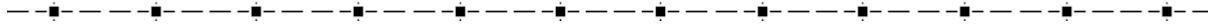


**Swift County GROW Board
2nd Quarter Meeting
Tuesday, July 23, 2019, @ 4:30 PM
Swift County Courthouse, Benson, MN**

"We are a public - private partnership organized to provide the opportunity for advancement of economic development for the citizens of Swift County and the surrounding area. To accomplish this mission, we will develop a positive attitude and image through leadership, education, coordination and technical assistance by effectively utilizing all available resources."

Tentative Agenda

Notes/Follow-Up



100 Call To Order

200 Agenda Changes

300 Consent Agenda

4:31 301 Board Meeting Minutes – 4-8-19*

4:32 302 Financial Report*

400 Decision Items

500 Discussion Items

600 Information Items

4:35 601 GROW Building Evaluation – Prairie 5 or other county use

700 Adjournment

Next Regular Meeting: October 2019

*=enclosure #=handout

Draft Minutes
Regular meeting minutes of Swift County GROW
Monday, April 8, 2019 @ 4:30pm at Swift County Courthouse, Benson

Members Present: Heidi Gandsey, Ed Pederson, Tom Walsh, Brady Olson,
Stephanie Heinzig, Jon Panzer, Eric Carlson
Staff Present: Jennifer Frost
Others Present: Kelsey Baker

100 Call to Order 4:34 pm

200 Agenda Changes

300 Consent Items

301 Meeting Minutes 4-8-2019

MOTION made by Eric to approve the meeting minutes, Heidi seconded.

302 GROW Q1 Financials – The 1st quarter financials for GROW were reviewed. GROW The balance sheet for showed \$137,466.27 in total liabilities and equity on 3-31-2019 Profit & Loss showed a net ordinary income (loss) of 885.17 for the period of 2018 as of 3-31-2019. Income and Expenses for the period 1-1-19 to 3-31-19 were \$3,219.39 and (\$2,334.22) respectively. MOTION by Jon to approve the 1st Quarter financials, second by Tom

400 Decision Items - none

500 Discussion Items - none

600 Information Items- none

700 Adjournment - At 4:39pm by Heidi, second by Stephanie

Next meeting June 12, 2019 in Appleton

Management Report

Swift County GROW

For the period ended June 30, 2019

Prepared on

July 19, 2019

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Profit and Loss

April - June, 2019

		Total
	Apr - Jun, 2019	Apr - Jun, 2018 (PY)
INCOME		
Interest Income	38.11	20.13
Rental Income	3,206.07	2,895.25
Total Income	3,244.18	2,915.38
GROSS PROFIT	3,244.18	2,915.38
EXPENSES		
Disposal	77.22	
Facilities and Equipment		
Equip Rental and Maintenance	173.35	
Total Facilities and Equipment	173.35	
Insurance Expense	1,150.00	1,143.00
Operations		
Books, Subscriptions, Reference	105.00	
Total Operations	105.00	
Real Estate Taxes		1,926.00
Repairs		897.90
Total Expenses	1,505.57	3,966.90
NET OPERATING INCOME	1,738.61	-1,051.52
NET INCOME	\$1,738.61	\$ -1,051.52

A/P Aging Detail

As of June 30, 2019

This report contains no data for your specified date range.

Expenses by Vendor Summary

April - June, 2019

	Total
Co-op Credit Union	105.00
Hawley's, Inc.	173.35
Mattheisen Disposal, Inc.	77.22
Not Specified	1,150.00
TOTAL	\$1,505.57

Balance Sheet

As of June 30, 2019

		Total
	As of Jun 30, 2019	As of Jun 30, 2018 (PY)
ASSETS		
Current Assets		
Bank Accounts		
Checking Account - Co-op Credit	1,326.94	74.89
Savings Account - Co-op Credit	20,422.14	19,259.25
Total Bank Accounts	21,749.08	19,334.14
Other Current Assets		
Receivable - Swift County	4,273.32	
Receivable from RDA	0.00	1,845.25
Total Other Current Assets	4,273.32	1,845.25
Total Current Assets	26,022.40	21,179.39
Fixed Assets		
Building - 1214 Atlantic Ave	113,082.48	113,082.48
Total Fixed Assets	113,082.48	113,082.48
Other Assets		
Membership Share - BIDC	100.00	100.00
Total Other Assets	100.00	100.00
TOTAL ASSETS	\$139,204.88	\$134,361.87
LIABILITIES AND EQUITY		
Liabilities		
Long-Term Liabilities		
Loan Payable - Swift County RDA	90,000.00	95,000.00
Total Long-Term Liabilities	90,000.00	95,000.00
Total Liabilities	90,000.00	95,000.00
Equity		
Unrestricted Net Assets	46,581.10	33,920.16
Net Income	2,623.78	5,441.71
Total Equity	49,204.88	39,361.87
TOTAL LIABILITIES AND EQUITY	\$139,204.88	\$134,361.87

Board Presentation

A. Subject	Date	Time	#
GROW Building Options	7/23/19	3 mins	601

B. Reporter
Jennifer Frost

C. Summary

The county is leasing the GROW building month to month until it determines its course of action to address deferred maintenance at the Human Services and Jail buildings: Will it need "swing space" to house employees temporarily during construction or not.

