



# ANNUAL REPORT

Fiscal Year 2025 | July 1, 2024 – June 30, 2025



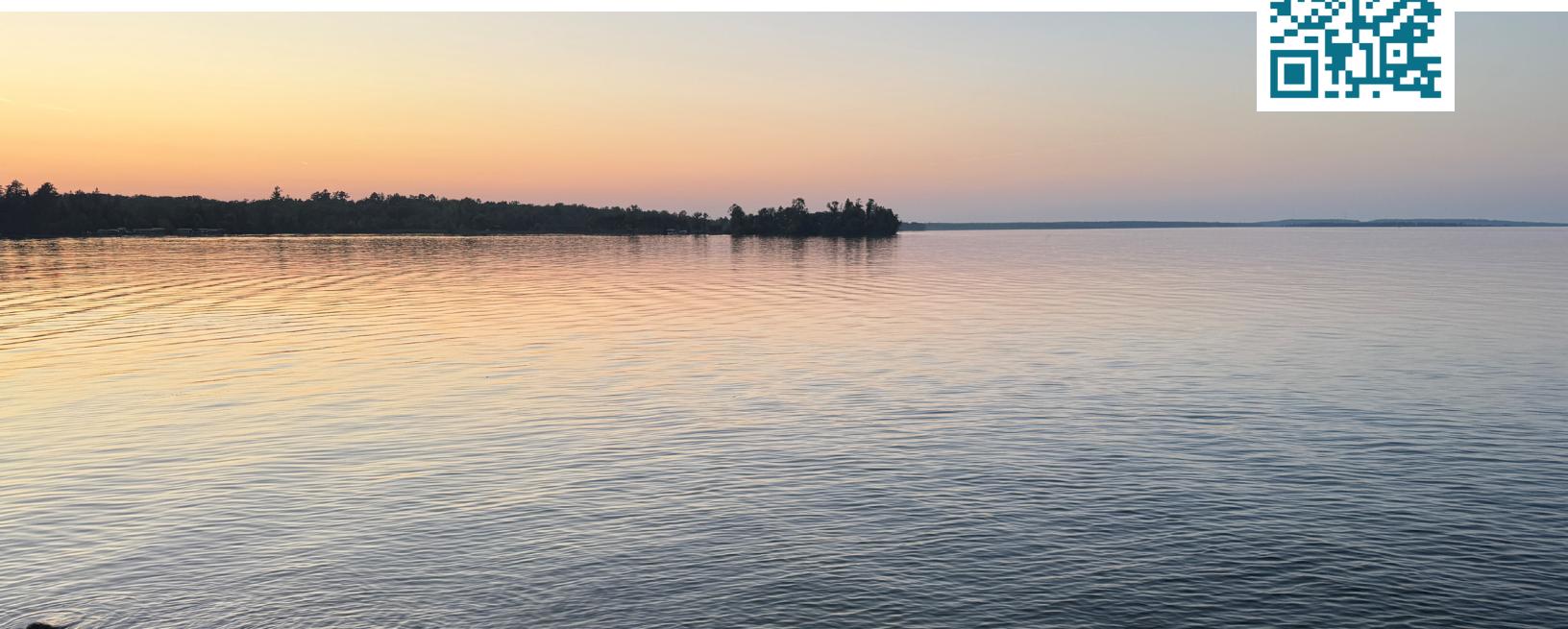
**REGION FIVE**  
Development Commission

# Introduction

The purpose of the Region Five Development Commission (R5DC) is to ensure the orderly and harmonious coordination of state, federal, and local comprehensive planning and development programs for the solution of economic, social, physical, and governmental problems of the state and its citizens.

The North Central Economic Development Association (NCEDA) is a local non-profit corporation established with federal and local dollars through the Region Five Development Commission. NCEDA's mission is to provide assistance to cultivate new skills and resources that unite communities and contribute to a prosperous economy. By providing financial assistance in the region, NCEDA provides technical assistance, entrepreneurship opportunities for small-business owners, increases manufacturing activity, and supports innovative products and processes.

