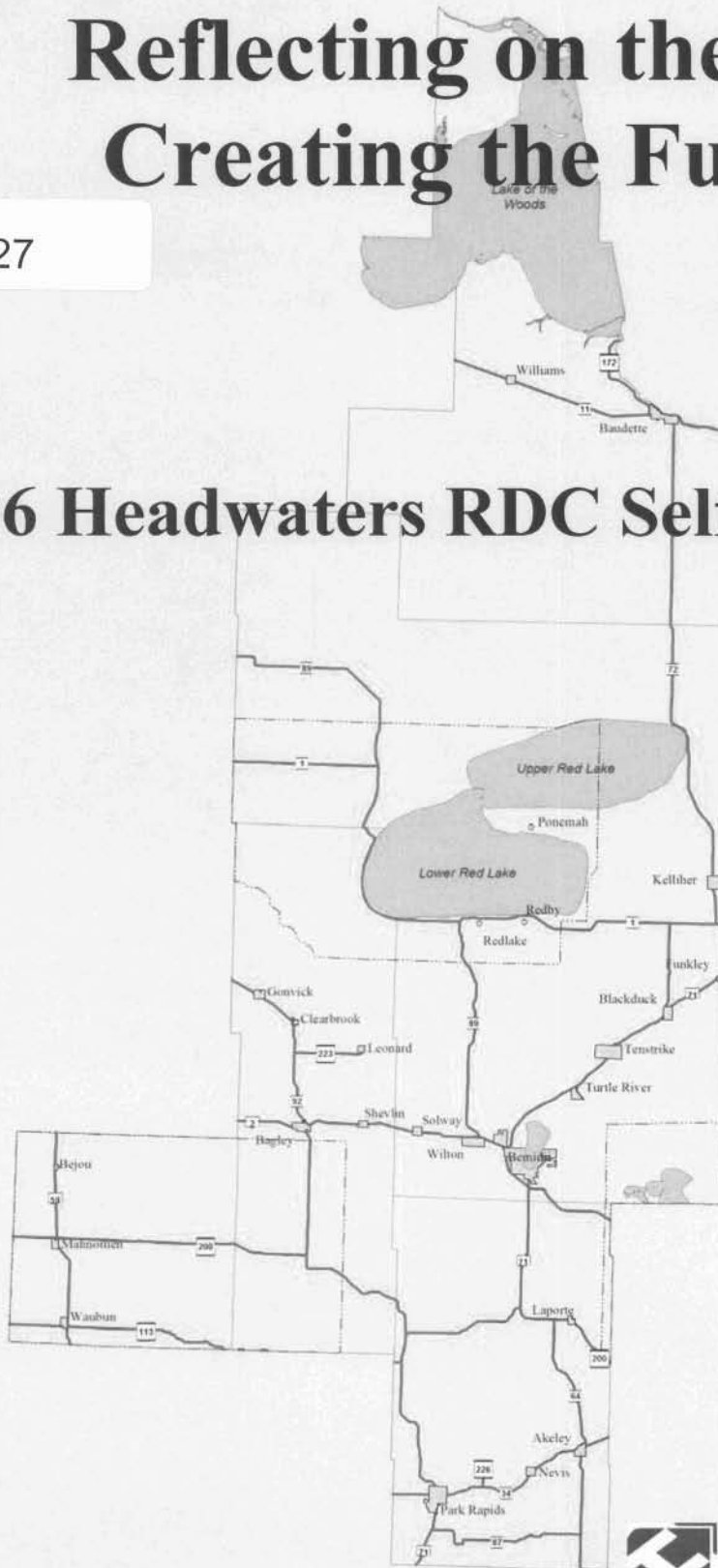


Reflecting on the Past Creating the Future

07 - 0227

2006 Headwaters RDC Self Assessment



2001-2006 HRDC Self Evaluation

Introduction

This report contains the findings and the conclusions of a self evaluation conducted by the Headwaters Regional Development Commission (HRDC) in the fall of 2006. The self evaluation was conducted in compliance with the following provision of the Regional Development Act:

"In 1981 and every five years thereafter, the Commission shall review its activities and issue a report assessing its performance in fulfilling the purpose of the Regional Development Act of 1969. The report shall state whether the existence of the Commission is in the public welfare and interest."

This is the sixth self evaluation conducted by the HRDC. The Commission conducted previous evaluations in 1981, 1986, 1991, 1996 and 2001

In addition to the self evaluation every five years, the HRDC has undertaken assessments of its programs and services every other year. These assessments include a survey of its customers and partners, as well as a survey of its Commission members and staff. As a result of these assessments, the HRDC actively modifies its services to better fit the changing needs of its customers.