In the meantime, the County Board has asked us to evaluate the space for other county uses including housing Prairie Five. P5 provides community services such as the food shelf, thrift store, and heating assistance program. The downtown location geared toward services and retail seems a better fit than their current location along HWY 12 in front of Anderson Lumber.

A scope of work is being put together to understand the costs associated with moving P5 to the space. The current P5 space has frontage on HWY 12 and may be attractive to a commercial user, which could help offset costs.

D. Fiscal Impact

- Work will need to be done to the building to house P5 such as the addition of some office space and a meeting space
- There is an opportunity to utilize \$35,000 in small cities grant dollars *if* required changes are made and the county leases it to the County for seven years. (attached items that need to be addressed)

E. Recommendation/Request

Any questions.

F. Prepared By
Jennifer Frost

GROW Building**Inspector: Mike Jacobson****Date 1/22/2108**

Proposed Improvements: Windows, Doors, Accessibility modifications, Energy Improvements, and HVAC

Initial comment: Buildings are divided, but operate as one building. Overall in good condition. No signs of asbestos in either East or West side of building.

West Building:

Musts:

1. Furnace room on west side – boiler needs a T and P valve, to within 18” of floor
2. Exit signs on South, North and West entrance – emergency with back up lighting.
3. Address storm water run-off on three downspouts. Owner has room to lift back parking lot to ½” of back door – then door would meet handicap accessibility.
4. Entire front glass window – must be raised to 19” from the floor, or must be safety glass.

East Building:

Musts:

1. Exit sign on SW entrance must be marked and have emergency back -up lighting.
2. Back breakroom ceiling must be repaired. Also to include stairwell.
3. Back east closet: Either remove door, or sheet rock under the stairwell to upstairs apartment.
4. North façade: Remove plywood and fill with brick or cover with steel to match rest of building.
5. Basement: Attached light fixture to the ceiling and on north wall fixture must be made into a junction box.
6. No need for a smoke detector in the basement – but there needs to be smoke detector/CO detectors in both furnace rooms.

Trades: Electrician, plumber, carpenter

Note: I have requested clarification on whether the southwest windows can be grandfathered in, or if they must be replaced. Owner will need to let us know what other improvements they want. Vicki

Swift County RDA Board

Tuesday, July 23, 2019 at 4:40 PM

Swift County RDA office – lower level Swift County Courthouse

“Providing opportunities for economic and community development in Swift County”

Tentative Agenda

Notes/Follow-Up

100 Call to Order

200 Agenda Changes

201

300 Consent Items 10 mins

4:41 **1** 301 Meeting Minutes 4-8-2019*

4:43 **3** 302 RDA Q2 financials*

400 Loan Report 5 mins

4:55 **13** 401 Loan Dashboard -2019 Q2*

500 Decision Items

5:00 **14** 501 Tax Levy 2020 – no change recommended*

600 Discussion Items

5:20 **18** 601 Loan Funds – how are we using our loan funds to further our mission and achieve our goals*

700 Information Items 10 mins

5:30 **34** 701 Executive Director's Report#

- Three new business inquiries
- FHLB Application Update
- Housing Technical Assistance
- Jump-Start Kerkhoven
- Fair Booth – Census

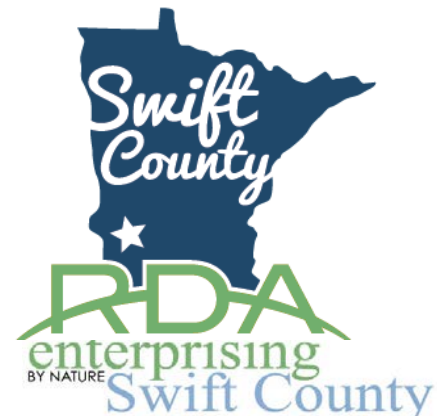
5:35 702 RDA Calendar/Significant Correspondence#

- July 25th 12pm - BBC PCs for People Event
- Aug 10th [Intelligent Community Benchmarking Assistance](#) – Appleton 1-2:30pm
- Sept 5-6 [Connecting Entrepreneurial Communities](#)
- Sept 25 -Nov 27 - [Online BRE Training](#) weekly or [Oct 22-23 in person](#)
- Oct. 8-10 [Blandin Broadband Conference](#)
- August or October - next RDA Meeting

