

Southwest Regional Development Commission

FY 2015 ANNUAL REPORT



SEPTEMBER 1, 2015

Property Assessed Clean Energy (PACE) Kicks Off



From left to right: Senator Al Franken; Blue Line Owners Larry and Debra Potter; SRDC Executive Director Jay Trusty; Janet Streff, Manager, State Energy Office, Minnesota Department of Commerce; Tim O'Leary, General Manager, Lyon-Lincoln Electric; and Linda Salmonson, Assistant Administrator, REED Fund.

August 7, 2014 will be a day remembered as the true "kick-off" for the Rural Minnesota Energy Board PACE program. Senator Al Franken made a stop at the Blue Line Travel Center to commemorate the first PACE project in the Rural Minnesota Energy Board (RMEB) territory. Franken addressed the nearly 25 supporters saying "It's really a win-win situation. Not only do you improve your energy efficiency and use less power, you save money. You save money every year the retrofits have been installed and then you can reinvest that money, whether it is in hiring other people or maybe

expanding or making other improvements. That's why I have been a champion of retrofits a long time."

PACE is a financing tool used to assist commercial and industrial businesses (including agri-business) with improvements that substantially increase energy efficiency. PACE allows businesses to make these fixture improvements without the up-front capital outlay. Costs for the improvements are paid back through a special assessment on their taxes. The increase in property taxes is offset by the decrease in

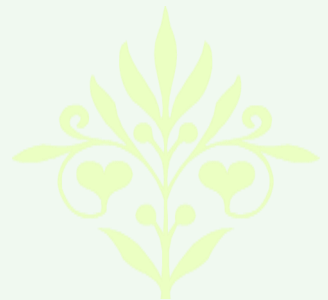
energy costs so that the business sees no change in the bottom line.

PACE has financed 4 projects thus far totaling \$253,587.47. Projects are located in Nobles (2), Cottonwood and Lincoln Counties. Projects are located within gas stations (2), a senior housing building and a martial arts center.

The latest brochure and application can be found on the Rural MN Energy Board website at <http://www.rmeb.org/pace.htm>. For more information, please contact Robin Weis at 507-836-1638 or rob-in@swrdc.org.

SPECIAL POINTS OF INTEREST:

- ◆ 12 County Solid Waste Plan
- ◆ Hazard Mitigation
- ◆ Revolving Loan Fund
- ◆ Solar Review
- ◆ Financials



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Twelve County Plan a New Vision in Solid Waste Management



“NEW ACTIVITIES
THAT HAVE ALREADY
BEGUN ARE
DEVELOPMENT OF A
COMMUNICATION
PLAN TO
INCLUDE A WEBSITE
FOR
OUTREACH”

Over the course of two years, the SRDC facilitated the development of a Regional Solid Waste Management Plan for the member counties of the Southwest Regional Solid Waste Commission, a 12 County Joint Powers Board. This

new regional planning endeavor was a coordinated effort between the counties and staff at MPCA, and charted new territory for regional solid waste management plans. Most solid waste plans cover one to two counties. As with any uncharted territory, and when many people are involved, the “rules of the game” also had to evolve. This new regional plan identified the need to develop an implementation schedule for both the solid waste administrators and the Solid Waste Commission to help them keep track of

their goals and gauge the effectiveness of activities to reach the goals required in Minnesota Statute 115A over the next ten years. New activities that have already begun are development of a communication plan to include a website for outreach as well as the development of a short version of the implementation schedule activities to use as a reference and quick guide.

Active Living Plans Promote Community Mobility

The SRDC developed Active Living Plans for the cities of Adrian, Jackson, Mountain Lake, and Worthington. The Active Living Plans followed an efficient planning process centered on Wikimapping, an online public input tool, two community meetings, and a community survey. The Active Living Plans focus on the function of different streets and how Active Living

and investing in pedestrian infrastructure is an economic development strategy. Investment occurs where people are. When you make a street more inviting and safe, people feel more comfortable and walk and bike there.

As foot traffic increases, demand also increase. Generally, when people are there, people invest more.



Weis Moves into New Position



Robin Weis transitioned into the Economic Development Director position at the SRDC in December 2014 where she now administers several revolving loan funds, including the Property Assessed Clean Energy (PACE) program, and facilitates regional economic development initiatives. She has a B.A. in Accounting from SMSU. Weis came

into the position with extensive experience in forming collaborations, strengthening capacity and generating support for new or expanding initiatives. She was the Aging Program Director in the Slayton office of the MN River Area Agency on Aging®, Inc. and had been working within the SRDC at various levels of the Area Agency on Aging since

1998. She facilitated several workgroups and committees within the region. Weis was a master trainer in several evidence-based health promotion programs and worked closely with the Senior LinkAge Line® and MinnesotaHelp Network.