There are three parts to this self evaluation. First, a summary of accomplishments is given for each of the Commission's primary mission areas: Improving the Economy, Improving Communities and Infrastructure, Creating Housing Opportunity, Managing Resources, and Promoting Community Stewardship.

Second, an assessment of the type, quality and future direction of work conducted by the Commission is provided. Finally, a summary of assessment findings is included.

Three surveys were conducted to inform this process – a survey of Commission members, an online survey of local customers, and a key informant survey using a dozen "thought leaders" located throughout Minnesota. A summary of these results is included in the appendix of this assessment.

In addition, the HRDC held a retreat to talk about trends that were going to affect the Region over the next two decades.

I. Summary of Five Year Accomplishments

One page summary sheets are provided in this section for each of the five main mission areas of the HRDC. Each of these summary sheets provides an overview of that mission area, the customers that the HRDC serves with that area, a summary of accomplishments, and finally, an identification of the challenges to be faced in the future.

The HRDC has been very active over the previous five years, and has a variety of significant accomplishments to its credit.

MISSION AREA: Improving the Economy

Customers: Cities, economic development organizations, education and training providers, banks, and employers.

HRFC: Counties, cities, private businesses, state agencies, nonprofit agencies, citizens of the Region.

Description: The purpose of the HRDC's economic development program is to promote quality employment opportunities in the Region and to strengthen our business's competitiveness. The HRDC's economic Development-related activities include business finance (through the Headwaters Regional Finance Corporation), business loan packaging, deal structuring, research, and economic development strategic planning. In addition, the HRDC sets the economic development strategy for the Region through its Comprehensive Economic Development Strategy process.



Highlights:

- ✓ Maintained a \$2.9 million loan fund portfolio, making 140 loans and creating/retaining 2,600 jobs in its 26 year history.
- ✓ Currently have disbursed \$2.3 million to 28 businesses in the Region.
- ✓ Worked with public and private leaders in Lake of the Woods County to develop a comprehensive economic development strategy.
- ✓ Assisted in developing economic development infrastructure in the Region's counties, including industrial, sanitary water and sewer expansions, and other economic development related infrastructure.
- ✓ Worked in partnership with Northwest Minnesota Foundation, the Minnesota Department of Employment and Economic Development, Bemidji State University and Northland Community and Technical College on the development of the Ingenuity Frontier and the Center of Excellence
- ✓ Led an effort to receive state assistance and pass a local sales tax levy for the construction of the Bemidji Regional Event Center.

Future Challenges:

- Address issues that are resulting from the new economy – namely, access to state of the art technology, customized education and training, and increased worker productivity.
- Ensure an effective lending program that meets present and future needs of the Region's businesses.

MISSION AREA: Improving Infrastructure and Communities

Customers: Units of government including counties, cities, housing authorities, and school districts; nonprofit organizations; and selected state agencies

Description: The HRDC's work in this area is designed to improve the quality of life for citizens of the region by making physical improvements in their communities. These improvements include recreational facilities, transportation systems, and other infrastructure.



Trail Development in Beltrami County

Highlights:

- ✓ Assisted communities obtain funding for infrastructure improvements, and helped administer some of the grant funds for the City.
- ✓ With local governments, identified and implemented several road transportation enhancement projects.
- ✓ Helped Beltrami County NRM develop a Recreational Trails plan for all county-managed lands.
- ✓ Worked with the Area Transportation Partnership to develop guidelines for investing in local road safety improvements.
- ✓ Identified a potential corridor and design standards for a bike loop around Lake Bemidji.
- ✓ Helped Blackduck and Baudette with trail development issues.
- ✓ Completed a drainage study for Lake of the Woods County.
- ✓ Applied for a flood recovery and mitigation funds for the cities of Mahnomen and Baudette.
- ✓ Conducted a road Analysis Process for the Chippewa National Forest.
- ✓ Helped the Lake County Scenic Byway Association complete a Corridor Management Plan for the Byway.

Future Challenges:

- Continue to provide services to a broad range of customers within the Region, including smaller cities.

MISSION AREA: Managing Our Resources

Customers: Counties, cities, SWCDs, selected state agencies, nonprofit groups

Description: The HRDC's work in this area is designed to maintain or enhance the natural environment of the region through improved natural resource analysis and decision making.