5:40 703 Announcements from Board Members

600 Adjournment – estimated time 5:45 PM

Key: *=enclosure # =handout or presentation



Draft Minutes
Regular meeting minutes of Swift County RDA
Monday, April 8, 2019 @ 4:36pm at Swift County Courthouse, Benson

Members Present: Heidi Gandsey, Ed Pederson, Tom Walsh, Brady Olson, Stephanie Heinzig, Jon Panzer, Eric Carlson
Staff Present: Jennifer Frost
Others Present: Kelsey Baker

100 Call to Order – Meeting called to order at 4:39 pm

200 Agenda Changes - None

300 Consent Items

301 Meeting Minutes 2-14-2019

MOTION was made by Ed to approve the meeting minutes of the 2-14-19 meeting, Eric seconded.

302 RDA & GROW 1st Quarter Financials – The 1st quarter financials for the RDA were reviewed.

RDA The balance sheet for showed \$718,802.30 in total liabilities and equity on 3-31-19. Profit & Loss showed a net ordinary income (loss) of (\$35,910.77) for the period of 2019 as of 3-31-19. Income and Expenses for the period 1-1-19 to 3-31-19 were \$2,263.01 and (\$38,173.78) respectively.

Discussion included new reports including summary of payments and new Budget to Actual Report. Jen stated she thought the budget report by class was actually a better way to show where we were since it included each project class tied to strategy. She will include that in an email and going forward. Questions were asked about use of the RDA credit card through Co-op Credit Union. Jen reported she uses her own cards often for travel due to issues with the RDA card in the past. She was able to cover \$400 of travel expenses with the card points on the Biomass trip. Kelsey noted she has a \$5,000 limit on her card, but that other department heads have \$2,000. Jen stated she thought the RDA limit was also \$5,000 but the card had renewed in 2018 and could've been lowered. MOTION made by Tom to approve the financial statements, second by Jon

400 Loan Report

401 Loan Dashboard – Jen presented the Loan Dashboard through Q1 2019 pointing out the loans set to pay off in 2019, and others that she would be contacting. Discussion included three loans in default and when/if we should write them off. Small claims court has not been attempted yet and that would be the next step. Jen needs to set time aside from other projects before she can do this.

500 Information Items

501 Executive Director's Report – Jen presented her Director's report which highlighted her activities since the last meeting. Jen called attention to a letter from Don Wilcox regarding the future of GROW and RDA and possible creation of a County EDA. Other highlights included information learned at the International Biomass Conference. Innovative ideas happening around the state learned at the AURI (Agriculture Utilization Research Institute) New Uses Forum, a business plan competition proposed for Kerkhoven and updates on the Signage project.

502 Announcements from Board Members – Jon provided some updates on the Fair Board related to moving the entrance and possible collaboration on signs.

503 RDA Calendar/Significant Correspondence – Jen included upcoming event dates in the agenda and mentioned BBC events were up coming and said she was looking for a volunteer coordinator for the PCs for People computer giveaway which will likely be held in June.

600 Adjournment –5:50 pm by Jon, second Eric

**Next Meeting Date:
Appleton – June 12, 2019**

Management Report

Swift County RDA

For the period ended June 30, 2019



Prepared on

July 19, 2019

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RDA:Budget vs. Actual 20197

Profit and Loss

April - June, 2019

	Apr - Jun, 2019	Apr - Jun, 2018 (PY)	Total
INCOME			
4020 Interest Income-Fin Inst	530.92		127.11
4025 Interest Income-Loans	889.43		1,092.18
4050 Tax Settlement	65,096.99		55,061.58
4075 Other Income			116,224.97
Shared Income - CVEC			
4030 Shared Income-CVEC			14,850.00
7800 Payments to Affiliates			-7,425.00
Total Shared Income - CVEC			7,425.00
Total Income	66,517.34		179,930.84
GROSS PROFIT	66,517.34		179,930.84
EXPENSES			
6000 Office Expenses			5.15
6050 Postage	31.00		6.79
6075 Printing	619.25		
6100 Computer Services			1,913.74
6300 Advertising/Promotion/Marketing	44.00		266.20
6600 Telephone	268.90		135.00
7200 Professional Fees	34,928.50		7,054.86
7350 Dues & Subscriptions	53.43		72.00
7375 Registrations	1,512.75		993.00
7550 Special Projects			3,843.95
7600 Bank Charges	23.50		4.00
8300 Travel - Staff	2,780.73		2,804.33
8350 Travel - Board	962.79		
8375 Board Mtg Expenses	135.23		
County Payroll Reimbursement			
Health Insurance	4,140.00		
Other Benefits	49.41		
Payroll Taxes	1,181.88		1,157.40
PERA Contribution	1,285.20		1,260.00
Wages	17,136.00		16,800.00
Total County Payroll Reimbursement	23,792.49		19,217.40
Total Expenses	65,152.57		36,316.42
NET OPERATING INCOME	1,364.77		143,614.42
OTHER INCOME			
Contributions	4,050.00		
Total Other Income	4,050.00		0.00
NET OTHER INCOME	4,050.00		0.00
NET INCOME	\$5,414.77		\$143,614.42

