



Organizational Self-Assessment

December 16, 2021

The Headwaters Regional Development Commission

Organizational Self-Assessment

Introduction

The Headwaters Regional Development Commission is a public organization created by state statute “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” within its five-county region. Every 5 years the Commission, by law, must complete a self-assessment. This assessment not only helps us to fulfill this statutory requirement, but also gives us an opportunity to formally check in with our customers and partners. While we do this on a regular basis throughout the year, this assessment has us “casting our net” very broadly, and through a formal process.

The purpose of the assessment this year is 4-fold:

- *To satisfy our legislation;*
- *To assess the quality of our recent work;*
- *To listen to customers and partners on future issues and opportunities, and;*
- *To help inform our staffing needs.*

The process we used is straightforward:

- We scanned our internal and external environment to provide an overview of our organization’s past work and to reaffirm major trends that can affect us and our region;
- We surveyed our Commission, customers, partners, and key local leaders;
- We reviewed the results with our Commission, and;
- We drew conclusions and adopted the findings.

The following narrative documents the results of this assessment.

Who We Are

The Headwaters RDC started as a regional planning organization, and evolved over 50 years into a leadership-focused and results-oriented organization. We still undertake planning, and have added considerable development-oriented activities, but our key leverage tool to be effective in all these areas is our leadership. Our customers have come to expect it, and our Region needs it.

We are an unusual organization in that we are a cross between a traditional public entity and a private business. Our business approach is summarized later in this report.

What We Do

Our mission is to help our communities and Region be successful. We focus our activities on those areas that are key to regional success, are important needs defined by our customers, and line up well with our skills, abilities and gifts. Our services and programs are created in that nexus where our strengths and customer needs intersect.

Our Business Model

The way we earn our revenues each year is different than most public organizations. Less than one-third of our income is derived from a property tax levy, and another 20% is derived from longer-term ongoing contracts. Otherwise, our revenue comes from consulting contracts with local customers, interest on loans we make, and fees from housing we build and/or rehabilitate.

As a result, working on customers' most important needs is critical, and meeting their expectations is vital.

Our Changing World

Looking forward and planning strategically requires a clear understanding of the environment we work in. Following are some of those key trends:

- Regional centers are becoming increasingly important economic engines throughout Minnesota. Bemidji's growth will continue to influence the Region's

future. The entire Region needs Bemidji to be successful, and conversely, Bemidji needs the entire Region to succeed in order to prosper.

- Energy costs and climate change will continue to influence public policy and create both challenges and opportunities that are not yet fully known.
- External funding will be abundant in the very short term. In the moderate and long term such funding will be scarce given severe constraints at the federal and State level.
- The old economic order emphasized low cost; the new order emphasizes innovation and quality.
- Workforce issues are central concerns of businesses. The number of jobs created is less important than the wages being paid to workers.
- The new economic order puts a premium on talent. Quality of place is seen as one of the attractors for talent.
- The proportion of our population that is of workforce age is shrinking, while the percent over 60 is growing.

Check-in with Customers, Partners, and our Commission.

For an organization to really understand how it is doing, it needs to listen to the perspective of its customers and partners. We have surveyed both over the last several months. We have also surveyed the members of our governing body. The results of both surveys can be found in the appendices.

Following are some of the themes from each group.

Commission Members

- Commissioners strongly favor occasional guest speakers. Most Commissioners also like small group discussions on some issues.
- Commissioners expressed broad satisfaction with Commission meetings and organizational management.
- Commissioners gave staff high marks for overall performance.
- A few Commissioners were “neutral” in their appraisal of commission discussion and the role of advisory committees and subsidiary corporations.

These comments suggest a need to promote more opportunity for Board discussion and enhanced information regarding the work of both advisory committees and subsidiary corporations.

- One respondent called for better attendance from Commission members at board meetings. Another expressed appreciation for the Zoom option as a means to accommodate busy schedules. These comments can be discussed in greater detail at upcoming meetings.
- Commission members suggested a number of important issue areas that HRDC should focus on over the next five years, including:
 - Meeting a broad range of housing needs
 - Economic development/ workforce
 - Livable wages
 - Poverty reduction
 - Reaching out to smaller cities in our region
 - Sharing success stories with the public

Recent Customers and Partners

- 94.3% of recent customers would recommend the HRDC to other partners, indicating a very broad level of satisfaction with our work.
- Customers have suggested a very broad range of issues that are deemed important for the HRDC to focus on over the next five years. Many of those issues, such as the following, are currently being addressed:
 - Housing was identified as an important issue by nearly a third of all respondents
 - Economic development, including business financing and workforce was identified as an important issue by nearly a quarter of all respondents
 - Transportation
 - Community Development
 - Health and Wellness through Active Living
 - Downtown/ commercial redevelopment

Other issues, such as those listed below, suggest new opportunities:

- Child care
- Poverty reduction

- Ethics/ civility
- Equity & inclusion
- Drug addiction
- One respondent expressed concern with the federal and State “red tape” wondering if there was a way for the HRDC to advocate for reduction of some overbearing impediments.
- Staff turnover and stable organizational leadership were mentioned as areas for improvement. These comments highlight the need to hire the right staff leadership and invest in the talent that will drive the success of the organization moving forward.