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Region Five Development Commission is a high-performing, regionally focused partner committed to enhancing the vitality and quality of life for all people in Region 5 through a resilient, collaborative, and inclusive approach to regional community development, economic development, and transportation initiatives.

# Executive Director Message

## Reflections from Cheryal

It was a year of dramatic political shifts and ever-changing financial uncertainty at every level, but these winds are not new to our rural five-county region, and our communities and partners know how to innovate collaboratively to address our issues and achieve our goals.

Over the last year, the R5DC and the **North Central Economic Development Association** (the 501(c)(3) arm of R5DC) collectively met monumental milestones, including:

- 21 Climate grants submitted (12 awarded, 6 denied and waiting on decisions on 3)
- Moving forward the **Regional Transportation Coordination Council** and the **Transportation Advisory Council** and assisted with a regional transportation plan in partnership with Mn Department of Transportation (MnDOT).
- Re-granted \$600k in grants to food value chain businesses throughout MN, ND & SD through the work of the **North Central Regional Food Business Center**.
- Completed 3 **comprehensive plans**, are in process of 3 more, and have proposals in for 3 more, that's 9...the most comp planning done at one time in R5DC history!
- Completed 4 **Energy & Environment** plans and started another before the end of the fiscal year.
- Delivered access to capital through 6 different **lending programs**.
- Annual update of the **Comprehensive regional Economic Development Strategy (Creds)**
- Conducted regional planning in partnership with the Initiative Foundation and Sourcewell and moved forward objectives in the spaces of workforce development, social cohesion and mental health from regional leaders called "**community bridgemarkers**".
- Served as a thought partner for a national partner, CoBank, and for a regional partner, Ascend Rural.



Internally, the finance department completed a transition to new finance software, conducted 2 full audits, and 2 program-related audits. R5DC's Marketing Department's newest **podcasts** and published **stories** showcase how R5DC remains relevant to the region.

In FY25 (6/30/2024-7/01/2025), we experienced a few team member transitions. Tad Erickson, who had been with R5DC for 12 years, took a wonderful opportunity at Mn Department of Transportation and stayed with us, serving as a Commissioner representing the Brainerd City Council. In addition to Tad, two other team members moved on to different endeavors, creating opportunities to welcome Kevin Behrens, serving as the transportation planner, Thomas Zimmermann the mobility manager, and Samantha Krause, controller, assisting in the finance department.

We all look forward to the year ahead of service to this amazing region – its people, places, and shared prosperity.

In service,  
Cheryal Lee Hills  
Executive Director

Friends and Neighbors,

We've had another exciting year of projects and programs impacting the residents of our region!

I'm especially proud of R5DC's projects focusing on mental health and farmers, including the Agricultural Mental Health Program, which offers no-fee mental health counseling to Minnesota farmers and their families.

Another highlight was the international learning journey for the staff to Norway and Sweden. The opportunity to have this firsthand experience, and learn about what other rural places are doing and the innovative ways they are doing it, helps to strengthen our organization. The individual growth and team bonding is highly beneficial to the professional development of staff.

We look forward to serving our communities in the coming year!

Best wishes,  
Doug Kern  
Chairperson

1 Army Camp  
1 Tribal Nation  
5 Counties  
24 School Districts  
65 Cities  
151 Townships  
163,000 People



# Board Chair Message

## Chairperson Kern

# Our Commissioners Representing Region 5

## Cass County

Bob Kangas, County Commissioner  
Jerecho Worth, Municipalities  
Susan Falk, Town Boards

## Crow Wing County

Rosemary Franzen, County Commissioner  
Angel Zierden, Municipalities  
Doug Kern, Town Boards  
Tiffany Stenglein, City of Brainerd

## Morrison County

Greg Blaine, County Commissioner  
Rollie Johnson, Municipalities  
Chuck Parins, Town Boards

