



Southwest Regional Development Commission

2016 Annual Report

September 1, 2016

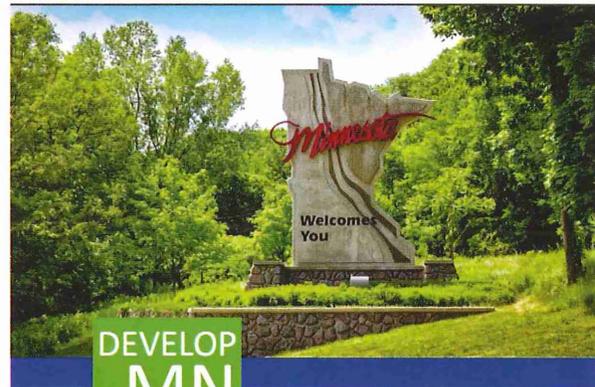
MADO Completes DevelopMN Plan

The Minnesota Association of Development Organizations, (MADO) completed a statewide planning effort in December of 2015 known as DevelopMN.

DevelopMN creates a common framework for regional economic development, and identifies strategies to address the special challenges and opportunities of Greater Minnesota. This initiative will enhance and support economic development efforts on all levels and

engages local, regional, state and federal partners. Collectively, MADO and partners will raise the bar on what constitutes effective rural economic development in Minnesota.

The primary goal of DevelopMN is strengthening communities. By expanding the diversity of job opportunities, providing access to safe and affordable housing, and developing employment training that meets the needs



DEVELOP
MN
2016

Comprehensive
Development Strategy for
Greater Minnesota

of businesses, DevelopMN builds on regional strengths and fosters vibrant, healthy communities.

Active Living in Edgerton

The SRDC worked with the City of Edgerton to create an Active Living Plan. Through a planning process of two community meetings, a community survey, and Wikimapping, the team was able to identify community

assets, walking and biking routes, and barriers to active living. In addition to its focus on physical activity, active living planning is also a route for economic development – investment occurs where people are and

active living encourages residents to walk and bike on the roads near them, leading to an increase in foot traffic and the utilization of the business spaces in those locales.

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SRDC and MnDOT Win National Award

The SRDC and MnDOT were presented with an Excellence in Transportation Award at the 2016 National Regional Transportation Conference in Chattanooga, Tennessee.

SRDC staff, in collaboration with MnDOT District 7 / ATP 7 staff, developed an Enhancement Letter of Intent Review Process to enable potential enhancement project applicants to determine if they were ready to submit a full application for funding. The project partners meet with an RDC planner to help determine readiness of their Enhancement project. We address areas of concern - potential project delays in advance; identify areas to strengthen their application; and help outline the federal requirements, funding and timelines a successful project would need.



In the Photo – Accepting the award from RPO America Chair Amy Kessler, Planning and Community Development Director for the North Central Regional Planning and Development Commission, are Annette Fiedler, SRDC, Ronda Allis and Katie Caskey, from MnDOT.

“The project partners meet with an RDC planner to help determine readiness...”

SRDC Continues 60/90 Corridor Initiative Work

With support from the Blandin Foundation, the SRDC continued its work to develop Livability Plans for the 60/90 Corridor Livability Initiative in Cottonwood, Jackson, and Nobles Counties. The principle behind the initiative is to attract residents to the area to live, work, and study using a holistic approach to development.

Community surveys were dispersed to county residents via an online survey tool and their responses were compiled and presented at the first community meeting where attendees

discussed the results and came up with a SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats). This document along with the survey results was integral in creating the final Livability Plan which details goals and strategies for community and economic development in the three target counties. This initiative will continue to inform policy decisions, community growth, and economic development in the 60/90 Corridor throughout the implementation process.



SRDC Transitions Out of Aging Services

As of January 1, 2016, the SRDC no longer provides aging services through the Minnesota River Area Agency on Aging. The Minnesota Board on Aging and the Minnesota Department of Human Services decided to merge all functions of the aging programs they funded into a single agency with all staff being employees of said agency.

This ended a successful partnership with the SRDC that began with the establishment of the Southwest Area Agency on Aging in 1977.