Balance Sheet

As of June 30, 2019

	Total	
	As of Jun 30, 2019	As of Jun 30, 2018 (PY)
ASSETS		
Current Assets		
Bank Accounts		
Cash-Operating		
Cash-Checking	2,187.09	3,690.05
Cash-D Savings	115,138.00	116,231.34
Cash-Savings	133,595.69	88,246.73
Total Cash-Operating	250,920.78	208,168.12
Funds-Lending		
Cash -ELF Fund	2,617.60	2,794.87
Cash- RDA Loan Fund	32,233.79	4,917.28
Total Funds-Lending	34,851.39	7,712.15
Total Bank Accounts	285,772.17	215,880.27
Other Current Assets		
1150 Investment in CVEC	165,000.00	165,000.00
1155 Investment-Benson Corn Pool	14,850.00	14,850.00
Total Other Current Assets	179,850.00	179,850.00
Total Current Assets	465,622.17	395,730.27
Other Assets		
1200 RDA Loans Receivable	0.00	0.00
1215 Notes Receivable-Alona Buddy Ph	3,061.68	4,731.09
1216 Notes Receivable-Midwestern Dri	7,279.11	9,899.10
1219 Notes Receivable-Doering	14,556.60	16,124.92
1220 Notes Receivable-Flower Basket2	12,567.21	12,567.21
1221 Notes Receivable - Swift Machin	0.00	459.02
1222 Notes Receivable-JS Repair	9,089.12	9,089.12
1223 Notes Receivable - Hair Connect	2,930.93	3,430.19
1224 Notes Receivable-Whistle	21,783.17	6,756.06
1225 Notes Receivable Raciél's Butch	8,334.98	8,334.98
1226 Notes Receivable - Mi Mexico	19,009.98	20,000.00
1227 Notes Receivable - Timmerman	13,113.45	14,383.66
1228 Notes Receivable-Ace Ag, Inc.	0.00	81,398.64
1229 Notes Receivable-Specsys	15,188.19	22,502.57
Total 1200 RDA Loans Receivable	126,914.42	209,676.56
1300 ELF Loans Receivable		
1301 Note Receivable Zosel	2,011.92	3,109.44
1302 Note Receivable Lee	2,223.08	3,435.56
1303 Notes Receivable Sandstrom	3,875.00	5,375.00
1305 Notes Receivable Honebrink	321.66	1,607.34
1306 Notes Receivable Tenhoff	0.00	100.19
1308 Notes Receivable - Rittenour	1,372.80	1,372.80

	As of Jun 30, 2019	As of Jun 30, 2018 (PY)	Total
Total 1300 ELF Loans Receivable	9,804.46		15,000.33
1400 Pass Thru Loans Receivable			
1403 Loan Receivable - GROW	90,000.00		95,000.00
Total 1400 Pass Thru Loans Receivable	90,000.00		95,000.00
Total Other Assets	226,718.88		319,676.89
TOTAL ASSETS	\$692,341.05		\$715,407.16
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
20000 *Accounts Payable	0.00		3,202.90
Total Accounts Payable	0.00		3,202.90
Other Current Liabilities			
Payable to GROW	0.00		1,845.25
Total Other Current Liabilities	0.00		1,845.25
Total Current Liabilities	0.00		5,048.15
Long-Term Liabilities			
ELF Loan - Payable to State	12,352.30		17,748.15
Total Long-Term Liabilities	12,352.30		17,748.15
Total Liabilities	12,352.30		22,796.30
Equity			
3200 Fund Balance	448,970.13		448,970.13
32000 Retained Earnings	261,514.62		123,850.56
Net Income	-30,496.00		119,790.17
Total Equity	679,988.75		692,610.86
TOTAL LIABILITIES AND EQUITY	\$692,341.05		\$715,407.16

Expenses by Vendor Summary

January - June, 2019

	Total
AACC	145.00
Back Street Media	55.00
Benson Area Chamber of Commerce	50.00
Co-op Credit Union	3,739.73
Golden Shovel Agency	2,500.00
Heidi Gandsey	962.79
Hoisington Koegler Group inc.	3,520.00
Innovative Office Solutions LLC	619.25
Jennifer Frost	8,638.55
MAPCED	200.00
Ridgewater College	29,050.00
Swift County	53,189.53
The Appleton Press	44.00
Wilcox Law Office, PA	612.50
TOTAL	\$103,326.35