Highlights:

- ✓ Developed an orderly annexation and service delivery agreement for the City of Bemidji, Bemidji Township and Northern Township.
- ✓ Developed draft land use and transportation plans and zoning and subdivision regulations to be jointly implemented by the same three jurisdictions.
- ✓ Developed an orderly annexation and service delivery agreement for the City of Park Rapids and Henrietta Township.
- ✓ Completed a land use planning process in Hubbard County.
- ✓ Completed a comprehensive plan, including a land use component, in Beltrami County.
- ✓ Completed a new land use plan and revised zoning ordinance for the City of Baudette.
- ✓ Completed Hazard Mitigation Plans for all five counties.
- ✓ Assisted Beltrami County Natural Resource Management Department with the creation of its first ever Forest Management Plan.
- ✓ Assessed the long term supply and demand for aggregate resources in and around the Chippewa National Forest.
- ✓ Helped the Lake County Scenic Byway Association develop a Resource Enhancement Plan.
- ✓ Facilitated a revision of the Lake of the Woods shoreland zoning standards.
- ✓ Managed the annual tree planting and promotional activities of Bemidji Green Up.

Future Challenges:

- Help communities respond to increasing development pressure on natural resources recognizing a shared value system that includes independence and private property rights.
- Help communities and organizations find ways to promote a "Minnesota Northwoods" quality of place.

MISSION AREA: Creating Housing Opportunity

Customers: Communities, working families, units of local government, selected state agencies

Description: The purpose of the HRDC's housing activity is to increase the number of families in safe, affordable housing, and to build strong communities, neighborhood by neighborhood



An affordable home built by a contractor in Mahnommen.

Highlights:

- ✓ Constructed close to 50 affordable single family homes throughout the Region, including units built by schools, state offenders, and private contractors.
- ✓ With the Beltrami County HRA, provided down payment assistance to more than forty-five moderate income families.
- ✓ Completed development of a fifteen lot subdivision suitable for construction of affordable single family houses.
- ✓ Provide home buyer education and counseling services in Mahnommen.
- ✓ Obtained low interest mortgage financing on behalf of local governments and area lenders.
- ✓ Completed a Housing Study for Beltrami County HRA.

Future Challenges:

- Work toward the HRDC production goal of twenty units per year.
- Develop new models to increase efficiency in building and selling units.
- Broaden the niche of households served by housing assistance programs.

MISSION AREA: Promoting Community Stewardship

Customers: Leadership in communities in the Headwaters Region and beyond

Description: The HRDC's work in this area is designed to help communities develop leadership initiatives that use all leadership in the community, that help an entire community develop a common agenda, and then to implement that agenda by working together in more and better ways.



Highlights:

- ✓ Staff community stewardship initiatives in Bemidji, Park Rapids, Blackduck, and Mahnomen-White Earth area.
- ✓ Developed Center for Community Stewardship
- ✓ Implemented initiatives from each project that move communities forward

Future Challenges:

- Give the newly-formed Center for Community Stewardship “legs”.
- Develop and refine a business model that provides sustainability for Regional stewardship efforts.

II. Assessment

Existing Work. Common wisdom suggests that if you really want to know how your organization is doing, ask your customers. The HRDC did just that in the fall of 2006. Over 1,000 e-mails were sent out to customers to ask them to assess the existing services of the HRDC. A copy of the online survey instrument as well as a summary of the responses can be found in the Appendix.

In addition, a survey of Headwaters RDC members was also conducted. A copy of the survey and results can also be found in the Appendix.

One of the key pieces of information comes from the question asked about the quality of Headwaters RDC services. The question asked local customers to rate several characteristics of service quality. The responses are follows.

Customer Rating of Headwaters RDC Service Quality

	<u>Very Poor</u>	<u>Poor</u>	<u>Fair</u>	<u>Good</u>	<u>Excellent</u>	<u>No Answer</u>
Timeliness	1	2	8	38	25	2
Responsiveness	2	1	7	32	32	2
Effectiveness	3	2	7	28	31	5
Professionalism	1	0	2	22	49	2
HRDC Staff commitment to your initiative	2	1	6	20	42	5
Overall Quality	2	0	7	29	36	2

Although for the most part the responses rated our services as good or excellent, assessing the responses in the context of other questions and personal interviews leads us to the following conclusions:

- *Effectiveness is at the top of our customers' agenda.* The bottom line for our customers is all about results. People want to work with us because they think we can get them the outcomes they want. Good tries are not good enough.
- *Responsiveness/timeliness is the one area in which we should be vigilant.* It is easy to over-promise. We have to be careful that we do what we say we're going to do, when we say we're going to do it. The combination of being very busy and wanting to please customers puts pressure on us to make promises that might be difficult to keep.
- *Customer relationships need to be nurtured, not taken for granted.* Customers want to hear from us, even when we have nothing on our agenda and they have nothing on theirs.