## Todd County

Barb Becker, County Commissioner  
Debra Nelson, Municipalities  
Julie Polak, Town Boards

## Wadena County

Ron Noon, County Commissioner  
David A. Anderson, Municipalities  
Erich Heppner, Town Boards

## Special Interest

Rian Hofstad, Camp Ripley  
Sally Fineday, Leech Lake Band of Ojibwe  
Taran Skwira, Emerging Leaders  
Andrea Haverinen, School Board Representative  
Hara Charlier, Higher Education  
Diane Jacobson, Soil and Water Conservation District  
Amy Sjoblad, School Board Representative  
Christine Kirschbaum, MN Workforce Development

Commissioners and Staff current as of June 30, 2024.

Our mission is to enhance the vitality & quality of life for all people in Cass, Crow Wing, Morrison, Todd and Wadena counties by bridging relationships & resources.

We are honored to serve the counties of Cass, Crow Wing, Morrison, Todd and Wadena.

# Our Staff Members Serving Region 5



Cheryal Lee Hills  
Executive Director



Staci Headley  
Sr. Regional Planner/HR



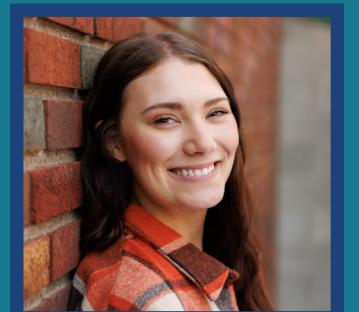
Alex Lisson  
Finance Director



Angela Anderson  
Marketing Director



Stephanie Barney  
Sr. Lending Administrator



Savannah Winkler  
Regional Development Planner



Candice Zimmermann  
Regional Development Planner



Katie Baier  
Community Bridgemakers  
Program Manager



Jeff Phillips  
Sr. Project Manager



Thomas Zimmermann  
R5RTCC Mobility Manager



Kevin Behrens  
Transportation Planner

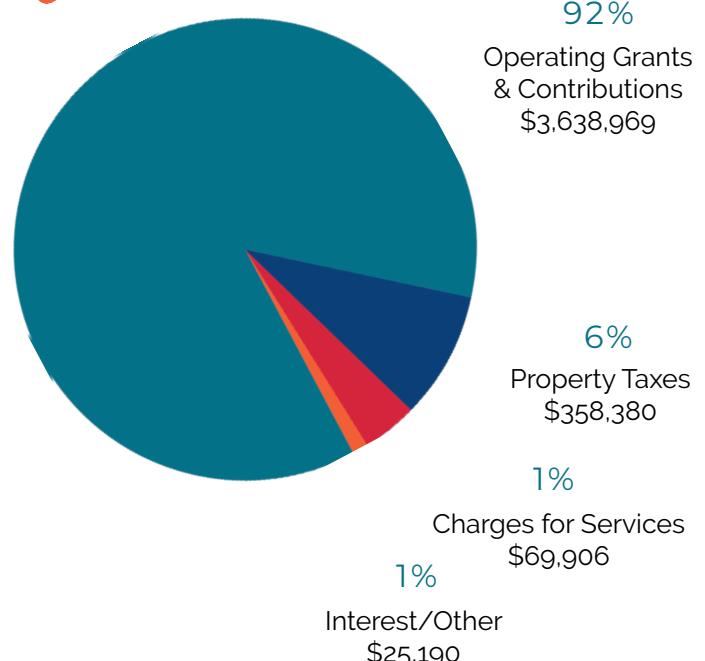


Samantha Krause  
Controller

# Financial Highlights

## Fiscal Stewardship

### Actual Revenue by Source for FY25



### Total Revenues

Operating Grants & Contributions: \$5,521,790 (92%)  
Property Taxes: \$382,549 (6%)  
Charges for Services: \$40,888 (1%)  
Interest/Other: \$29,650 (1%)  
Total Revenue: \$5,974,877