Assessment Summary

The Headwaters Regional Development Commission has a long history of success, as evidenced by the commitment of its Commission members, customers, partners and staff.

Conclusions

- **The HRDC has played an integral role in positioning the Region for future success. Its continuation is in the public welfare and interest.**
- Customer Observations on quality
 - Customers gave staff high marks on timeliness, responsiveness, effectiveness, leadership displayed, commitment, and quality of both process and results. At least 88% of respondents indicated each as either excellent or good.
 - Customers offered a few suggestions for improvement, including:
 - Consider increased marketing efforts to inform customers of the services offered by the HRDC;
 - Have a presence and keep active in communities throughout the region;
 - Continue to listen to partners and the communities that we serve. This comment in particular underscores the need to consider this Assessment a snapshot in time and a need to continuously seek feedback from customers.

- Key Strategic Issues for the Commission to consider
 - What are the implications of shifting demographics including a relatively smaller workforce and increasing population of senior citizens? What does economic development look like as recruitment of talent becomes the primary objective?
 - What will be the effect of increasing energy costs and climate change? Are there opportunities as well as challenges?
 - What can we do to decrease the gap between the “haves” and “have nots”? How can we ensure that all voices have an opportunity to be at the table when discussing our collective future?
 - How can we most effectively work together to create the communities and Region that we want to live in?

Next Steps

We should feel great about our history of accomplishments in the Region. We also need to be mindful that there is much more to be done to make our organization better and our Region more prosperous. Following are some next steps in our ongoing effort to be the best development organization we can be.

- Dedicate time over the next calendar year to address important issues that were highlighted by Commission members, customers and staff.
- Also dedicate internal staff time to examine some of the key findings.
- Some of the priority issues to be addressed will be:
 - Focus of future efforts, being mindful of customer needs, our strengths, and the constantly changing external environment;
 - Explore opportunities for collaboration among communities in the Region;
 - Stabilizing our staff team, including leadership;
 - Continued development of staff in order to meet our customer needs and opportunities for Regional success.

Appendices

- Survey responses from HRDC Commissioners
- Survey responses from HRDC Customers and Partners

HRDC Commission Members 2021 Survey Results Summary

I. Board Meetings & Discussion Process

1) How satisfied are you with the following:

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

2) Feel free to offer suggestions on how we can improve our decision process: _____

- | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-----|---|----|
| 3) Do you like having an occasional guest speaker? | 8 | YES | 1 | NO |
| 4) Do you like occasionally having the small group discussion format? | 8 | YES | | NO |
| 5) Do you find the annual Autumn retreat held at Concordia Language Villages to be useful? | 7 | YES | | NO |
| 6) Do you have any other suggestions as to how we can make Commission meetings more engaging and useful for you? Better attendance of the Commission. Members need to make the HRDC a priority or should step aside for someone who will; I feel the Zoom option helps to allow more people @ the meetings as it suits schedules. | | | | |

II. Commission Activities

We are involved in numerous activities designed to help our Region and its communities be successful. From your perspective, what are the key issues you think our Region needs to address over the next decade if we are to be successful?

1. Reaching out to smaller cities in our region
2. Sharing success stories with public
3. Housing shortage
4. Workforce
5. Poverty reduction
6. Economic Development

- 7. Work Force shortage
- 8. Housing (Work Force & Affordable)
- 9. Housing
- 10. Livable wages
- 11. Housing
- 12. Economic Development

III. Personnel

As a group, please rate your satisfaction with the performance of the HRDC staff team in the following areas.

	Strongly Disagree		Strongly Agree
1. The staff displays a high level of professionalism	1	3	5
2. The overall quality of staff work is excellent		5	4
3. Staff maintain an excellent relationship with Commission members	1	5	3
4. I have a high level of trust in the staff		5	4
5. Staff have made a strong commitment to our Region		4	5
6. Staff are committed to producing real results		4	5
7. Staff encourage open, candid conversation on issues		5	4

Are there any other comments you wish to share regarding staff? _____

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.