RDA:Budget vs. Actual 2019

January - December 2019

	Actual	Budget	Remaining	Total % of Budget
INCOME				
4020 Interest Income-Fin Inst	1,092.57	660.00	-432.57	165.54 %
4025 Interest Income-Loans	2,134.16	3,600.00	1,465.84	59.28 %
4050 Tax Settlement	65,930.64	117,000.00	51,069.36	56.35 %
4075 Other Income		79,882.84	79,882.84	
Shared Income - CVEC				
4030 Shared Income-CVEC		49,500.00	49,500.00	
7800 Payments to Affiliates		-24,750.00	-24,750.00	
Total Shared Income - CVEC		24,750.00	24,750.00	
Total Income	69,157.37	225,892.84	156,735.47	30.62 %
GROSS PROFIT	69,157.37	225,892.84	156,735.47	30.62 %
EXPENSES				
6000 Office Expenses		1,200.00	1,200.00	
6050 Postage	52.65	128.50	75.85	40.97 %
6075 Printing	619.25	1,000.00	380.75	61.93 %
6100 Computer Services		600.00	600.00	
6300 Advertising/Promotion/Marketing	591.75	492.75	-99.00	120.09 %
6600 Telephone	403.90	1,000.00	596.10	40.39 %
7200 Professional Fees	41,723.50	41,791.00	67.50	99.84 %
7300 Filing Fees		500.00	500.00	
7350 Dues & Subscriptions	448.43	2,400.00	1,951.57	18.68 %
7375 Registrations	3,122.75	3,325.00	202.25	93.92 %
7500 Miscellaneous		200.00	200.00	
7550 Special Projects	100.00		-100.00	
7600 Bank Charges	35.70	100.00	64.30	35.70 %
7700 Investment Expense		4,950.00	4,950.00	
8000 Insurance		2,750.00	2,750.00	
8300 Travel - Staff	6,301.54	8,095.06	1,793.52	77.84 %
8350 Travel - Board	2,208.67	2,708.67	500.00	81.54 %
8375 Board Mtg Expenses	135.23	3,135.23	3,000.00	4.31 %
County Payroll Reimbursement				
Health Insurance	8,280.00		-8,280.00	
Other Benefits	2,348.82		-2,348.82	
Payroll Taxes	2,575.38		-2,575.38	
PERA Contribution	2,777.88		-2,777.88	
Wages	37,038.40		-37,038.40	
Total County Payroll Reimbursement	53,020.48	117,000.00	63,979.52	45.32 %
Total Expenses	108,763.85	191,376.21	82,612.36	56.83 %
NET OPERATING INCOME	-39,606.48	34,516.63	74,123.11	-114.75 %
OTHER INCOME				
Contributions	4,050.00		-4,050.00	

	Actual	Budget	Remaining	Total % of Budget
Grant - BBC		75,000.00	75,000.00	
Total Other Income	4,050.00	75,000.00	70,950.00	5.40 %
NET OTHER INCOME	4,050.00	75,000.00	70,950.00	5.40 %
NET INCOME	\$ -35,556.48	\$109,516.63	\$145,073.11	-32.47 %

Swift County RDA
Budget vs. Actuals: 2019 Budget with Class - FY19 P&L Classes
 January - December 2019