60/90 Corridor Initiative, “Ride the Wave”

Ride the Wave is a 60/90 Corridor Initiative funded by the Blandin Foundation to help Southwest Minnesota Communities brand and market regional unique assets, to attract new businesses and jobs, strengthen existing ones, and to maintain the vitality of our communities.

Ride the Wave represents riding the wave of technology, people moving here to work and live, using the assets of cutting-edge

manufacturing, cutting-edge technology, renewable energy, value-added agriculture, a healthier lifestyle, advanced education opportunities and more. Representatives of local government, economic development, chamber of commerce, and business have been working with this initiative to get the word out about our telecommunication infrastructure and connectivity.



The Senior LinkAge Line® is a statewide service of the Minnesota Board on Aging.

The Senior LinkAge Line® is available by phone at 1-800-333-2433, Monday-Friday, 8:00am to 4:30pm, as well as via live chat through www.MinnesotaHelp.info® during these hours. Calls to the toll-free number are routed to a local contact center that serves the caller's community. Assistance is provided through seven contact centers that cover all 87

counties in Minnesota. To provide individualized Long Term Care Options counseling to callers, staff members do a risk screen and then help callers using the interactive Long-term Care choices Navigator tool. This tool is available publicly through www.MinnesotaHelp.info®. Assistance is tailored to each caller's needs and varies from providing

assistance with tools and guidance over the phone to arranging an in-person meeting with a trained specialist or volunteer.

Total Unduplicated calls: 42,877

Total Inquiry calls: 22,337

Total Follow up calls: 20,540

Total Persons Served: 20,762

“THE ROCK

COUNTY ALL

HAZARD

MITIGATION PLAN

(AHMP) WAS

APPROVED BY

FEMA IN

NOVEMBER,

2014.”

All Hazard Mitigation Planning

The Rock County All Hazard Mitigation Plan (AHMP) was approved by FEMA in November, 2014. The update to the Jackson County and Lyon County AHMP were also both started during the 2014-15 fiscal year. The purpose of an AHMP is to determine how to reduce property damage and loss of life resulting from natural and manmade hazards. The Jackson County AHMP includes resources and

information to assist county residents, public and private sector organizations, and others interested in participating in planning for both natural and manmade hazards. This mitigation plan identifies hazards that pose a threat to Jackson County, as well as what is currently being done to mitigate their impacts. The plan also provides a list of actions and programs that may enable Jackson County to further reduce negative

impacts caused by disasters. The implementation strategies address both natural and manmade hazards that include but are not limited to flooding, drought, severe summer and winter storms, fires, and tornadoes.



Marshall GreenStep City Health Impact Assessment, (HIA)

MARSHALL GREENSTEP

Reduce | Reuse | Recycle

The 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 leverage improving community health. The main goal is to outline the benefits and costs, so the decision makers can allocate their scarce

resources to the highest valued best practice. The HIA will focus on eleven best practices related to land use, transportation, economic and community development, active living, and healthy eating. The health impact of land use decisions is often overlooked. Recognizing that health extends beyond indicators such as death, diseases and disability, this project will address factors such as mental and social

well-being, quality of life, isolation, and other factors.

The HIA will help illustrate the positive impact of compact efficient developments. These types of developments encourage walkability, which in turn will help reduce obesity and the chronic diseases related to obesity. These positive changes to the built environment will help to facilitate growth in Marshall by improving quality of life and making it a desirable place to live and work.

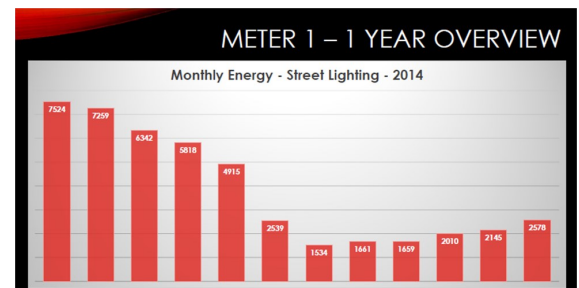
“THESE POSITIVE
CHANGES TO THE
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FACILITATE
GROWTH IN
MARSHALL”

SW CERT Seed grant—City of Russell

The CERT seed grants are funds available every two years to help move energy efficiency and clean energy projects forward. They may only be used for labor costs. The cities of Russell, Tyler and Arco were granted seed grants to help them change out their mercury vapor lights and high pressure sodium lights with LED streetlights.