Staff moved in December to new

offices in the Slayton Industrial Park. Many of the staff who moved into the new office had been employees of the SRDC for quite some time, and included Linda Tobias, 16 years, Gail Radke, 12 years, Julie Stewart, 10 years, Katie Gillette, 7 years, Nicole Konz, 6 years, Jen Pieske, 4 years, Kylie Chandler, 4 years, Brittany Perish, 2 years and Pam Mailander, Bruce Kyllonen, Jacque Portz and Rita Pyan, all one year. The SRDC thanks all the staff for everything they have accomplished over the years on behalf of the elderly.



Minnesota
River Area
Agency on
Aging, Inc.

Weis Completes NDC Certification

SRDC Economic Development Director Robin Weis completed the training required to become a Certified Economic Development Finance Professional by the National Development Council, (NDC).

Certification requires attendance at four one week trainings followed by extensive testing. Robin received her Certification in the fall of 2015.

“Each of the four courses offered by the NDC helped to build the knowledge and skills essential to revolving loan fund management and economic development in the region. The courses built skills in business credit, real estate finance analysis, loan packaging procedures, negotiating and problem-solving and deal structuring.”



SRDC Welcomes New Staff



The SRDC would like to welcome Maxwell Kaufman to the SRDC. Max was hired as the new Development Planner replacing Drew Hage, who moved on to become the Director of the Windom EDA.

Max is a native of Fulda in Murray County, and holds a

degree in Political Science from the University of Minnesota. He comes to us from work experiences in Detroit and as a Clinton Fellow in India. Welcome Max!

Two Safe Routes to School Plans Completed

This past year, the SRDC completed Safe Routes to School Plans for the Worthington and Heron Lake-Okabena School Districts. Safe Routes to School is an intensive planning process where a group of school and city officials along with community members team up with a planner to identify barriers to safe walking and biking to school. Through surveying parents and students and conducting a public mapping process, input was gathered about the safety of the

areas around the schools. The team also gathered information through walking audits and worked with the community to come up with pedestrian infrastructure and programming recommendations for the schools. The schools and cities will use these plans as they implement changes to encourage students to walk and bike to school.



Wind on the Wires Recognizes SRDC and RMEB's Renewable Energy Efforts

In November, Chris Kunkle, Regional Policy Manager-West for Wind on the Wires, traveled to Slayton to recognize the impact that sound policy decisions regarding local renewable energy can have for a region.

In the nine-county area covered by the SRDC, wind turbines generated more than \$7.2 million in wind energy production tax revenue in 2014. These funds are used by townships and counties to fund a variety of needs.

The SRDC and Rural Minnesota Energy Board members, along with wind developers collaborated on the political effort to put the production tax in place in the early 2000s. The production tax provides a steady stream of



Touting the benefits of wind energy during a program in Slayton Thursday morning were Rep. Joe Schomacker (R-Luverne) (Left), SRDC Executive Director Jay Trusty, Gene Metz, Nobles County Commissioner and legislative chair of the Rural Minnesota Energy Board; and Chris Kunkle, Wind on the Wires representative. (Julie Buntjer/Daily Globe)

revenue for the counties and the townships.

“The wind industry paid about \$10.5 million (in production tax) to counties throughout Minnesota (in 2014),” said Kunkle. About

3,000 megawatts of wind energy are currently generating 16 percent of the state’s electricity. So far, the wind industry has invested \$5.6 billion into Minnesota’s economy and created approximately 2,000 jobs.

SRDC Receives Energy Audit Assistance Funds

The SRDC is fortunate to be able to offer Energy Audit Assistance programs to units of governments, non-profits, businesses and agricultural producers. The programs offered are available thanks to funding from CERTs and USDA.

SRDC partners with the Rural MN Energy Board so properties must be located in one of the following 18 counties: Blue Earth, Brown, Cottonwood, Faribault, Freeborn, Jackson, Lincoln, Lyon, Martin, Mower, Murray, Nobles, Pipestone, Redwood, Renville, Rock, Sibley and Watonwan.

The amount of assistance is 75% of the total energy audit cost, up to \$750.