	BBC		BR&E		Built Environment		Economic Gardening		Financing		Key Industries		Lending		Operating		TOTAL	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Income																		
4020 Interest Income-Fin Inst													59.01	160.00	1,033.56	500.00	1,092.57	660.00
4025 Interest Income-Loans													2,134.16	3,600.00			2,134.16	3,600.00
4050 Tax Settlement															65,930.64	117,000.00	65,930.64	117,000.00
4075 Other Income	8,651.32	8,651.32	12,000.00	12,000.00	24,655.25	24,655.25	29,778.30	29,778.30			4,797.97	4,797.97				0.00	79,882.84	79,882.84
Shared Income - CVEC																	0.00	0.00
4030 Shared Income-CVEC										49,500.00							0.00	49,500.00
7800 Payments to Affiliates										-24,750.00							0.00	-24,750.00
Total Shared Income - CVEC	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 24,750.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 24,750.00
Total Income	\$ 8,651.32	\$ 8,651.32	\$ 12,000.00	\$ 12,000.00	\$ 24,655.25	\$ 24,655.25	\$ 29,778.30	\$ 29,778.30	\$ 0.00	\$ 24,750.00	\$ 4,797.97	\$ 4,797.97	\$ 2,193.17	\$ 3,760.00	\$ 66,964.20	\$ 117,500.00	\$ 149,040.21	\$ 225,892.84
Gross Profit	\$ 8,651.32	\$ 8,651.32	\$ 12,000.00	\$ 12,000.00	\$ 24,655.25	\$ 24,655.25	\$ 29,778.30	\$ 29,778.30	\$ 0.00	\$ 24,750.00	\$ 4,797.97	\$ 4,797.97	\$ 2,193.17	\$ 3,760.00	\$ 66,964.20	\$ 117,500.00	\$ 149,040.21	\$ 225,892.84
Expenses																		
6000 Office Expenses																1,200.00	0.00	1,200.00
6050 Postage	46.00	28.50													6.65	100.00	52.65	128.50
6075 Printing															619.25	1,000.00	619.25	1,000.00
6100 Computer Services																600.00	0.00	600.00
6300 Advertising/Promotion/Marketing											492.75	492.75			99.00		591.75	492.75
6600 Telephone															403.90	1,000.00	403.90	1,000.00
7200 Professional Fees	37,591.00	32,271.00			3,520.00	3,520.00									612.50	6,000.00	41,723.50	41,791.00
7300 Filing Fees																500.00	0.00	500.00
7350 Dues & Subscriptions															448.43	2,400.00	448.43	2,400.00
7375 Registrations			630.00	630.00							695.00	695.00			1,797.75	2,000.00	3,122.75	3,325.00
7500 Miscellaneous																200.00	0.00	200.00
7550 Special Projects															100.00		100.00	0.00
7600 Bank Charges															35.70	100.00	35.70	100.00
7700 Investment Expense										4,950.00							0.00	4,950.00
8000 Insurance																2,750.00	0.00	2,750.00
8300 Travel - Staff	100.58	100.58	991.99	991.99			19.14	19.14			3,783.35	3,783.35			1,406.48	3,200.00	6,301.54	8,095.06
8350 Travel - Board											2,208.67	2,208.67			500.00		2,208.67	2,208.67
8375 Board Mtg Expenses	135.23	135.23														3,000.00	135.23	3,135.23
County Payroll Reimbursement																117,000.00	0.00	117,000.00
Health Insurance															8,280.00		8,280.00	0.00
Other Benefits															2,348.82		2,348.82	0.00
Payroll Taxes															2,575.38		2,575.38	0.00
PERA Contribution															2,777.88		2,777.88	0.00
Wages															37,038.40		37,038.40	0.00
Total County Payroll Reimbursement	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 53,020.48	\$ 117,000.00	\$ 53,020.48	\$ 117,000.00
Total Expenses	\$ 37,872.81	\$ 32,535.31	\$ 1,621.99	\$ 1,621.99	\$ 3,520.00	\$ 3,520.00	\$ 19.14	\$ 19.14	\$ 0.00	\$ 4,950.00	\$ 7,179.77	\$ 7,179.77	\$ 0.00	\$ 500.00	\$ 58,550.14	\$ 141,050.00	\$ 108,763.85	\$ 191,376.21
Net Operating Income	-\$ 29,221.49	-\$ 23,883.99	\$ 10,378.01	\$ 10,378.01	\$ 21,135.25	\$ 21,135.25	\$ 29,759.16	\$ 29,759.16	\$ 0.00	\$ 19,800.00	-\$ 2,381.80	-\$ 2,381.80	\$ 2,193.17	\$ 3,260.00	\$ 8,414.06	-\$ 23,550.00	\$ 40,276.36	\$ 34,516.63
Other Income																		
Contributions	4,050.00	4,050.00															4,050.00	4,050.00
Grant - BBC	75,000.00	75,000.00															75,000.00	75,000.00
Total Other Income	\$ 79,050.00	\$ 79,050.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 79,050.00	\$ 79,050.00
Net Other Income	\$ 79,050.00	\$ 79,050.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 79,050.00	\$ 79,050.00
Net Income	\$ 49,828.51	\$ 55,166.01	\$ 10,378.01	\$ 10,378.01	\$ 21,135.25	\$ 21,135.25	\$ 29,759.16	\$ 29,759.16	\$ 0.00	\$ 19,800.00	-\$ 2,381.80	-\$ 2,381.80	\$ 2,193.17	\$ 3,260.00	\$ 8,414.06	-\$ 23,550.00	\$ 119,326.36	\$ 113,566.63

6/30/2019

**Swift County Rural Development Finance Authority
Available to Lend**

Available to Lend RDA Fund		
Beginning Balance 12/31/18		\$20,638.90
2019	Loans Disbursed	
	Loan Prin	\$9,575.03
	Loan Int	\$1,701.49
	Bank Int	99.87
218.50 Whistle Stop		
6/30/2019	RDA RLF Funds Available	\$32,233.79

Available to Lend Swift County Fund		
Beginning Balance Dec. 31, 2018	Fed Funds	\$ 361,433.72
2019	Loans Disbursed	
	Loan Prin	\$61,804.69
	Loan Int	\$9,439.03
	Bank Interest	\$ 945.68
6/30/2019	Federal Funds Available	433,623.12