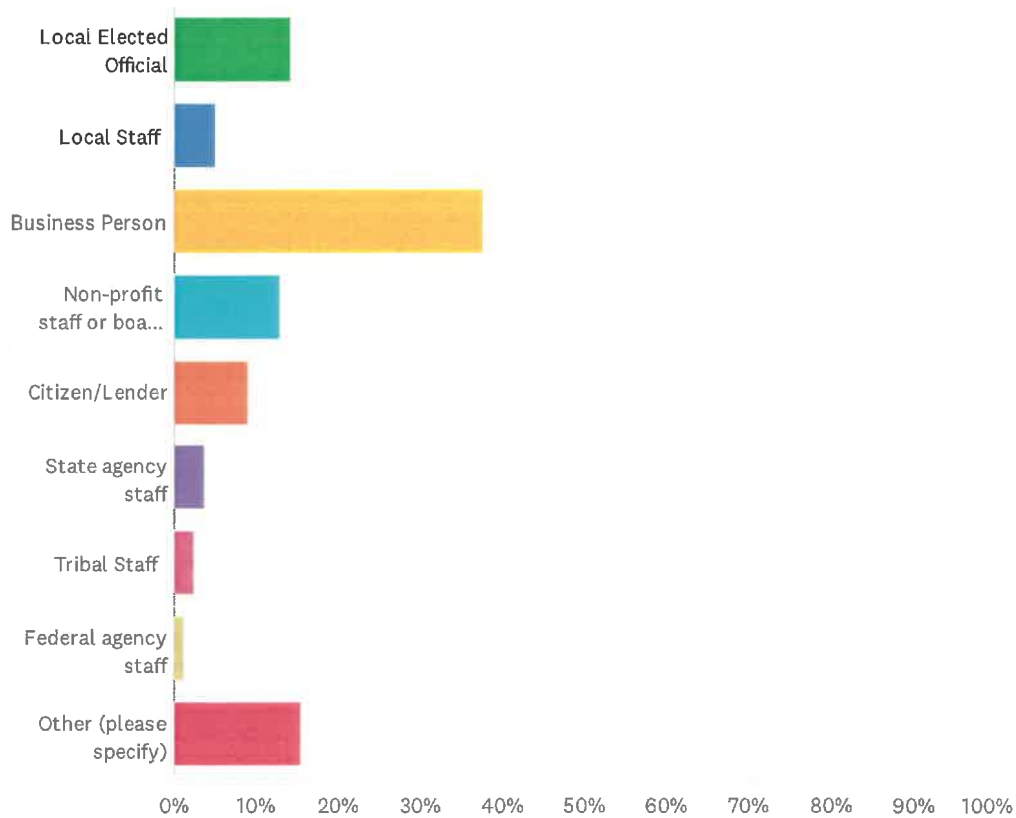
	Very Dissatisfied		Very Satisfied
1. The above-described management style.		5	4
2. The quality of our financial management.		6	3
3. The quality of our personnel management.	1	6	2
4. The overall quality of the organization's management.	1	4	4

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

Thanks for filling out the survey!
Please mail it back to us in the self-addressed, stamped envelope that is provided.

Q1 Which of the following best describes your affiliation?

Answered: 77 Skipped: 1



ANSWER CHOICES	RESPONSES	
Local Elected Official	14.29%	11
Local Staff	5.19%	4
Business Person	37.66%	29
Non-profit staff or board member	12.99%	10
Citizen/Lender	9.09%	7
State agency staff	3.90%	3
Tribal Staff	2.60%	2
Federal agency staff	1.30%	1
Other (please specify)	15.58%	12
Total Respondents: 77		

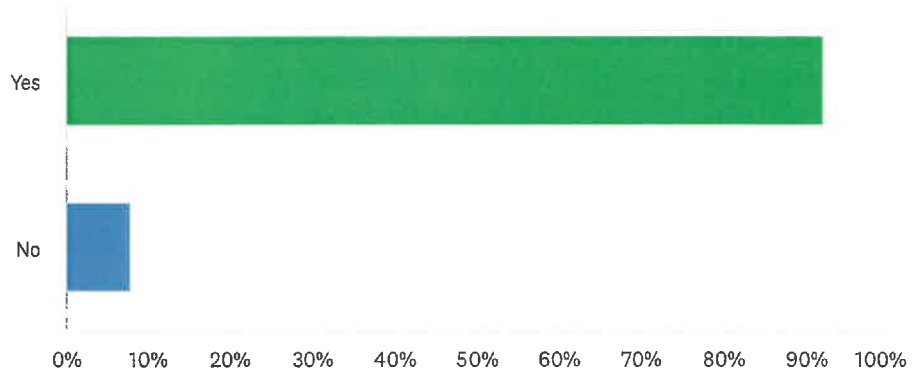
#	OTHER (PLEASE SPECIFY)	DATE
1	local school leader	11/18/2021 9:08 AM

HRDC Customer and Partner Survey

2	College Administrator	11/17/2021 7:26 AM
3	High School Principal	11/15/2021 6:47 PM
4	Collaborative Nonprofit Agency	11/15/2021 1:16 PM
5	Management Company/Landord	11/15/2021 1:16 PM
6	Public Health	11/8/2021 1:45 PM
7	Realtor and first time homebuyer class instructor	11/8/2021 1:45 PM
8	BSU Employee	11/7/2021 8:17 PM
9	Borrower	11/5/2021 6:01 PM
10	NWSBDC Business Consultant	11/5/2021 3:49 PM
11	Contracted Staff	11/5/2021 3:01 PM
12	Contrator	11/5/2021 2:04 PM

Q2 Have you or your organization had an opportunity to work with us (the HRDC, the HRFC, or the HHDC) over the last couple years?

