
1. CALL TO ORDER

Chair Laven called the meeting to order at 6:00 p.m. at South Central Service Cooperative.

2. APPROVAL OF AGENDA

Wilkening moved to approve the agenda. Rabbe seconded. Motion carried.

3. PLEDGE OF ALLEGIANCE

4. ROLL CALL

MEMBERS PRESENT: Jean Anderson, Jeff Annis, Sarah Berry, Andrea Boettger, Dave Borchert, Jim Branstad, Steve Cooling, Marie Dranttel, Robert Goblirsch, Paul Harris, Hunter Jordan, James Kotewa, Lynda Kruse, Mike Laven, Christian Lilienthal, Tom Loveall, Mary Milbrath, Bob Nielsen, Shanon Nowell, Patty O'Connor, Matt Peterson (Virtual), Mike Pfeil, Billee Rabbe, Rita Rassbach (Virtual), Gary Richter, Pam Rodewald, Phil Schafer, Scott Schlueter, Julie Tesch, Luisa Trapero, Rob Wilkening

MEMBERS ABSENT: Chris Dalton, Katelyn Kratz, Brad Krause

MEMBERS EXCUSED: Elroy Glidden, Dawn Kratzke, Liz Krocak, Steve Rohlfing

OTHERS PRESENT: Alejandra Bejarano, Jessica Beyer, Joel Hanif, Stephanie Hilpipre, Kristian Braekkan, Mark Plotz, Nathan George, Nicole Griensewic, Sarah Janovsky, Sabri Fair, Samuel Sharp, Tom Polich, Lisa Callahan, Joe McKinney (NADO)

There was a quorum.

5. APPROVAL OF NEW COMMISSIONERS

Jeff Annis (Blue Earth County - Cities under 10k), Hunter Jordan (Special Interest – High School Age Youth), and Luisa Trapero (Special Interest – Minority Populations) introduced themselves to the Commission.

O'Connor moved to approve the new commission members. Harris seconded. Motion carried.

6. INTRODUCTION OF NEW STAFF MEMBERS

Stephanie Hilpipre (Finance Director) and Tom Polich (Regional Food Rescue Coordinator) introduced themselves to the Commission as new RNDP staff members.

7. APPROVAL OF CONSENT AGENDA

Nowell moved to approve the consent agenda. Schlueter seconded. Motion carried.

8. CHAIR'S REPORT

FY26 Meeting Dates - Resolution 2025-03

Cooling moved to approve the Meeting Dates for FY26. Rabbe seconded. Motion carried.

Clarification was provided regarding officer elections, as there was some confusion during previous Board and Budget & Personnel meetings. Per the bylaws, electing officers is not required during tonight's meeting.

Commissioners were asked to review the Commissioner's Code of Conduct.

Branstad moved to approve the Commissioner's Code of Conduct. Goblirsch seconded. Motion carried.

Commissioners were requested to sign the code of conduct, with all signatures to be collected prior to the adjournment of tonight's meeting.

9. EXECUTIVE DIRECTOR'S REPORT

Nicole Griensewic, serving as NADO Treasurer and Chair of the NADO Audit Committee, presented the audit report at the recent NADO Summer Board Meeting. She emphasized the benefits of collaborating with peers across the country, exchanging insights, posing questions, and gaining fresh perspectives from various viewpoints.

Nathan George gave the full commission an overview of the bus tour stops from earlier today. A full review will be in the next RNDC e-newsletter.

10. NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS (NADO) UPDATE AND OVERVIEW PRESENTATION

The presentation, delivered by Joe McKinney, Executive Director of the National Association of Development Organizations (NADO), provided a high-level overview of the federal budget process and its implications for regional development organizations. McKinney emphasized the distinction between the President's proposed budget and Congress's actual authority to allocate funding. While the President can outline administrative priorities through the budget, it is ultimately Congress, holding the constitutional "power of the purse," that determines final appropriations. Despite required timelines, McKinney noted that regular orders have not been followed in decades, with the last full budget passed under the regular process in 1998. Instead, the government continues to rely on continuing resolutions, which lock in funding at prior-year levels and often fail to reflect evolving local or regional priorities.

McKinney also stressed the importance of proactive engagement by local and regional leaders in influencing federal decision-making. Congressional staff and committee members increasingly depend on local testimony to understand the practical impact of federal programs. NADO has facilitated such involvement by coordinating testimony and feedback from its members. Key federal issues currently in play include the long-overdue reauthorization of the Community Development Block Grant (CDBG) and HOME programs, ongoing efforts to reform FEMA, the next Farm Bill, and Brownfields legislation. While the legislative outlook remains complex and uncertain, NADO is closely monitoring these developments and advocating on behalf of its membership.

Highlighting the value of NADO's leadership network, McKinney pointed to Nicole's role on the executive committee—one of only six officers nationally—as an example of how direct relationships with federal officials and agency heads can amplify regional voices in Washington. McKinney emphasized that such roles foster lasting connections with decision-makers, including Assistant Secretaries and congressional committee staff. Concluding the presentation, McKinney reaffirmed NADO's commitment to serving as the eyes and ears in D.C. for regional organizations, identifying funding opportunities, and helping local governments bring federal resources back to their communities.

11. REGION NINE ECONOMIC DEVELOPMENT AREAS OF WORK

Kristian Braekkan, RNDC Economic Development Director, detailed ongoing economic development activities across the region, noting active projects in at least seven of the nine counties. RNDC continues to support communities by providing draft grant applications and assisting with federal EDA funding opportunities, specifically EDA's Disaster Notice of Funding Opportunity (NOFO). Also, Comprehensive Economic Development Strategy (CEDS) updates due by January 2027.