Available to Lend Energy Loan Fund		
Beginning Balance 12/31/18		\$ 2,703.00
ELF Receivable	Loan Prin	\$2,547.84
	Bank Int	14.79
2019 Grant Returned		2,648.03
6/30/2019	Balance - No Funds Available to Lend	\$ 2,617.60

Available to Operate		
Beginning Balance 12/31/19		\$ 203,451.43
Net Change YTD 2019		47,469.35
6/30/2019	Balance	250,920.78

Loan	Loan Fund	Origination Date	Original Amount	Interest Rate	Term	Payment Due Frequency	Last Paid Date	PMT Amt	YTD Int	YTD Prin	Outstanding Balance	Payoff Date	Type of Pmt
Alona Buddy	RDA	7/14/10	\$15,000.00	4.00%	10 years/5	1st	Jun-18	\$151.87	\$71.19	\$840.03	\$3,061.68	12/1/2015**	ACH
Doering	RDA	6/8/12	\$24,500.00	3.00%	15 Years/1	10	Jun-18	\$169.22	\$225.27	\$790.05	\$14,556.60	8/10/22**	ACH
Flower Basket #2	RDA	9/28/12	\$20,000.00	3.00%	10 years	Annual	Jun-18	\$2,000.00	\$0.00	\$0.00	\$12,567.21	7/1/2024	Check
JS Repair	RDA	5/28/13	\$10,000.00	0.00%	10 years/1	1st	Jun-16	\$50.00	\$0.00	\$0.00	\$9,089.12	7/1/2023	ACH
Midwestern Drilling, Inc	RDA	9/26/11	\$24,484.00	4.00%	10 years/5	15	Jun-18	\$247.06	\$158.08	\$1,324.28	\$7,279.11	2/1/2017*	ACH
Mi Mexico	RDA	9/20/17	\$20,000.00	4.00%	15 years/1	1st	Jun-18	\$147.94	\$389.34	\$498.30	\$19,009.98	12/1/2032	ACH
Whistle Stop	RDA	10/20/2014	\$10,000.00	3.00%	10 years	1st	Jun-18	\$315.06	\$340.34	\$1,550.02	\$21,783.17	12/1/2024	ACH
The Hair Connection	RDA	5/28/14	\$5,101.00	2.00%	10 year - S	1st	Jun-18	\$46.94	\$30.75	\$250.89	\$2,930.93	1/1/2025	ACH
Raciel's Butcher Shop	RDA	9/4/2015	\$8,900.00	3.50%	10 years	1st	Oct-16	\$88.01	\$0.00	\$0.00	\$8,334.98	10/1/2025	ACH
Image Xperts	RDA	10/30/2017	\$15,000.00	4.00%	10 years	1st	Jun-18	\$151.87	\$269.78	\$641.44	\$13,113.45	12/1/2017	ACH
SpecSys	RDA	12/31/2017	\$26,091.83	1.75%	7 years (be	1st	Jun-18	\$649.46	\$216.74	\$3,680.02	\$15,188.19	6/1/2021	Check
									\$1,701.49	\$9,575.03	\$126,914.42		

Loan	Loan Fund	Origination Date	Original Amount	Interest Rate	Term	Payment Due Frequency	Last Paid Date	PMT Amt	YTD Int	YTD Prin	Outstanding Balance	Payoff Date	Type of Pmt
Zosel's	ELF	4/29/11	\$12,125.00	NA	10 year, be	15th	Jun-19	\$91.46	NA	\$548.76	\$2,011.92	4/10/2022	ACH
Lee's	ELF	5/9/11	\$10,975.00	NA	10 years, t	15th	Jun-19	\$101.04	NA	\$606.24	\$2,223.08	4/10/2022	ACH
Sandstrom	ELF	11/10/11	\$15,000.00	NA	10 year, be	15th	Jun-19	\$125.00	NA	\$750.00	\$3,875.00	2/15/2022	ACH
Honebrink	ELF	9/15/12	\$9,000.00	NA	7 years, be	15th	Jun-19	\$107.14	NA	\$642.84	\$321.66	9/15/19	ACH
Rittenour	ELF	5/30/14	\$3,295.00	NA	5 year	20th		\$54.92	NA	\$0.00	\$1,372.80	6/20/2019	ACH
			\$63,181.00							\$2,547.84	\$9,804.46		
								\$457.97					

