted from UCare pulling out of Medicare Advantage plans in 2026. This affected approximately 158,000 members in MN and western Wisconsin, created confusion and fear among callers, and overwhelmed MAP resources.
- Additional MAP data points:
 - MAP has received an average of 1,600 calls per day since October 1
 - The average wait time is 84 minutes
 - When Commissioner Melgaard-Schneider recently checked in with a MAP manager, she learned that MAP was receiving 2,000 calls per day and still had 123 people waiting in the two-hour cue at 3:30 p.m.
 - Daily calls are triple the volume in comparison to 2024
- Additional confusion could be coming as, on November 17, 2025, UCare announced that it will be shutting down in 2026, and that Medica will be taking charge of Medicaid, family, and individual markets. Those affected have a later deadline for open enrollment, the end of December vs. December 7 for other enrollees.
- The request for proposals for the 2026 Dementia Grant Round is coming soon, likely in December. The Minnesota Board on Aging administers a competitive grant program focused on Alzheimer's disease and other dementias and their impact on family, friends, and caregivers. The RFP is due to be released in early December 2025. The Dementia Grants should stimulate collaboration, coordination, and strengthen community relationships and partnerships that promote the benefit of physician consultation for all people suspected of having memory or cognitive concerns. Grants should focus on at least one of these areas:
 - Increase awareness of Alzheimer's disease and other dementias; and/or
 - Increase the rate of cognitive testing; and/or
 - Promote the benefits of early identification; and/or
 - Connect family, friends, and neighbors who are caregiving with education, support, and resources; and/or
 - Increase the availability of respite for family, friends, and neighbors caring for people with dementia, and provide information, education, and training to respite caregivers and volunteers.
- The grant term will be up to 24 months, with a maximum request of \$150,000. A total of \$750,000 will likely be available, though Commissioner Melgaard-Schneider fully expects there will be far more dollars requested. Typically, there is a 25% match requirement for requests above \$50,000. Commissioner Melgaard-Schneider noted that this may be a good opportunity to support sustainability for the MMDC's new Rideshare Support Program.

Commissioner Sara Pollman said that she had a friend who was navigating the open enrollment period and related decisions for the first time. She inquired as to if it would be best for this friend to contact MAP. Commissioner Melgaard-Schneider said that this would indeed be a good course of action and added that MAP takes no commission for their services. She also suggested that Pollman's friend be reminded that they will need to have some patience as, while the operators are very good, waiting times are lengthy.

- **Items of Interest from Other Elected or Public Interest Commissioners:** Chair Mueske provided all other MMDC commissioners with an opportunity to share items of note.
 - Commissioner Carl Shuldes mentioned that the City of Willmar just received good information on the expected cost of their open fiber broadband network. The low bid has come in lower than anticipated and is being vetted now. When asked, Commissioner Shuldes shared the general timeline of this broadband project. Phase one construction will start in spring 2026 and wrap in fall 2026. Phase one will include Willmar's industrial park and a more central area of Willmar. Phase two will include the southern part of Willmar in 2027. Phase three will include the northern part of Willmar. Phases are contingent upon a sufficient number of sign-ups.

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Commissioner Kiza Olson inquired as to if the construction will result in above-ground boxes within residents' yards. Commissioner Shuldes said that his understanding was that everything will be in the ground, except for the small box on the side of each subscriber's residence or business.

- Commissioner Jon Hawkinson inquired as to how the Truth in Taxation meetings are going for commissioners involved in this process. Commissioner Roger Imdieke remarked that Kandiyohi County had the largest crowd he believes they have ever had for this hearing. Commissioner Doug Krueger expressed that he was disheartened that no one attended this hearing in McLeod County, though he added that McLeod County is only increasing their levy by 2.5%, one of the lowest increases in the state. He also added that other counties, with higher expected increases, may have taken on a large project, so the rates can be misleading.

Commissioner Dave Sebesta mentioned that Hutchinson's Truth in Taxation hearing will be held on December 4 and said that the Hutchinson City Administrator is good at explaining levy increases. Commissioner Sebesta said that he believes Hutchinson will see a 6.1% increase, after originally projecting an 8.5% increase.

- Commissioner Todd Frank mentioned that, in November, several school districts had referendum questions on the ballot. He reported that, in the general area, these saw a 50% success rate. He added that districts were seeking approval for expenditures ranging from \$5-6 million, for operating renewals, to one district, Yellow Medicine East, approving a new school facility estimated at over \$70 million.
- Commissioner Rollie Nissen shared that, as a member of the Highway 23 Coalition, he's received many positive comments about the ease of the drive between Willmar and St. Cloud, since that entire route has become four-lane, divided highway. He noted that there is a lot of work left to do in order to complete the project from Interstate 90 to Interstate 35. While the center stretch of the Highway 23 corridor has had strong local champions, these champions are yet to be identified in the southwest and northeast areas.

- **MMDC Region (EDR 6E) Economic Report:** Day pointed to the brief report that was contained within the meeting materials packet. He explained that this report was included for commissioners' information only. He also stated that he would be willing to add items to the report, at commissioner request, provided he can find the necessary sources and data.

Adjournment: With no other business, Commissioner Robert Moller made a motion to adjourn. Commissioner Jon Hawkinson seconded this motion, which carried with no dissent. The meeting then adjourned at approximately 7:35 p.m.

Respectfully Submitted,

Eric Day, Acting Secretary

Shawn Mueske, Chairperson

The next meeting of the Mid-Minnesota Development Commission will be held on Wednesday, January 28, at 6:00 p.m., at a McLeod County location (specific location is yet to be determined).