### Total Expenditures

Management and Administration: \$739,332 (13%)  
Community and Economic Development: \$4,941,097 (84%)  
Transportation: \$189,297 (3%)  
Debt Service: \$4,062 (0%)  
Total: \$5,873,788

### Net Income

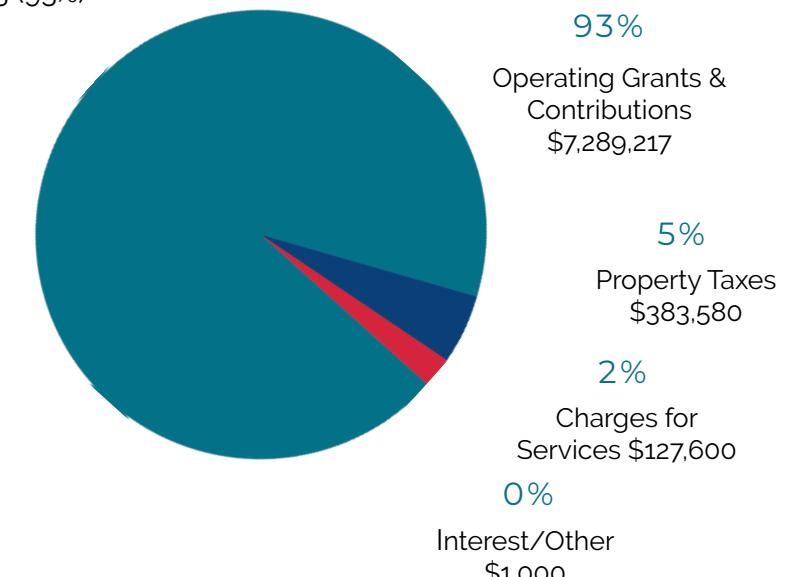
Total Revenue: \$5,974,877  
Total Expenditures: \$5,873,788  
FY 2025 Net Income: \$101,089

### Accounting Software Conversion

R5DC upgraded its accounting system from Microsoft Dynamics GP, which was being phased out, to Microsoft Business Central in October 2024. Since Business Central doesn't include payroll, they also added Greenshades to handle payroll seamlessly. With the integration of Microsoft 365 and SharePoint, these tools work together to improve efficiency, accountability, and transparency—strengthening the foundation of our fiscal operations and supporting the success of their programs.

### Budgeted Revenue by Source for FY26

Operating Grants & Contributions: \$1,629,933 (93%)  
Property Taxes: \$391,847 (5%)  
Charges for Services: \$117,900 (2%)  
Interest/Other: \$1,000 (0%)  
Budgeted Expenditures: \$2,140,680  
Budgeted FY26 Net Income: \$0.00



The assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,756,580 (net position), of which \$1,805,100 (48.1 percent) is restricted in use."

The General Fund reported an ending fund balance of \$2,717,620, an increase of \$104,516 in comparison with the prior year. Of this balance, \$1,511,955 is non-spendable, \$55,300 is assigned and \$1,150,365 is available for spending at Commission's discretion (unassigned balance).

Region Five Development Commission's financial statements for fiscal year 2025 were audited by Schlenner Wenner & Co. An unmodified opinion was expressed.

### Fiscal Sponsorships

Through R5DC: Rural Mental Health for MN Department of Agriculture

Through NCEDA: Innovative Schools Project, Pillsbury Players

# Economic Development

## Fostering a thriving regional economy

The North Central Economic Development Association (NCEDA) is a nonprofit organization affiliated with the Region Five Development Commission. It provides resources and technical assistance to support economic growth and community development in the North Central region. NCEDA offers a range of services, including business lending programs and support for homeowners, with a focus on fostering prosperity and success within the community.

