BOARD OF DIRECTORS MEETING
Meeting Minutes
September 10, 2025

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1. CALL TO ORDER

Chair Laven called the meeting to order at 4:30 p.m.

2. ROLL CALL

MEMBERS PRESENT: Andrea Boettger (virtual), Jim Branstad, Marie Dranttel, Mike Laven, Christian Lilienthal (virtual), Steve Rohlfing, Phil Schafer, Rob Wilkening

MEMBERS EXCUSED: Jim Branstad, Tom Loveall, Patty O'Connor

OTHERS PRESENT: Chair of Budget & Personnel Committee Shanon Nowell, Nicole Griensewic (virtual), Jessica Beyer, Stephanie Hilpipre, Sarah Janovsky

There was a quorum.

3. APPROVAL OF AGENDA

Schafer moved to approve the agenda. Rohlfing seconded. Motion carried.

4. APPROVAL OF CONSENT AGENDA

Dranttel moved to approve the consent agenda. Wilkening seconded. Motion carried.

5. ACTION ITEMS

a. Resolution 2025-05: EDA 2025 Disaster Grant Application

The application outlines a proposed $2,000,000 investment for MSU, Mankato from the EDA to support on-site workforce training across the nine-county region. As part of this initiative, RNDC would receive $750,000 to manage Public Partnerships.

Wilkening moved to approve the 2025 EDA Disaster Grant Application with MSU, Mankato. Rohlfing seconded. Motion carried.

b. Out-of-State Travel Request – MCAP (Jessica Beyer)

It was noted that a $520 mileage expense for use of the R9 vehicle should be added to this request.

c. Out-of-State Travel Request– MCAP (Sam Sharp)

d. Out-of-State Travel Request – NADO ATC (Sabri Fair)

Nicole noted that NADO will be reimbursing all costs associated with this travel as Sabri will be participating in the Rural Energy Academy (REA).

Stephanie requested that going forward the Out-of-State Travel request form be updated to include a section specifying where time will be billed during the travel.

<u>Wilkening moved to approve three Out-of-State Travel Request: Two MCAP and One NADO ATC. Boettger seconded. Motion carried.</u>

6. MSU,M SOUTH CAMPUS

Travis Thul and Amy Cooney from Minnesota State University presented “The Future State,” a major infrastructure and economic development initiative. The project included replacing Blakeslee Stadium with a multi-use Regional Health and Wellness Hub, featuring a 12,000-seat stadium, 360-bed mixed-use student housing, retail and health services, and a community plaza for events. The initiative aimed to address regional challenges such as student retention, housing shortages, and limited recreational infrastructure. An economic impact study projected $4.3 million in additional annual spending, 22 new jobs, and $28 million in net income over 30 years. The project was expected to generate 4,000 additional hotel room nights annually, boosting local hospitality and service sectors. Construction was scheduled to begin in 2027, with operations launching in fall 2029. MSU emphasized its commitment to collaborating with municipal and county stakeholders to align regional priorities and maximize the initiative’s economic and community benefits.

7. BUDGET AND PERSONNEL COMMITTEE RE-CAP & UPDATES

The Budget & Personnel committee met on September 3, 2025. The committee reviewed and refined its charter to clarify its purpose, responsibilities, and procedures. A formal exit interview policy was introduced along with language to add to the employee handbook. The committee approved a paid family leave structure with a 50/50 premium cost share between RNDC and employees, a four-hour minimum leave threshold, and the use of accrued leave to supplement benefits. Additionally, the committee recommended updating the RNDC bylaws to reflect the organization’s growth and evolving needs. This recommendation was forwarded to the full board for discussion and planning at the next meeting. Chair Laven would like to dedicate time to this process at the next meeting and asks that no presenter be scheduled.

A series of finance-related memorandums—previously presented to the Budget and Personnel Committee—were shared to ensure continuity and awareness of current financial matters. An update on financial matters indicated that a budget adjustment would be necessary, with further details to be presented later in the meeting. Additionally, the Office of the State Auditor had submitted a request, and Nicole confirmed that an extension had been granted. A shared folder was established to facilitate document submission, and communication with the auditor's office was ongoing and positive.

The board also received an update on the sale of the Principal financial asset, which had been approved previously. The necessary paperwork was completed, certified, and mailed, with processing expected to conclude shortly. The asset had not yet been cashed out as of the meeting date, but was expected to very soon. It was also clarified that the transaction would incur a $15 fee, lower than initially anticipated. Lastly, an updated organizational chart was distributed to provide a clearer view of the current team structure.