Future Direction. Looking forward is the most important part of this assessment. Our existing services are strongly supported by our customers and, while we've identified areas for improvement, getting to the next level involves an examination of our service mix as much as a refinement of existing activities. The HRDC recognizes that today's signature program may be inadequate to deal with tomorrow's challenges.

Extensive discussion was held with Commission members and with external key informants around the state. After much discussion, it was determined that the following are the key trends that will shape the Headwaters Region, and hence determine the challenges the HRDC must be prepared to address:

- *Decreasing civic engagement may be the most critical factor that stands in the way of community success.* Democracy has increasingly become a spectator sport, and when people do become engaged, it is more often than not that lines are drawn, and the dialogue is adversarial in nature. If we can not influence more people to become engaged, and some to lead, then the future is going to be a struggle.
- *If the gulf between the haves and have-nots increases, the Region is going to have a difficult time moving forward.* The continuing centralization of economic and social activity, the global competitive pressures resulting from the new economy, and the increasing disparity between socio-economic classes are creating a widening gulf between the haves and have-nots that threaten our ability to move forward as one Regional community. There will be winners and losers that are divided by geography, and by socio-economic class.
- *Changes in the environment/energy are going create new major opportunities and threats.* This may be the most difficult trend to assess. Our environmental and energy future is going to be different than the present situation, but it is hard to characterize in any more detail at present.
- *Finally, the aging of the population is going to create issues we're going to need to confront.* Health care demands, work force needs, and education delivery systems are all going to be challenged to adjust to more elderly, fewer working age people, and fewer youth.

III. Findings

The following section provides a summary of the highlights that have been summarized in this report, followed by the evaluation findings.

Highlights

- **The HRDC has accomplished real things to move its communities and the entire Region forward.** The HRDC has an impressive list of accomplishments. It is fair to say that the Region is better off today because of the HRDC.
- **The things the HRDC is working on are the right things.** We have tried to listen carefully to our local customers, and we think our service mix reflects that. We are committed to working on the most important issues for our customers, and we think we are doing that
- **Our services are valued by our customers, but there is always room for improvement.** Our surveys show high levels of satisfaction and support for the HRDC and its programs and services. The surveys also show that there is always room for improvement. The key area we're going to focus on: timeliness.
- **The future presents challenges and opportunities that we need to be thinking about.** Democracy has increasingly become a spectator sport, and when people do become engaged, it is more often than not that lines are drawn, and the dialogue is adversarial in nature. Changes in the environment/energy are going create new major opportunities and threats. The continuing centralization of economic and social activity, the global competitive pressures resulting from the new economy, and the increasing disparity between socio-economic classes are creating a widening gulf between the haves and have-nots that threaten our ability to move forward as one Regional community. Finally, the aging of the population is going to create issues we're going to need to confront. Each of these trends must influence the future HRDC.

Assessment

After reviewing the information contained within this report, the HRDC has concluded the following:

1. **The Headwaters Regional Development Commission is redefining what a successful RDC should be like.** The HRDC has recommitted to growing successful communities. Subsequently, it has challenged communities to think differently about the leadership needed, and it has challenged itself to reinvent its services to support these communities. The HRDC has also committed to broaden its geographic reach in the area of community stewardship.
2. **The existence of the Headwaters Regional Development Commission is in the public welfare and interest.** The HRDC'S accomplishments, the support of its customers and partners, and its reputation all suggest that the HRDC is an integral part of the development framework of north central Minnesota

Appendix

Survey of Headwaters RDC Members

Red type = survey member answers.