## NCEDA Loans by the numbers

**\$117M+**  
leveraged  
since 1986

- (3) Gap Business Loan - \$343,000
- (8) Individual Septic Treatment Systems Loans - \$108,926  
(Beltrami, Cass, Crow Wing, Morrison & Wadena)



# Revitalizing Rural Minnesota

## Stories of success, growth, and innovation



A Life in Print: Allegra and the Art of Community



Bell Tech CNC Machining: Success with NCEDA in Their Corner



Sacred Revival - Reinvention of Church to Boutique Hotel



Motley Hardware: Rooted in Service, Sustained by Heart



# Honoring Excellence

## Recognizing outstanding performance

# Transportation Planning

## Focused on safety, efficiency, inclusion, and collaboration

### CTC | Exceptional Service Provider

Honoring a long-standing partnership that has spanned many years, from the late Alex Weego, an R5DC Commissioner and early advocate of broadband, to partnerships in the Comprehensive Economic Development Strategy planning and Resilient Region effort, and sharing treasured board member, the late Paul Neiman. CTC partnered with R5DC, serving as an intermediary to utilize Sourcewell investments, allowing CTC to secure millions of dollars for the installation of broadband infrastructure. Currently, CTC also serves as our landlord for our Baxter office space. CTC's innovation and expertise have greatly contributed to the success of our region.

### MN Department of Commerce | Exceptional Regional Partner

Commerce leadership asked the State Legislature to capitalize the State Competitiveness Fund in 2023, which supported matching funds for projects that reduce greenhouse gas emissions. They also contracted with all of the regional development organizations in Minnesota to assist rural communities in our regions secure federal investments that met local goals. This was remarkable and enabled R5DC to write over 33 grants in 20 months, securing over \$57M (of which we retained almost \$17M after DOGE cuts). This remained a strong investment and a strategic approach to serving rural Minnesota. Commerce has also provided R5DC with funding through their Energy Efficiency and Conservation Block Grants (EECBG) program utilizing funds from the U.S. Department of Energy. We are proud to partner with Commerce in these efforts!

### 2 Tall Tavern | Outstanding Business Partner

2 Tall Tavern is a community cornerstone in Cushing, Minnesota, founded in 2016 by John Brichacek with the vision of creating a warm, welcoming place for neighbors and visitors to gather. Known for its friendly atmosphere, quality comfort food, and commitment to hosting local events, the tavern has grown into a true social hub for the region. For its dedication to community connection, outstanding service, and lasting positive impact, 2 Tall Tavern was chosen for this award.

### Beck's Burger Co. | Outstanding Business Partner

Founded in 2020 by father-son team Mike and Devin Becker, Beck's has quickly become a cornerstone of downtown Staples. Opened during the height of the pandemic, the Beckers used gap lending from NCEDA to transform a vacant retail space into a thriving local restaurant built on family values, community pride, and genuine farm-to-table quality. Their signature burgers are crafted from beef raised on the Becker family ranch just a few miles from town, fresh, USDA-certified, and prepared in-house daily. Their commitment to hiring local, supporting area agriculture, and investing in downtown Staples has had a meaningful economic and social impact.

The Transportation Department strengthened local capacity through facilitation, public engagement, and long-range planning. Efforts included supporting the Region 5 Long-Range Transportation Plan development, advancing Toward Zero Deaths strategies, and leading transportation initiatives that improve safety, coordination, and community outcomes across the region.



### Infrastructure

### By the Numbers

**\$1.3M Invested in Region**

**\$928K Leveraged**

**13.7 Miles Enhanced**

**45+**

Years of Partnership  
With MnDOT

### Regional Transportation Coordinating Council

In fiscal year 2025, R5RTCC reinforced regional partnerships to expand transportation access. A new technology-focused initiative, led by the Mobility Manager with local transit providers and the Blue Ox Leadership group, worked to reduce barriers for riders with unique needs. R5RTCC also improved its online transit directory, with potential expansion to mobile platforms based on rider feedback. These efforts reflect R5RTCC's continued commitment to community-driven solutions that make transportation more accessible for all. Learn more at [r5rtcc.org](http://r5rtcc.org).