Answered: 77 Skipped: 1



ANSWER CHOICES

Yes

No

TOTAL

RESPONSES

92.21%

7.79%

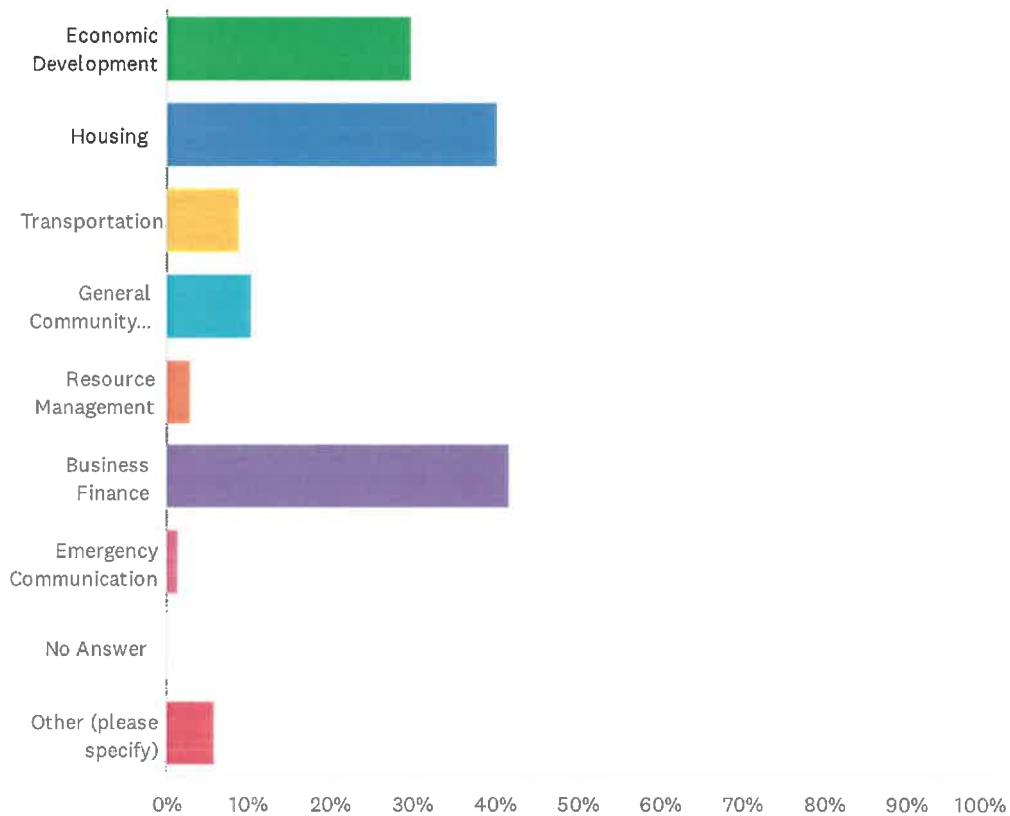
71

6

77

Q3 What was the nature of the activity in which you were involved with the Headwaters RDC?

Answered: 67 Skipped: 11



ANSWER CHOICES	RESPONSES	
Economic Development	29.85%	20
Housing	40.30%	27
Transportation	8.96%	6
General Community Development	10.45%	7
Resource Management	2.99%	2
Business Finance	41.79%	28
Emergency Communication	1.49%	1
No Answer	0.00%	0
Other (please specify)	5.97%	4
Total Respondents: 67		

OTHER (PLEASE SPECIFY)