8. EXECUTIVE DIRECTOR REVIEW PROCESS

Budget and Personnel Committee Chair, Shannon Nowell, addressed the topic of the Executive Director's performance review. She noted that a 360-degree assessment had not been conducted in some time and proposed implementing the process moving forward. Drawing from her own professional experience—where she conducts approximately seven of these assessments each spring, Nowell emphasized the value of this comprehensive feedback tool. The Budget and Personnel Committee reviewed and endorsed the proposed assessment method and expressed support for moving forward with it. Shannon indicated that she would collaborate with Board Chair Laven to implement the process and invited any questions from the board regarding the proposal.

9. EMPLOYEE SATISFACTION SURVEY

The Board reviewed the Executive Summary of a recent employee satisfaction survey, which highlighted key themes, strengths, and areas for improvement. One major takeaway was the need to ensure staff clearly understand how to report misconduct. This led into a broader discussion on organizational protocol, during which a memorandum was distributed to clarify that the Executive Director reports solely to the Board Chair, who acts on behalf of the commission, and that neither individual Commissioners nor the Budget and Personnel Committee have supervisory authority over staff. Commissioners were reminded to direct any staff complaints through the formal process outlined in the Personnel Handbook and to avoid informal mediation. Lilienthal raised a clarifying question about whether Commissioners could still engage staff on program-related matters, which was affirmed as appropriate when unrelated to personnel issues. He also noted that the 2017 version of the Personnel Handbook contained more detailed language than the current 2025 version, suggesting that the simplification of language may have made some processes less clear. The Board acknowledged the importance of reviewing and updating the handbook regularly to ensure clarity, especially around timelines for responding to complaints. The discussion concluded with a shared understanding of roles and a commitment to maintaining transparency and procedural integrity.

10. INFORMATION/DISCUSSION ITEMS

a. Finance Director's Report

Stephanie Hilpipre, Finance Director, reported that the organization faced a significant financial shortfall, with losses of $400,000–$500,000 in both fiscal years 2024 and 2025, and an approaching $0 general fund balance for fiscal year 2026. The budget shortfall was attributed to staffing costs exceeding revenue and accounting errors, including misallocated ACH payments. Although $1.3–$1.4 million in new funding was expected, it would not be sufficient to cover current expenses and rebuild reserves. Leadership acknowledged the need for difficult decisions, including potential staffing reductions, and committed to developing a financial recovery plan.

In addition to reporting a projected $400,000–$500,000 budget shortfall and a near-zero general fund balance for fiscal year 2026, Hilpipre revealed that accounting errors—specifically misallocated ACH payments—had resulted in approximately $260,000 being incorrectly deposited into RNDC accounts instead of the revolving loan fund (RLF). This effectively meant RNDC had borrowed from the RLF to manage cash flow, a practice that has now been corrected. She also noted that 80% of RNDC's budget was tied to staffing costs, making reductions in personnel the most likely path to financial recovery. Leadership acknowledged the urgency of the deficit and committed to presenting a recovery plan to the board before the November 12, 2025 regular Board Meeting.

b. Chair's Report - None

c. Executive Director's Report

Nicole reported that funding for the Safe Streets for All program was expected soon and emphasized the organization's commitment to staff development, noting that McKnight Foundation funds would be used to support professional training across RNDC and its MADO partners. While in D.C. with NADO, Nicole shared that she had met with USDA-RD to propose annual planning grant and discussed the importance of programs like PACE and REAP, as well as local food initiatives. She also highlighted meetings with key national organizations, including the Home Builders Association, Area Agencies on Aging, NARC, and the Association of Metropolitan Planning Organizations. A meeting with federal EDA leadership focused on disaster-related funding, with optimism expressed about RNDC's positioning to secure support under the current administration's priorities. Additional meetings were scheduled with the Department of Transportation and local workforce stakeholders. Nicole announced that Sabri would attend the upcoming NADO Annual Training Conference fully funded by NADO, thanks to RNDC's leadership role in the Rural Energy Academy. She also noted that RNDC's food rescue work had received national recognition, and Tom would represent the organization at the same conference. Upon returning from Washington, D.C., RNDC hosted McKnight Foundation President Tonya Allen in southern Minnesota to engage with commissioners and discuss bipartisan collaboration on climate and clean energy efforts. She emphasized RNDC's leadership in this space and the potential for continued philanthropic support. Lastly, she shared that Kristian had submitted a proposal for an economic impact analysis of the regional quarry, further demonstrating RNDC's active role in regional development planning. Nicole emphasized that RNDC is now requiring external partners to fund staff participation in collaborative initiatives, ensuring time and expertise are compensated appropriately.

11. OTHER BUSINESS

a. Commissioner Updates

Commissioners shared updates from their communities, including that Sibley County has appointed Marilee Peterson, the current auditor-treasurer, as the new county administrator. Her official start date has not yet been announced.

b. Meeting Evaluation

12. ADJOURNMENT

Rohlfing moved to adjourn. Dranttel seconded. Motion carried.

The meeting was adjourned at 6:31 p.m.

Mike Laven, Chair

Jim Branstad, Secretary