# Community Development

*Improving quality of life in our local communities*

## Agricultural Mental Health Program

The Agricultural Mental Health Program provides free mental health support to Minnesota's farming community. It addresses key stressors such as financial pressures, unpredictable weather, family conflicts, and succession planning challenges, all of which significantly impact farmers' mental well-being. In FY2025, the program offered **over 1,000 sessions, helping individuals and families cope with rising anxiety, stress, and depression.** This year, respected mental health practitioner Ted Mathews retired from his position and was celebrated across the state for his accomplishments. Monica McConkey will continue her work, alongside Jennifer Vaughn and Tracie Rutherford-Self.



## North Central USDA Regional Food Business Center

### Program Update

The North Central USDA Regional Food Business Center's projects focus on investing directly in small and mid-sized food businesses that strengthen local and regional food systems across Minnesota, North Dakota, and South Dakota. In 2024, the Business Builder program awarded \$607,100 to 15 projects, supporting efforts like food processing facilities, commercial kitchens, mobile markets, aggregation, cold storage, and value-added production. These projects reflect strong demand for support, with 82 applications requesting more than \$3.8 million. Together, these investments helped producers, processors, and food entrepreneurs overcome barriers, reach new markets, and build a more resilient regional food economy.

At the time of this publication, we are deeply disappointed to share this program was terminated by USDA. We will share outcomes of the projects as we have impact reports from the award recipients and continue to support our growers, farmers, and local foods initiatives through other avenues.



### Partner Summit

The North Central Regional Food Business Center Partner Summit brought together over 75 regional partners and USDA leaders for two days of collaboration, learning, and strategic discussion to support local food systems across Minnesota, North Dakota, and South Dakota in August of 2024. Attendees heard from keynote speakers, participated in panels on community connections and mental health in agriculture, and joined breakout sessions on topics like tribal outreach, finance resources, and food hub development. The Summit was designed to strengthen relationships, share best practices, and provide practical tools and resources for technical assistance providers working with small and mid-sized food businesses.

## Comprehensive Planning

### Community input and vision

R5DC's comprehensive planning centers on inclusive engagement. By building diverse planning teams and intentionally involving residents often underrepresented in municipal planning, R5DC ensures plans reflect the full range of community voices, honoring both longtime residents and historically marginalized groups. While each community brings its own challenges and background, all share a common goal: a forward-thinking path for innovation and growth. Working closely with local leaders, stakeholders, and residents, R5DC delivers actionable plans shaped by the people they serve.

In 2025, R5DC actively provided comprehensive regional plan updates, including partnering with local leaders to assess current conditions, forecast future needs, and create strategic action steps.

The following cities and townships are among those involved in these planning efforts for 2025:

- Long Prairie
- Ideal Township
- Ironton
- Motley
- Todd County



These Comprehensive Plans not only lay the groundwork for future development but also prioritize sustainability, equity, and community well-being. The comprehensive planning process is designed to be inclusive, transparent, and adaptable, ensuring that as communities evolve, their planning frameworks remain relevant and responsive to the changing needs of all residents.

**31,442+**  
residents  
impacted



32+ grants written

\$30M+  
grant funding  
awarded

\$17M final funding  
after DOGE cuts



This year's focus was to execute approved projects, advocate for future grant opportunities, and navigate funding uncertainties. Over \$30M in grant dollars to support efforts including clean energy, electrification of transportation, and community resiliency was awarded.

In partnership with Brainerd Public Utilities, the City of Brainerd, and Tri-County Community Action, Local Energy Action Plan efforts continued with the National Renewable Energy Laboratory, focused on improving grid resilience and increasing renewable energy production.

The Renew America Schools Project for Cass Lake-Bena through Department of Energy survived a short pause in work. Through long-standing relationships, support for this project is also supported by the McKnight Foundation, and Sourcewell.