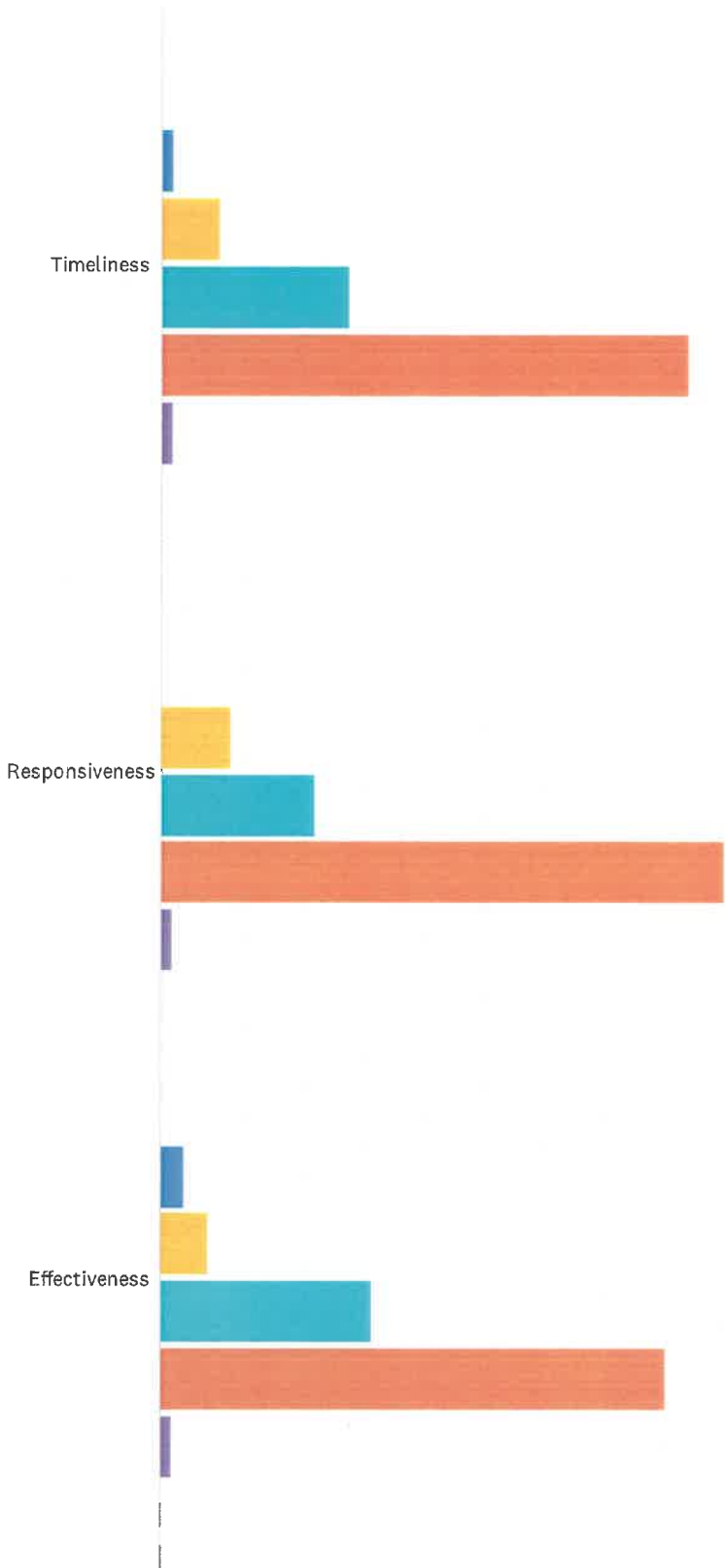
DATE

HRDC Customer and Partner Survey

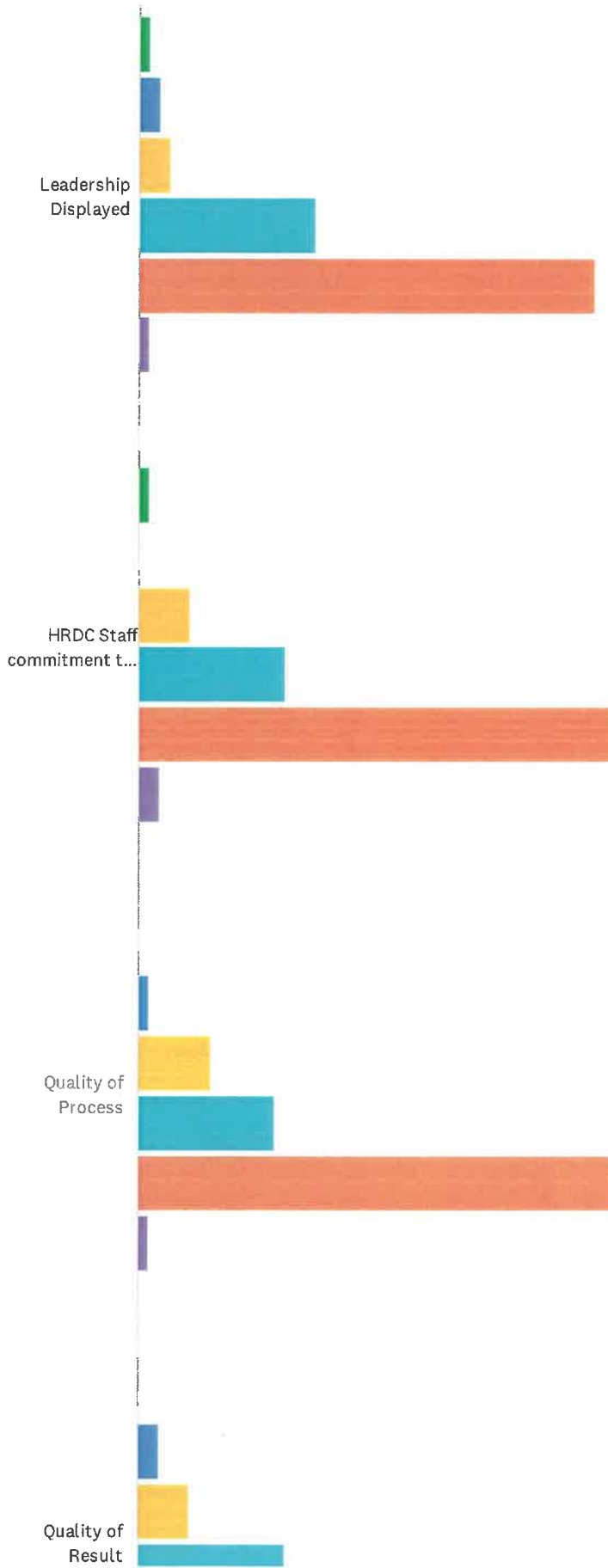
1	Schools, Active Living, and SHIP related activities.	11/16/2021 2:25 PM
2	CARES ACT-DISTRIBUTION TO LOCAL BUSINESSES	11/5/2021 1:27 PM
3	Loan committee member	11/5/2021 7:54 AM
4	Contracted services	11/4/2021 5:44 PM