Energy Audits must be performed by a qualifying energy auditor. The SRDC was successful in getting the list of qualified energy auditors expanded this fiscal year.

Energy audits must include a summary of recommendations with the following information for



Economic Development Director Robin Weis, client Maria Paarga and Nobles County RMEB member Gene Metz are recognized for their energy efficiency efforts. Photo by Alex Chhith, /Worthington Daily Globe.

each recommendation, if applicable: existing MMBTU usage, proposed MMBTU usage, MMBTU savings, existing kWh, proposed kWh, kWh savings, existing kW, proposed kW, kW savings, annual savings (\$), cost, payback years, expected life cycle (years), and percent of savings.

PACE (Property Assessed Clean Energy) is an option for financing

improvements made, based on the energy audit, for non-profits, businesses and agricultural producers. PACE is a financing tool for improvements to existing facilities that substantially increase energy efficiency. Project examples may include, but are not limited to the following: LED lights, HVAC, Heating, Cooling, Insulation, Windows, Refrigeration, etc.

SRDC Loan Funds Enjoy an Active Year

The SRDC currently has two loan funds, an EDA Revolving Loan Fund or RLF, and the Property Assessed Clean Energy or PACE program.

During FY 2016, three RLF loans closed, one in Cottonwood County and two in Nobles County, totaling \$174,200. In the last five years, the RLF has closed 33

loans for over \$1.7 million, leveraged an additional \$13.3 million and helped to create or retain 200 jobs.

In FY 2016, seven loans were closed in the PACE program totaling \$238,302, three in Nobles County, and one each in Renville, Blue Earth, Jackson and Redwood Counties.



Tour of Projects Around Marshall Kicks Off 2016 Annual Meeting

A group of SRDC Commissioners and staff started the day of the Annual Meeting off by touring some projects in and around Marshall where the Annual Meeting was held. The projects included the Marshall Solar Farm, a project that the SRDC had reviewed; the Mattress Barn, a Revolving Loan Fund client; and the M.E.R.I.T. Center, a project that the SRDC had acted as grant administrator for. Those on the tour were complimentary and we hope to make the tour a continuing part of our Annual Meeting.



During FY 2016, the SRDC reviewed ten projects from within the Region. For a complete list of projects, please contact the SRDC offices.

SRDC Commissioners Miron Carney, Mic VanDeVere and Dennis Klingbile listen as Construction Manager Ryan Jones from Nextera Energy updates the Commissioners on the construction of the Marshall Solar Project. At the peak of construction the site will employ about 250 workers. The Project is estimated to be completed and operational by December of 2016.



Marshall Mayor and SRDC Board Member Bob Byrnes explains the purpose of the M.E.R.I.T. Center and all of the training available, including training for railroad and truck tanker spills, as well as a variety of other training opportunities for law enforcement and emergency response personnel.

The Minnesota Emergency Response and Industrial Training Center was constructed with funds from the State of Minnesota that were passed through the SRDC to the City of Marshall. The City hopes to get additional funding to continue to expand the facility.

2016 Project of the Year, Marshall Health Impact Assessment

Cris Gilb, Southwest Health and Human Services and Drew Hage, former SRDC staff member, were recognized for their contributions to the successful completion of the Marshall Health Impact Assessment which was named SRDC Project of the Year for 2016.

The Marshall GreenStep Cities Health Impact Assessment (HIA) will guide the City of Marshall and the GreenStep Committee in prioritizing its involvement in the Minnesota GreenStep Cities Program to advance best practices that improve community health. The main goal is to outline the health benefits of the various best practices, so the decision makers can allocate their scarce resources to the highest valued best practice.

Questions that decision makers can ask themselves:

- How will my decision impact health?
- How will my decision impact connectivity?
- Will my decision make the community more inviting (more walkable and bikeable)?

SRDC Staff Recognized

SRDC Administrative Assistant Doreen Veenhuis was recognized at the Annual Meeting for ten years of meritorious service to the SRDC.



Left to right: Tom Hoff, Marshall GreenStep Coordinator (accepting on behalf of Cris Gilb), SRDC Chair Miron Carney, Drew Hage, former SRDC staff and current Windom EDA Director.