In May of 2014, 72 mercury vapor lights and 23 high pressure sodium lights were replaced by LED street lights in Russell; the results were amazing. The chart

shows the decrease in energy use at one meter.



Revolving Loan Fund Update

The SRDC RLF is a tool that helps strengthen and grow businesses in the region by partnering with primary lenders on expansion, startup and relocation programs. Six loans closed in FY15 totaling \$377,398. Loans were disbursed for businesses in Jackson, Lyon (2) Nobles, Pipestone and Redwood counties.

When thinking about the impact that these loans have made since its inception, it is important to consider not only how much money was lent out directly from our program, but what was the result of this investment? The total amount loaned from the RLF since inception is \$7,751,457.88 (148 loans). This helped leverage an

additional \$32.8 million dollars in private funds. The average loan size is \$52,374.72. Total project costs have been \$57,903,849.85.

Successful projects often require collaboration from multiple funding sources, which continues to be a strength in this region.





FY 2015 Project Reviews

The SRDC reviews projects that may have an impact on the Region. Most large energy projects are reviewed. Commercial scale solar development is relatively new to southwest Minnesota. In March 2015, the Region reviewed the first very large solar farm site permit (a 62.25 MW AC PV solar energy facility east of Marshall on over 500 acres of land).

There are six items the SRDC identified and submitted to the Public Utilities Commission for project consideration.

1. Drainage and tile lines that go through the site. It was recommended that a company familiar with drainage networks identify the location of the tile lines and gps them in an effort to avoid blocking tiles and impacting neighboring farms. 2. Concern about the effect of the increased impervious surface of the solar panels and the relationship with water

run-off and soil erosion. This concern is prompted by the large amount of impervious surface of the solar panels that will channel the flow of precipitation to the base of the panel, increasing the potential for water run-off and soil erosion and is based on observance of the soil erosion from runoff at the 2MW Slayton Solar Farm. The SRDC encouraged the PUC to incorporate into this and future solar facility permits that a Soil and Water Management Plan be developed with the assistance of the responsible soil and water agency or unit of government, such as the Soil and Water Conservation District to mitigate water run-off and soil erosion.

3. Include 911 addressing in the site application; it would be appropriate that the site be addressed before construction begins.

4. Emergency Management. Working with local emergency management

personnel to ensure they can safely provide assistance while avoiding any potential hazards.

5. Traffic during construction. Of concern is the legal load traffic volume and routes used to the site in 2016. Communication with the road authorities will be essential regarding routing around 2016 road construction, potential traffic control needed and temporary access and loading points. 6. Potential Impact of snow. In the event of the project increasing drifting on the county and township roads, the developer should work with the road authority to address any addition snow removal impacts needed.

As a result of past project reviews of Energy Facilities by the SRDC, changes and modifications to the process have been made by the regulatory agencies involved.



DURING FY 2015,
THE SRDC
REVIEWED FIVE
PROJECTS FROM
WITHIN THE REGION.
FOR A COMPLETE
LIST OF PROJECTS,
PLEASE CONTACT
THE SRDC OFFICES.

SRDC Welcomes Three New Aging Staff



Jacque Portz, RN



Rita Pyan, RN



Bruce Kyllonen, RN

The SRDC welcomed three new Aging staff during FY 2015, with all three being Community Living Specialists in the Return to Communities Program. The three staff are based out of their homes and between them cover the twenty-seven counties of the Minnesota River Agency on Aging program and service area. They provide in depth consultation to individuals who are being discharged from nursing homes to better able clients to return to their homes and communities.

Helen Brinks Retires After 27 Years With the SRDC



Long time Finance Department employee Helen Brinks retired at the end of December after 27 years with the SRDC. Rose Oakland, formerly of Prairieland Economic Development Corporation, was hired to fill the position. Congratulations to Helen on a long career with the agency and welcome Rose, we look forward to your contributions to the Finance Department and the SRDC. (Pictured at right, Rose Oakland, Helen Brinks and Finance Director Dianne Crowley).