Q4 Please rate the following characteristics of our service:

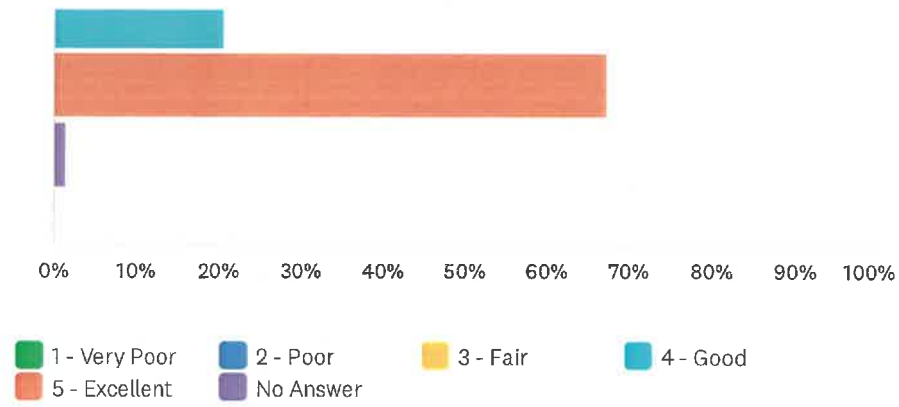
Answered: 68 Skipped: 10



HRDC Customer and Partner Survey



HRDC Customer and Partner Survey



	1 - VERY POOR	2 - POOR	3 - FAIR	4 - GOOD	5 - EXCELLENT	NO ANSWER	TOTAL
Timeliness	0.00% 0	1.47% 1	7.35% 5	23.53% 16	66.18% 45	1.47% 1	68
Responsiveness	0.00% 0	0.00% 0	8.82% 6	19.12% 13	70.59% 48	1.47% 1	68
Effectiveness	0.00% 0	2.94% 2	5.88% 4	26.47% 18	63.24% 43	1.47% 1	68
Leadership Displayed	1.47% 1	2.94% 2	4.41% 3	25.00% 17	64.71% 44	1.47% 1	68
HRDC Staff commitment to your initiative	1.47% 1	0.00% 0	7.35% 5	20.59% 14	67.65% 46	2.94% 2	68
Quality of Process	0.00% 0	1.47% 1	10.29% 7	19.12% 13	67.65% 46	1.47% 1	68
Quality of Result	0.00% 0	2.94% 2	7.35% 5	20.59% 14	67.65% 46	1.47% 1	68

HRDC Customer and Partner Survey

Q5 If the HRDC was going to focus on the most important issues over the next 5 years, what might they be?