“Will my decision make the community more inviting (more walkable and bikeable)?”





SRDC Economic Development Director Robin Weis explains the process that the owners of the Mattress Barn went through to get funding through the SRDC's Revolving Loan Fund.

Guest Speaker Wade Fauth Highlights 2016 Annual Meeting



Blandin Foundation Vice President Wade Fauth was the featured speaker at the SRDC's Annual Meeting, held in the Banquet Room at Bello Cucina's in Marshall. Fauth is responsible for organizational assessment and planning as well as coordination of the Foundation's leadership, policy, grants, communications, and information services activities.

Fauth spoke of caring about the community we live in (people, family, friends, location) and what motivates us to make our community a better place to live. Also, the importance of utilizing the tools that we have in making a better community. The Blandin Foundation is able to assist communities in enhancing and identifying those resources. Fauth said that the Blandin Foundation and SRDC are both part of the system that has aspirations for rural communities, as we all care about the same things. Our challenge is how can we compliment each other? In closing, Fauth spoke of Blandin's involvement with DevelopMN and working with the RDC state organization; MADO is stitching together an approach on working together by going from planning to action.

FY 2016 Southwest Regional Development Commission Members

Brian Cooley	Cottonwood County Municipalities
Larry Anderson	Cottonwood County Town Boards
Donna Gravley*	Cottonwood Co Commissioners
Carol Wagner	Jackson County Municipalities
Richard Peterson	Jackson County Town Boards
Dave Henkels *	Jackson County Commissioners
Dennis Klingbile	Lincoln County Municipalities
Eloise Hauschild*	Lincoln County Town Boards
Mic VanDeVere	Lincoln County Commissioners
Tammara Schons	Lyon County Municipalities
Lori Grant	Lyon County Town Boards
Rick Anderson *	Lyon Co Commissioners
Miron Carney**	Murray County Municipalities
William Crowley	Murray County Town Boards
Gerald Magnus**	Murray County Commissioners
Vacant	Nobles County Municipalities
Paul Langseth*	Nobles County Town Boards
Matt Widboom	Nobles County Commissioners
Laurie Ness*	Pipestone County Municipalities
Daryl Hanenburg	Pipestone County Town Boards
Bruce Kooiman	Pipestone County Commissioners
Ryan Paul	Redwood County Municipalities
Hartwin Kreft*	Redwood County Town Boards
Sharon Hollatz**	Redwood Co Commissioners
Keith Elbers	Rock County Municipalities
Mike Davis	Rock County Town Boards
Sherri Thompson *	Rock County Commissioners
Bob Byrnes*	City of Marshall
Michael Kuhle**	City of Worthington
Eric Hartman *	Region Eight School Boards
Maydra Maas	Region Eight School Boards
Vacant	Region Eight Cultural Diversity
Vicky Baumann	SW Center for Independent Living
Tim Jones	SW MN Private Industry Council
Dr. Michael Rich	Southwest MN Higher Education
Chris Sorensen	Health & Human Services
Vacant	Lower Sioux Indian Community

** Indicates Current & FY2016 Executive Committee Members

*Indicates Current SRDC Board Members

Thank You to the following SRDC Commissioners whose terms expired in FY2016:

Susan Johnson, Lincoln County Municipalities

Patrick Baustian, Rock County Municipalities

Fiscal Year 2016 Financials and Fiscal Year 2017 Budget

Revenues	FY2016 YEAR END	FY2017 BUDGET
Tax Levy	350,772	351,100
MN Board on Aging/MNRAAA	470,749	0
Economic Development Administration	58,165	54,628
MN Department of Transportation	75,000	75,000
MnDOT-Safe Routes to School	4,370	89,533
MnDOT-Transit Coordination Planning	0	20,000
CERTS Funds	65,782	65,709
MN Department of Health	5,065	0
Current Contracts	257,411	271,034
REAP Funds	0	11,250
PACE Administration	10,616	16,750
Transfers In	0	9,479
Interest Earned & Miscellaneous	6,044	3,292
Total Revenues	1,303,974	967,775
Expenditures	FY2016 YEAR END	FY2017 BUDGET
Committee Expense	27,050	34,845
Salaries & Fringe	991,644	745,322
Travel	64,533	35,421
Office Space	38,972	37,311
Postage	10,166	7,150
Communications	7,289	4,997
Print/Publication	12,031	10,035
Supplies-Mtg/Wkshp Expenses	25,467	9,498
Insurance	6,039	4,122
Computer	18,306	12,531
Other	9,603	4,500
Professional Services	10,832	8,300
CERTS seed grants	8,022	19,950
Building Updates		3,800
PACE Loan Interest	3,825	3,413
Debt Service-Principal & Interest	11,676	11,670
Office Building Principal Payment	14,114	14,910
Total Expenditures	1,259,569	967,775
Overall Balance	44,405	0

Audited Governmental Activities for the year ended June 30, 2015

Revenues

Program Revenues

Charges for Services & Other	145,462
Operating Grants	1,281,127

General Revenues

Property Taxes—General	339,872
Other Revenues	60,912
General Interest Revenues	4,507
RLF Interest Revenues	68,956

Total Revenues	<u>1,900,836</u>
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Expenses

Government Activities	1,757,576
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Total Expenses	<u>1,757,576</u>
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Change in Net Position	143,260
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Prior Net Position, June 30, 2014	3,095,862
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Effect of Change in Accounting Principle	<u>(875,813)</u>
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Restated Net Position, June 30, 2014	<u>2,220,049</u>
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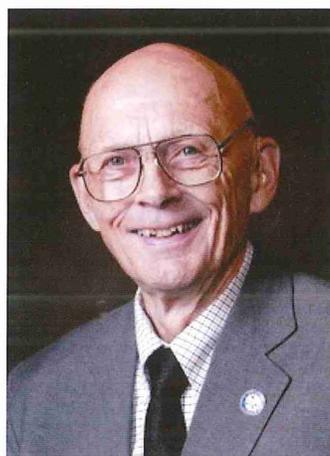
Net position, June 30, 2015	<u><u>2,363,309</u></u>
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2015 Audit

The FY 2015 Audit was conducted by Richard W. Holmberg, LTD, Certified Public Accountant, Marshall, Minnesota.

The auditor's report expresses an unqualified opinion on the General Purpose Financial Statements of the Southwest Regional Development Commission.

In Memoriam



The SRDC remembers long time Commissioners Marv Tinklenberg and Larry Hansen who passed away in fiscal year 2016.

Marv was the Pipestone County Board Representative and served on the Board of Directors, the Budget and Personnel Committee and as Commission Treasurer.

Larry was the Lincoln County Board Representative and served on the Board of Directors, the Legislative Committee, the Budget and Personnel Committee, and as Commission Treasurer and Vice-Chair.

Southwest Regional Development Commission



2401 Broadway Avenue
Slayton, MN 56172

Phone: 507-836-8547
Fax: 507-836-8866
E-mail: srdc@swrdc.org



The Southwest Regional Development Commission (SRDC) is a nine county regional development commission made up of representatives from local units of government and public interest groups in Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood and Rock Counties. The Purpose of the SRDC is to “work with and on behalf of local units of government to develop plans or implement programs to address economic, social, physical, and governmental concerns”. The Mission of the SRDC is to “Provide Professional Expertise and Leadership to Enhance Regional Opportunities”

Current Staff

Name	Title	Email	Phone No.
Jay Trusty	Executive Director	execdir@swrdc.org	836-1636
Annette Fiedler	Physical Development Director	phydev@swrdc.org	836-1631
Robin Weis	Economic Development Director	robin@swrdc.org	836-1638
Dianne Crowley	Finance Director	dcrowley@swrdc.org	836-1634
Max Kaufman	Development Planner	MaxK@swrdc.org	836-1633
Rhonda Wynia	Administrative Specialist	rwynia@swrdc.org	836-1644
Rose Oakland	Accounting Specialist	roseo@swrdc.org	836-1646
Kathy Schreiber	Administrative Assistant II	srdc@swrdc.org	836-1640
Doreen Veenhuis	Administrative Assistant I	doreenv@swrdc.org	836-1645