(11 surveys were sent back. One person did not answer questions: I A, II E, F, G, H and IV A)

I. Board Meetings & Discussion Process

How satisfied are you with the following:

	Very Dissatisfied				Very Satisfied
A. The quality of commission meeting background information.	1 0	2 0	3 0	4 5	5 5
B. Commission discussion of issues at meetings.	1 0	2 0	3 2	4 4	5 5
C. The role and effectiveness of your advisory committee.	1 0	2 0	3 1	4 8	5 2
D. The role and effectiveness of your subsidiary corporation boards (HHDC, HRDF).	1 0	2 0	3 1	4 6	5 4
E. The agenda formatting.	1 0	2 0	3 2	4 5	5 4
F. The structure of the meetings.	1 0	2 0	3 1	4 5	5 5
G. The role of staff at Commission meetings.	1 0	2 0	3 0	4 3	5 8

Feel free to offer suggestions on how we can improve our decision process

1. Maybe there should be a little more information on advisory effectiveness at the HRDC meeting.
2. The 3 Reservations appear to be left out – see annual report, there is no mention.

Do you like having an occasional guest speaker? 11 YES ___ NO

Do you like occasionally having the small group discussion format? 11 YES ___ NO

Do you have any other suggestions as to how we can make commission meetings more engaging and useful for you?

1. Overall the structure and format is good – my busy schedule keeps me away too much.
2. Small groups are very important to help discuss issues.

II. Commission Activities

We are involved in numerous activities designed to help communities be successful (see attached annual report).

Please rate the importance of the Headwaters RDC's continued involvement in these areas.

	Very Dissatisfied				Very Satisfied
A. Housing planning & development.	1 0	2 0	3 1	4 5	5 5
B. Economic development planning & project development.	1 0	2 0	3 2	4 4	5 5
C. Business financing.	1 0	2 0	3 1	4 7	5 3
D. Transportation.	1 0	2 0	3 3	4 7	5 1
E. Community stewardship.	1 0	2 0	3 1	4 2	5 7
F. Natural resource management.	1 0	2 1	3 2	4 5	5 2

G. Land use planning/zoning.	1 0	2 0	3 1	4 5	5 4
H. Community development.	1 0	2 0	3 1	4 3	5 6

Are there areas you feel we should be involved in to help our communities be successful that we do not address presently? Please describe:

1. Indian Reservation partnerships, projects or involvement. Hopefully next year our annual report will showcase this. The Reservations contribute many ways to the economy of all communities.
2. Economic development is falling behind the other categories, but we were informed this would happen with new initiatives taking priority.
3. I think the commission is addressing communities, but maybe work a little harder with these communities that are not involved as much.

III. Personnel

The HRDC currently has 11 staff members (including one contract employee). As a group, please rate your satisfaction with their performance in the following areas.

	Very Dissatisfied				Very Satisfied
A. Professionalism.	1 0	2 0	3 0	4 0	5 11
B. Quality of work.	1 0	2 0	3 0	4 1	5 10
C. Relationship with Commission members.	1 0	2 0	3 0	4 0	5 11
D. Responsiveness.	1 0	2 0	3 0	4 1	5 10

IV. Organization's Management

Over the years we have developed an organization management style that is characterized by significant authority vested in the staff team, but also characterized by openness and transparency in our discussions with you. Please rate your satisfaction level with the following.

	Very Dissatisfied				Very Satisfied
A. The above-described management style.	1 0	2 0	3 0	4 1	5 9
B. The quality of our financial management.	1 0	2 0	3 0	4 1	5 10
C. The quality of our personnel management.	1 0	2 0	3 0	4 1	5 10
D. The overall quality of the organization's management.	1 0	2 0	3 0	4 1	5 10

Are there any other comments you would like to make regarding the management of this organization?

1. Keep up the good work!

Internet Survey of Local Leaders

Which of the following best describes your affiliation

<u>Answer</u>	<u>Count</u>
Local Elected Official	15
Local Staff	15
Businessperson	21
Non-profit staff or board Member	14
Citizen/Leader	19
Other	22
No Answer	0

Have you or your organization had an opportunity to work with us (the HRDC, the HRFC or the HHDC)

over the last year?

<u>Answer</u>	<u>Count</u>
Yes	76
No	30
No Answer	0

What was the nature of the activity in which you were involved with the Headwaters RDC?

<u>Answer</u>	<u>Count</u>
Economic Development	15
Housing	10
Transportation	4
Land Use/Zoning	8
Resource Management	4
Business Loan	2
Community Stewardship	21
Other	8
No Answer	5

Please rate the following characteristics of our service:

	<u>1 - Very Poor</u>	<u>2 - Poor</u>	<u>3 - Fair</u>	<u>4 - Good</u>	<u>5 - Excellent</u>	<u>No Answer</u>
Timeliness	1	2	8	38	25	2
Responsiveness	2	1	7	32	32	2
Effectiveness	3	2	7	28	31	5
Professionalism	1	0	2	22	49	2
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