Answered: 59 Skipped: 19

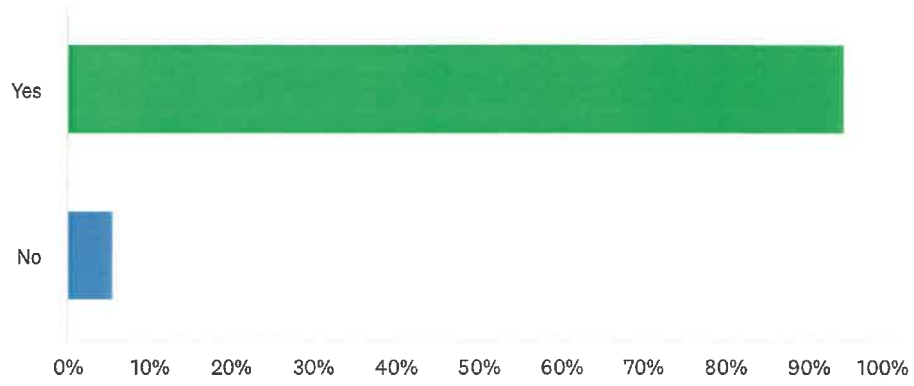
#	RESPONSES	DATE
1	More Housing	11/22/2021 3:42 PM
2	Economic development Housing Clean energy	11/19/2021 1:21 PM
3	business development, how to start up one, employee retention	11/17/2021 3:41 PM
4	We need to get able bodied people back to work. It might be a little beyond your scope, but encourage & convince people they can do a lot better for themselves than being dependent on the government.	11/17/2021 1:18 PM
5	Trained Workforce	11/17/2021 7:27 AM
6	Giving resources to new or newly established businesses	11/16/2021 2:52 PM
7	Active Living.	11/16/2021 2:26 PM
8	housing and child-care	11/16/2021 8:54 AM
9	Housing	11/15/2021 6:38 PM
10	More supportive housing	11/15/2021 1:44 PM
11	Housing, transportation, business development, city/county/tribal planning	11/15/2021 1:43 PM
12	Transportation, Decent Affordable Housing and Going Green	11/15/2021 1:19 PM
13	To continue effective communication as they do now.	11/15/2021 1:18 PM
14	Housing in small rural areas.	11/15/2021 12:56 PM
15	Economic development	11/14/2021 8:45 PM
16	Affordable Housing, Poverty and Entrepreneurship	11/11/2021 3:42 PM
17	Cost of having employees. Including health care	11/11/2021 10:04 AM
18	It's hard to pinpoint one focus area with things like housing and transportation being major needs, but if there was a way to advocate for the removal of A LOT of red tape on the State and Federal levels to broaden the spectrum of possible projects, or solutions, that would be great.	11/10/2021 2:59 PM
19	Building the restaurant and bar business back up. It is changing and if you can find a person with good ideas for new concepts that require less staff, you should help that person	11/10/2021 1:16 PM
20	Aging capitol equipment with insufficient or unidentified replacement resources. Essentially, an undefined CIP.	11/10/2021 10:23 AM
21	low to moderate income properties, grants, fix up funds	11/10/2021 9:41 AM
22	The marketing of funding opportunities to the business population.	11/9/2021 10:41 AM
23	Housing in our smaller towns in the region	11/9/2021 10:36 AM
24	Letting the community know about everything they have to offer.	11/9/2021 10:25 AM
25	Community and Economic Development, Transportation, Housing	11/8/2021 1:58 PM
26	Building community involvement	11/8/2021 1:46 PM
27	NA	11/8/2021 12:33 PM

HRDC Customer and Partner Survey

28	Single and multi family housing	11/8/2021 11:48 AM
29	Supportive housing	11/8/2021 11:05 AM
30	Low interest financing for small businesses	11/8/2021 8:11 AM
31	Promoting new business in the area.	11/8/2021 7:44 AM
32	Energy Burden, Affordable Housing, Pedestrian Infrastructure, Clean Energy Development as a local Economic Development Opportunity	11/7/2021 8:20 PM
33	Informing the community of the work you do.	11/7/2021 12:39 PM
34	Keep doing what they are doing!	11/5/2021 6:04 PM
35	Keep growing GAP funding sources	11/5/2021 4:07 PM
36	Economic development and assistance for small businesses and Entrepreneurs.	11/5/2021 3:54 PM
37	Don't have anything	11/5/2021 3:20 PM
38	Housing Rehabilitation.	11/5/2021 3:03 PM
39	Transportation, Housing, Mental Health	11/5/2021 2:33 PM
40	They were a bridge loan to allow me to purchase a local business, and keep the folks working for it employed.	11/5/2021 2:08 PM
41	Equity, Inclusion, Building Trust	11/5/2021 1:50 PM
42	Housing rehab for low to medium income families.	11/5/2021 1:28 PM
43	Gap lending for businesses for improvement funds, growth needs, expansion needs	11/5/2021 12:23 PM
44	Helping our area attract and retain more employees	11/5/2021 12:20 PM
45	workforce housing, downtown redevelopments, economic impact studies to ascertain best ways to monetize and integrate the new animal industries and labor force (+families) on the west side and the new marijuana growing facility and marketplace (old Shopko) opportunity.	11/5/2021 12:02 PM
46	Ethics/Civility, Drug use/addiction	11/5/2021 10:54 AM
47	affordable single family housing multi family housing availability	11/5/2021 9:11 AM
48	Additional housing, home upgrades	11/5/2021 8:40 AM
49	Housing	11/5/2021 8:24 AM
50	single family homes	11/5/2021 8:16 AM
51	Encouraging businesses to apply to better their brick and mortar appearance	11/5/2021 8:01 AM
52	Redevelopment of the small our small communities	11/5/2021 7:28 AM
53	Business development	11/5/2021 6:54 AM
54	Fix your leadership problem.	11/5/2021 6:51 AM
55	Economic development	11/5/2021 6:29 AM
56	I am actually not sure what they do for our county has they have very little presence here. Since they get levy dollars from each county they should be committed to spending that amount for development in each county they represent. If it was up to me I would not give them any levy dollars from our county because of their poor performance.	11/4/2021 5:47 PM
57	business expansion, job retention	11/4/2021 5:37 PM
58	Continue in the Economic Development arena by continuing to encourage small businesses to plant roots in the area.	11/4/2021 5:24 PM
59	help the small business compete and retain employees.	11/4/2021 3:09 PM