Using a MnDOT electrification of transportation study as a springboard, R5DC secured funding from the Energy Foundation and Initiative Foundation to conduct a region-specific study to look at the current infrastructure and demand signal to increase that infrastructure.

## Energy & Environment

### Reducing greenhouse gas emissions

Alongside the MN Department of Employment and Economic Development, Initiative Foundation and The Leech Lake Tribal College, we have been able to provide clean economy workforce training to eighteen students from the college, including career field exploration, work experience, and ancillary training events.

The MN Department of Commerce - Energy Efficiency and Community Block Grant Program (EECBG), will help fund climate and resiliency planning, energy audits on government buildings, engineering and technical assistance, and other energy-related studies for public buildings.

The efforts this year have been supported by our partners MN Department of Commerce, The Energy Foundation, The McKnight Foundation, and the Rural Climate Partnership to assist R5DC with its technical assistance efforts – allowing our region to stay at the forefront of opportunities in the energy & environment arena.

# Agency-Wide Initiatives

## Strengthening performance capabilities

### Economic Recovery Corps Fellow



R5DC is the host for Economic Recovery Corps fellow Diona Richards. In partnership with The Sowing Room, she is working on workforce attraction and retention for the private sector.

The Workforce Attraction and Retention for the Private Sector Readiness project is a community-centered initiative designed to help rural and tribal communities in Minnesota become places where people not only work but also want to live, grow, and stay. At its core, this project asks: What makes people feel rooted in a place? This work focuses on creating the conditions for such rootedness, starting with secure work environments, and extending to the public spaces, relationships, and supports that surround them.

Through job simulation research, business and readiness assessments, the project supports local employers, organizations, and leaders in reimagining workforce development as a pathway to community development. Workshops, trainings, and creative place-making efforts led by The Sowing Room are central to the project's vision—helping to plant the seeds of a resilient and thriving future for rural Minnesota.

### Marketing Internship



Ella Gunderson, a student at the College of St. Benedict completed an internship with R5DC focused on social media marketing and communications.

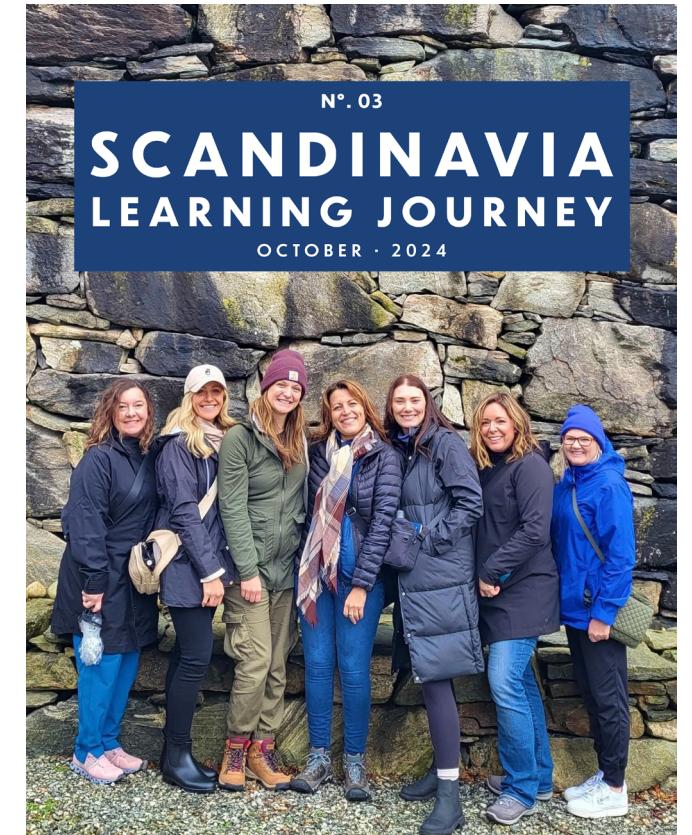
"Over the summer, I had the opportunity to create content, tell community stories, and analyze performance. I'm proud to share that our efforts grew social media reach by 207%, views by 123%, and page visits by 71%.