SRDC Welcomes Seventeen New Commission Members in FY 2015

Following a wave of retirements, the SRDC welcomed seventeen new members to the Commission in FY 2015. Pictured at left are a number of the new commissioners attending the SRDC new member and newly elected official orientation held in February in Iona. New members of the Commission are:

Vicky Baumann - Southwest Center for Independent Living
 Patrick Baustian - Rock County Municipalities
 Donna Gravley - Cotton County Commissioner
 Susan Johnson - Lincoln County Municipalities
 Hartwin Kreft - Redwood County Townships
 Maydra Maas - School Boards
 Laurie Ness - Pipestone County Municipalities
 Ryan Paul - Redwood County Municipalities
 Mike Rich - Southwest Minnesota State University
 Tammara Schons - Lyon County Municipalities
 Sherri Thompson - Rock County Commissioner
 Mic Vandevere - Lincoln County Commissioner
 Carol Wagner - Jackson County Municipalities
 Tim Jones - Private Industry Council
 Michael Timm - Cottonwood County Municipalities
 Eric Hartman - School Boards
 Rick Anderson - Lyon County Commissioner



Among those retiring, long time Lincoln County Commissioner and SRDC Board Member Larry Hansen, seen below receiving a plaque for his years of service to the SRDC from Chair Miron Carney.

Larry started on the Commission in 2001, and was very active, serving on the Board of Directors, the Legislative Committee, the Budget and Personnel Committee, and as Commission Treasurer and Vice-Chair.





FISCAL YEAR 2015 SOUTHWEST REGIONAL DEVELOPMENT COMMISSION MEMBERS

Michael Timm * ----- Cottonwood County Municipalities
 Vacant ----- 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
 Susan Johnson ----- 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
 Patrick Baustian ----- Rock County Municipalities
 Vacant ----- 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 & FY2015 Executive Comm. Members

*Indicates Current SRDC Board Members

Thank You to the following SRDC Commissioners whose terms expired in FY2015:

John Oeltjenbruns, Cottonwood Co. Commissioner; Darrel Hage, Jackson Co. Municipalities; Darrel Denny, Lincoln Co. Municipalities; Larry Hansen, Lincoln Co. Commissioner; Russ Stobb, Lyon Co. Municipalities; Mark Goodenow, Lyon Co. Commissioner; Les Nath, Pipestone Co. Municipalities; Fabian Deutsch, Rock Co. Municipalities; Robert Jarchow, Rock Co. Commissioner; Nils Nelson, Region 8 School Boards; Linda Spronk, SW MN Private Industry Council; and Dr. Raphael Onyeaghala, SW MN Higher Education.

In Memoriam

The SRDC remembers long time Commissioner Darrel Hage, who passed away on June 28, 2015. Darrel served as the Jackson County Municipality Representative and as Jackson County representative on the Board of Directors



Project of the Year Awarded to Blue Line PACE Project

At the SRDC's Annual Meeting, held on July 9, 2015 at the Heron Lake Community Center, the Blue Line Travel Center PACE project was presented with the SRDC'S Project of the Year Award. Each year members of the Commission and staff are given the chance to nominate projects of local or regional significance for the award. This year the Awards Committee unanimously selected the Blue Line PACE project as the project that best showcased the spirit of collaboration and that best represented the mission of the SRDC. Pictured at right, SRDC Chair Miron Carney presents the award to Blue Line owners Larry and Debra Potter.



SRDC Staff Recognized for Service to the Agency



SRDC Chair Miron Carney presents staff recognition award to Information and Referral Specialist Julie Stewart for ten years of service to the SRDC.



Information and Referral Specialist Julie Stewart at her workstation assisting a client on the Senior LinkAge® Line.



SRDC Board holds Retreat and Develops Draft Strategic Plan

Every two years, the SRDC Board of Directors conducts a Board Retreat to review and develop strategic direction for the agency. This year's session was particularly timely given the large turnover on the Commission in the past year as well as the determination that the Aging Program would be separating from the SRDC at the end of calendar year 2015. Steve Etcher, Vice-President of Community Edge, former NADO officer and a former Regional Planning Commission Director from Missouri facilitated this year's retreat. The topics discussed included a Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis and identification of the SRDC's highest priority goals and what steps would need to be taken to achieve these goals. Below is an excerpt from the draft Strategic Plan, outlining the high priority goals of the SRDC, who is responsible and what the proposed timeframe is for implementation.



Strategic planning facilitator Steve Etcher addresses the attendees at the SRDC Annual Meeting.