Q6 Would you recommend the HRDC to other partners?

Answered: 71 Skipped: 7



ANSWER CHOICES

Yes

No

TOTAL

RESPONSES

94.37%

5.63%

67

4

71

HRDC Customer and Partner Survey

Q7 Do you have any suggestions for improvement that we can make?

Answered: 38 Skipped: 40

#	RESPONSES	DATE
1	No	11/22/2021 3:42 PM
2	no	11/17/2021 3:41 PM
3	We value the partnership with HRDC and look forward to a long viable future.	11/15/2021 6:54 PM
4	Keep up the great work	11/15/2021 1:44 PM
5	Been involved with many HRDC projects. Very often the work to be done is not adequately followed through on or outcomes/results are not the priority, seems the funded objectives are very vague and can be explained away. I do recommend HRDC for things to other partner, but knowing it may not be helpful	11/15/2021 1:43 PM
6	The quality of work done by HRDC is really about the individuals hired...there have been excellent employees and some that are not so good. Making sure that employees' evaluations include feedback from the community is important in improving overall success of the agency.	11/15/2021 1:19 PM
7	Communicate more with more news and projects.	11/15/2021 12:56 PM
8	None at this time	11/14/2021 8:45 PM
9	I sincerely appreciate the collaboration, dedication and leadership provided and supported by HRDC. HRDC is a very good partner.	11/10/2021 10:23 AM
10	Increase staffing to allow for more timely responses to inquiries.	11/9/2021 10:36 AM
11	none at this time	11/9/2021 10:25 AM
12	Continue to listen to your partners and the needs of the communities you serve.	11/8/2021 1:58 PM
13	Go back to in-person classes.	11/8/2021 1:46 PM
14	No	11/8/2021 12:33 PM
15	Not at this time, the surveyor lacks experience with HRDC to suggest improvements.	11/8/2021 7:44 AM
16	Need for thoughtful, long term leadership.	11/7/2021 8:20 PM
17	Make it better known to the general public what this organization is.	11/7/2021 12:39 PM
18	No	11/5/2021 6:04 PM
19	Fill staff vacancies as soon as possible.	11/5/2021 3:54 PM
20	Non	11/5/2021 3:20 PM
21	Not aware of anything that isn't being offered now.	11/5/2021 3:03 PM
22	More staff	11/5/2021 2:33 PM
23	Nope. Keep up the good work.	11/5/2021 2:08 PM
24	No	11/5/2021 2:05 PM
25	Invest in keeping talented, experienced staff	11/5/2021 1:50 PM
26	A quarterly news letter to lenders to remind us of all the many different type of lending programs you offer.	11/5/2021 12:23 PM
27	no	11/5/2021 12:20 PM
28	When you hire the new director, pay special attention to their ability to engage with the various sub-section/demographics of the region and that they have great oratory and people skills.	11/5/2021 12:02 PM

HRDC Customer and Partner Survey

Numbers are great but if the message doesn't have a good messenger, the purpose of HRDC may get lost in personalities/or lack of. It has been great in the past.

29	HRDC needs to stabilize it's staffing. There have been high profile admin exits that have not been adequately explained to the public, swept under the rug. Some transparency concerns are developing right now.	11/5/2021 10:54 AM
30	additional public awareness of what HRDC offers	11/5/2021 9:11 AM
31	It sometimes feels like a bemedji operation, maybe more projects outside of bemedji	11/5/2021 8:24 AM
32	I did find that the decision board is a bit biased as to what kind of business gets awarded. This should change.	11/5/2021 8:01 AM
33	We had a great experience. No suggestions.	11/5/2021 6:54 AM
34	Fix your leadership problem.	11/5/2021 6:51 AM
35	No	11/5/2021 5:59 AM
36	Stated above.	11/4/2021 5:47 PM
37	no, everything currently works well.	11/4/2021 5:37 PM
38	I'm afraid I don't. HRDC has done a great job. Keep up the good work.	11/4/2021 5:24 PM