This experience strengthened my skills in content creation, data analysis, and storytelling, while showing me how much I enjoy the intersection of creativity and community impact."

### International Learning Journey

In October 2024, eight team members traveled to Norway and Sweden, aimed at learning rural innovative practices in sustainability, transportation, and agriculture. The team observed how deeply Scandinavian culture integrates sustainability, social trust, and collaborative leadership into everyday practices, including recycling systems, public transportation, and youth engagement.

Key takeaways for R5DC include fostering cross-sector collaboration, prioritizing sustainability, engaging youth, and adopting human-centered policies. While the trip provided valuable broad insights, future efforts could focus more deeply on specific topics. The experience underscored the potential of cultural exchange to inspire impactful innovation in rural Minnesota.



## Legislative Visits And National Highlights



Cheryal Hills, R5DC Executive Director (Left) with USDA Undersecretary Jenny Lester-Moffit during her visit at the North Central USDA Regional Food Business Summit held in Fargo, ND August 2024.

## Planning for the Future Building Prosperity, Together

Fiscal Year 2026 includes creating a new, five-year Strategic Plan for R5DC and NCEDA and as the Economic Development District for our region, designated by the U.S. Economic Development Administration, a new, five-year Comprehensive Regional Economic Development Strategy. Staff will continue to work with local communities to update and develop Comprehensive Plans, Safe Routes to School plans, and Transportation Initiatives to plan for the future. It's a big year with lots of community engagement and collaborating with partners and community members. Here's to all of us contributing to our shared growth!

### Plans and Reports

Agricultural Mental Health Annual Report 2025

EDA Planning Grant - Progress Reports (March & October)

FY25 Work Plan for R5DC & NCEDA

Long Range Transportation Plan for Region 5



NADO Transportation Conference, Greenville, SC, July 2024. R5DC Staff Jeff Phillips, Cheryal Hills, Tad Erickson. (L to R).



Resource Rural Convening in Cottonwood, AZ, January 2025. Candice Zimmermann, Cheryal Hills (R5DC), Benya Krause (Resource Rural). (L to R)

### Outreach and Publications

[Take 5 with Region 5](#): R5DC's quarterly newsletter provides updates on our work in the region.

[Deep Dive Podcast](#): We share program details with partners, funders, program participants, team members and our R5DC Commissioners as guests.

[NCEDA](#): Monthly newsletter shares success stories, economic news, grants, resources and webinars.

[Transportation Newsletter](#): Quarterly news updating subscribers on transportation initiatives, and our work with Minnesota Department of Transportation, Regional Transportation Coordinating Council, Transportation Advisory Council, and Area Transportation Partnership.

[North Central Regional Food Business Center Partner Newsletter](#): Designed to share updates with our 31+ partners in this tri-state endeavor in Minnesota, North Dakota, and South Dakota.

# Strengthening Support Through networks and relationships

## R5DC Board Participation

100 Rural Women  
Accounting & Financial Women's Alliance  
Balsam Moon Preserve  
Brainerd Planning Commission  
Central Lakes College Advisory Council  
Central MN Partnership  
Christian Labor Union Local 8 Board  
Clean Energy Resource Teams (CERTs)  
Department of Public Transformation  
Friends in the Field  
Lakes Area Human Resources Association  
LEAP, Inc.  
MN Association of Development Organizations  
Reimagining Rural Assistance Network (RRAN)  
The Sowing Room  
University of MN Regional Sustainable Development Advisory Board  
Women's Business Alliance Advisory Council

## Regional Group Facilitation

Economic Development Organization Professionals  
Economic Development District  
North Central Economic Development Association - Full Corporation & Loan Board  
Regional Clean Energy Technical Assistance Providers  
Regional Transportation Coordinating Council  
Crow Wing River Watershed Collaborative

**119**  
Staff Volunteer  
Hours Tracked as  
Paid Benefit



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