He emphasized the importance of community input for the CEDS process, as EDA priorities—such as critical infrastructure, workforce development, innovation, economic resilience, and manufacturing—guide grant eligibility and funding decisions. The recent disaster supplemental NOFO uniquely links economic development with disaster recovery, broadening eligibility and underscoring resilience efforts and the entire region is eligible.

Braekkan highlighted RNDC's flexible and thorough support for economic impact studies, citing recent projects for a mountain bike trail adventure park in Blue Earth County and a proposed expansion of the Children's Museum of Southern Minnesota in Mankato, both leveraging EDA funds. Ongoing collaborations include cluster studies with the University of Minnesota's Transportation Policy and Economic Competitiveness (TPEC) program and housing studies, including a recent Springfield project delivered at no cost to the community through a strategic collaboration with the Southern Minnesota Initiative Foundation (SMIF), supported by U.S. Economic Development Administration (EDA) funding.

Lastly, RNDC continues to convene regional stakeholders through workforce summits and childcare initiatives, led by Alejandra, to address critical workforce development needs.

12. PUBLIC HEARING OF FY26 BUDGET

Jessica Beyer updated the Commission on the budget process. She highlighted Region Nine's diversified funding sources, including the property tax levy, federal grants, state partnerships (such as MnDOT and the University of Minnesota), and private foundations. She emphasized that RNDC supports local governments, nonprofits, and public entities. Jessica noted that last fiscal year, levy dollars were leveraged to double financial investments in the region's communities.

Stephanie Hilpipe, Finance Director, presented on budget transparency and fiscal management. She reported that current funds were invested in the Minnesota Association of Governments (MAGIC) money market fund, yielding 4.32%, providing solid returns without requiring active management. Hilpipe explained the general fund reserve policy targets approximately 80% of the total levy, equating to about \$592,000 for the coming year. A 3% levy increase—the statutory maximum—was proposed, resulting in an additional \$21,581 distributed across nine counties; she clarified this does not directly translate to a 3% increase in property taxes.

Regarding staffing, Hilpipe stated current levels would be maintained with no new hires planned. The budget reflects reductions in consulting contracts and emphasizes leveraging internship programs to optimize resources.

She noted CARES Act funding is fully expended, increasing reliance on levy dollars to match federal and state grants that provide further regional economic development work.

Last fiscal year's revenues exceeded projections by 27%, enabling expanded staffing and services, though expenditure increased proportionally. The proposed budget for the current year maintains a similar overall size but reflects lower expenses due to the reduced ability to utilize consultancy services. A net shortfall of approximately \$354,000 is anticipated, described as typical and expected to be offset by securing additional grants and contracts. A 3% cost-of-living adjustment for staff was approved, generating modest savings while supporting personnel. Hilpipe summarized that the budget seeks to balance fiscal responsibility with effective regional service.

Chair Laven opened the Public Hearing of the RNDC Fiscal Year 26 Budget at 7:31p.m.

A. Approval of FY26 Operating Budget

Dranttel motioned to approve the FY26 Operating Budget. Schlueter seconded. Motion carried.

B. Approval of FY26 Preliminary Levy

Dranttel motioned to approve the FY26 Levy. Borchert seconded. Motion carried. Loveall and Schafer opposed.

C. Call to Close the Public Hearing at 7:55 p.m.

Wilkening motioned to close the public hearing. Milbrath seconded. Motion carried.

13. RURAL RESILIENCE: EXISTING EFFORTS & REGIONAL OPPORTUNITIES

Samuel Sharp, RNDC Energy and Sustainability Planner, and Lisa Callahan, Green Corp Member, shared updates on various resilience initiatives supported by grants, such as the Energy Efficiency and Conservation Block Grant (EECBG) and local climate action grants from the Minnesota Pollution Control Agency (MPCA). Key efforts include the ongoing *Fairmont Energy and Environmental Resilience Plan*, created with input from local officials and stakeholders to position the city for future funding and implementation. A community survey is currently being conducted to gather feedback on concerns such as extreme weather, energy use, water quality, and quality-of-life initiatives. The plan is expected to be completed by October.

Energy audits funded by EECBG have been completed for multiple public buildings in St. James to help plan future energy efficiency upgrades, with additional funding available for similar projects in communities under 15,000 residents.

Two MPCA-funded projects were highlighted: energy efficiency improvements at the Children's Museum of Southern Minnesota and energy upgrades targeting low-income households in New Ulm's disadvantaged census tract, in partnership with local utilities and service organizations.

Sharp also mentioned an unsuccessful LCCMR funding proposal but noted ongoing collaboration with consultants to pursue future opportunities.

Looking ahead, RNDC is exploring a regional "Return on Environment" (ROE) concept to assign economic value to ecosystem services such as water quality, flood mitigation, and regenerative agriculture. Building on previous community-level projects, this initiative aims to scale efforts regionally through a flood resilience needs assessment

across three watershed-based economic clusters in Region Nine. These clusters are aligned with existing watershed plans, including the Minnesota and Watonwan River basins. The project seeks to integrate nature-based infrastructure with traditional strategies to reduce long-term costs and risks for rural communities. RNDC plans to develop a decision-support tool that quantifies local ecosystem benefits and identifies funding opportunities, such as the upcoming BWSR water storage grant and USDA conservation programs.

14. OTHER BUSINESS

15. ADJOURNMENT

Milbrath moved to adjourn. Wilkening seconded. Motion carried.

The meeting was adjourned at 8:06 p.m.

Mike Laven, Chair

Jim Branstad, Secretary