Summary of High Priority Goals

GOAL	RESPONSIBLE ENTITY	TIMEFRAME
Develop a succession plan for SRDC leadership	SRDC staff	Short term
Measure and report organization's impact	SRDC staff	Short term
Create an entrepreneurial development program	SRDC staff Partner organizations	Short term
Create an entrepreneurial mentoring program	SRDC staff Partner organizations	Short term
Increase awareness of regional jobs and career opportunities	SRDC staff DEED	Short term
Develop a business attraction marketing strategy	SRDC staff	Intermediate term
Develop a workforce, talent and resident attraction program	SRDC staff Partner organizations	Intermediate term
Expansion of daycare services for children and adults in the region	SRDC staff Partner organizations	Intermediate term
Explore customized training programs to address employer's needs	SRDC staff DEED	Intermediate term
Address water shortage in the region	SRDC staff	Long term
Protect utilities from interruption	SRDC staff	Long term
Rebuild aging infrastructure	SRDC staff	Long term

Fiscal Year 2015 Financials & Fiscal Year 2016 Budget

Revenues	FY2015 YEAR END	FY2016 BUDGET
Tax Levy	339,872	337,764
MN Board on Aging/MNRAAA	1,036,790	482,366
Economic Development Administration	58,165	58,165
MN Department of Transportation	81,175	75,000
MnDOT-Safe Routes to School	29,921	2,991
CERTS Funds	95,034	78,592
MN Department of Health	14,241	0
Hazard Funds	0	19,938
Current Contracts	178,350	258,261
Interest Earned & Miscellaneous	9,517	3,049
Total Revenues	1,843,065	1,316,126
Expenditures	FY2015 YEAR END	FY2016 BUDGET
Committee Expense	35,356	33,263
Salaries & Fringe	1,328,202	1,006,986
Staff Travel	107,095	82,394
Office Space	40,953	43,033
Postage	16,613	13,193
Communications	9,175	9,009
Print/Publication	12,543	15,082
Supplies-Mtg/Wkshp Expenses	40,166	26,501
Insurance	5,762	4,369
Computer	24,328	9,237
Equipment	0	0
Other	58,606	13,531
Consultant/Contracted Services/Legal/Consortium Match	36,203	18,765
CERTS seed grants	12,933	0
PACE Loan Interest	4,226	3,825
Debt Service-Principal & Interest	11,681	11,676
Office Building Principal Payment	13,361	14,114
Total Expenditures	1,757,203	1,304,978
Overall Balance	85,862	11,148



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”

Audited Governmental Activities for the Year Ended June 30, 2014

Revenues

Program Revenues

Charges for Services & Other	157,542
Operating Grants	1,115,243

General Revenues

Property Taxes—General	331,626
Other Revenues	46,574
General Interest Revenues	2,985
RLF Interest Revenues	53,951
Gain (loss) on disposal of fixed assets	(15,706)

Total Revenues	<u>1,692,215</u>
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Expenses

Government Activities	1,617,755
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Total Expenses	<u>1,617,755</u>
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Change in Net Position	74,460
Beginning Net Position	<u>3,021,344</u>
Ending Net Position	<u><u>3,095,804</u></u>

2014 Audit

The FY 2014 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.



Southwest Regional Development Commission

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CURRENT SRDC STAFF MEMBERS

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
Drew Hage	Development Planner	drewh@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

CURRENT SRDC AGING STAFF (MNRAAA)

Name	Title	Email	Phone No.
Gail Radke	Senior Outreach Specialist	gailr@swrdc.org	Ext. 82006**
Pam Mailander	Call Center Coordinator	pamelam@swrdc.org	Ext. 82245**
Nicole Konz	Return to Community Specialist	nicole@swrdc.org	Ext. 82020**
Kylie Chandler	Return to Community Specialist	kyliec@swrdc.org	Ext. 82018**
Brittany Perish	Return to Community Specialist	brittany@swrdc.org	Ext. 82019**
Jacque Portz	Community Living Specialist	jacquep@swrdc.org	Ext. 83034**
Rita Pyan	Community Living Specialist	ritap@swrdc.org	Ext. 83031**
Bruce Kyllonen	Community Living Specialist	brucek@swrdc.org	Ext. 82061**
Linda Tobias	Information & Referral Specialist II	lindat@swrdc.org	Ext. 82012**
Julie Stewart	Information & Referral Specialist I	julies@swrdc.org	Ext. 82008**
Katie Gillette	Information & Referral Specialist I	katrina@swrdc.org	Ext. 82022**
Jennifer Pieske	Information & Referral Specialist I	jenniferp@swrdc.org	Ext. 82011**

**In order to contact these staff members please dial 1-800-333-2433
and then when the message starts type in their extension number.