Loan	Loan Fund	Origination Date	Original Amount	Interest Rate	Term	Payment Due Frequency	Last Paid Date	PMT Amt	YTD Int	YTD Prin	Outstanding Balance	Payoff Date	Type of Pmt
Appleton Meat Center	RLF Fed	7/1/09	\$30,000.00	4.00%	10 years/5	10th	15-Mar	\$303.74	\$0.00	\$0.00	\$13,395.30	10/10/2020	ACH
Appleton Hardware Hank	RLF Fed	8/10/09	\$50,000.00	4.000%	10 years/5	1st	Jun-19	\$506.23	\$64.25	\$2,973.13	\$1,473.74	9/1/2019	ACH
CNH MIF	RLF Fed	9/18/2012	\$400,000.00	1.75%	7 years, be	Quarterly	Jun-19	\$15,203.65	\$315.13	\$30,092.17	\$13,663.96	7/9/2019	ACH
McDonald Heavy Industries #2	RLF Fed	12/20/12	\$25,000.00	3.00%	10 years/5	20th	Jun-19	\$253.11	\$222.00	\$1,296.66	\$10,342.76	4/20/2022	ACH
Northern Geo	RLF Fed	2/27/14	\$125,000.00	3.00%	10 year/7 \	15th	Jun-19	\$1,207.01	\$1,030.85	\$6,211.21	\$65,092.16	4/15/2021**	ACH
Brink's 104 Club	RLF Fed	5/22/14	\$40,000.00	2.50%	10 year	20th	Jun-19	\$377.08	\$1,287.36	\$975.12	\$21,910.59	8/1/2024	ACH
Brink's Beer Joint	RLF Fed	10/7/09	\$20,000.00	4.00%	10 years/5	1st	Jun-19	\$202.49	\$29.92	\$1,185.02	\$803.31	12/1/2019	ACH
JAX K-BID	RLF Fed	1/16/13	\$26,100.00	3.00%	10 year/5 \	1st	Jun-19	\$264.25	\$0.00	\$300.00	\$20,007.08	3/1/2018**	ACH
R&R Outdoors	RLF Fed	8/15/13	\$11,000.00	4.00%	10 years	15th	Mar-18	\$111.37	\$0.00	\$0.00	\$8,564.33	11/15/2023	ACH
Headwaters Media, LLC	RLF Fed	2/28/14	\$30,000.00	3.50%	10 years	15	Jun-19	\$296.66	\$287.55	\$1,492.41	\$15,557.80	4/15/2024	ACH
Lamecker General Store	RLF Fed	3/14/14	\$32,000.00	3.00%	15 year/10	15th	Jun-19	\$220.99	\$351.85	\$974.09	\$22,885.71	5/15/2024**	ACH
Do Mat's	RLF Fed		\$125,000.00	3.00%	10 years	15th	Jun-19	\$1,207.11	\$1,508.42	\$5,734.24	\$97,168.86	12/15/2026	ACH
Mi Mexico	RLF Fed		\$105,000.00	4.00%	15 years	1st	Jun-19	\$776.67	\$2,026.51	\$2,633.51	\$99,785.04	12/1/2027**	ACH
Ace Ag	RLF Fed	8/15/18	\$81,398.64	2.50%	11 years	15th	Jun-19	\$1,000.00	\$939.07	\$5,060.93	\$72,168.28	6/1/2026	ACH
Appleton Power Equipment 2018	RLF Fed	10/31/18	\$70,000.00	4.00%	10 years	1st	Jun-19	\$708.72	\$1,376.12	\$2,876.20	\$67,123.80	12/31/2028	ACH
									\$9,439.03	\$61,804.69	\$516,547.42		

Board Presentation

A. Subject	Date	Time	#
Tax Levy 2020	7/23/2019	20 min	501

B. Reporter
Jennifer Frost

C. Summary

Based on the preliminary 2020 RDA Budget, existing projects still underway with BBC funding and One-Time Funds, and the fact that 2020 is a strategic planning year, Jen recommends no change in levy unless the board wants to request enough funding for an additional staff person.

Preliminary Budget for 2020 and RDA ROI is attached.

D. Fiscal Impact

A levy of 117,000 will result in no change requested and received from 2019

E. Recommendation/Request

Approve a levy request of \$117,000 for the 2020 Budget year.

F. Prepared By

Jennifer Frost

Swift County RDA	2018	2019	2020					
	Draft v4	Draft v2	Darft v1					
INCOME	2018							
Interest Income Financial Inst	450	500	20,000	carry over one-time funds	##			
Other Income	7,000	-	500	Interest on operating bank balances - assume a rate cut				
Shared Income CVEC	49,500	49,500	3,000	grant writing FHLB				
Shared Income CVEC	(24,750)	(24,250)						
Tax Settlement Levy	97,000	117,000	117,000	With no change				
TOTAL INCOME	249,200	142,750	140,500	-				
EXPENSES								
Ads & Promos	1,000	-	1,000	What will this be? Estimate \$500 per event newspaper only				
Bank Charges	100	100	100	estimate on actual				
Board Mtg Expenses	3,000	3,000	3,000	per diem & misc meeting costs - will this change?				
Business Liability Insurance	2,735	2,750	2,750	D&O & Bonding (invoice in Dec)				
Computer Services	600	600	600	any planned? Unplanned?				
Professional Fees	9,000	6,000	14,000	Web Services & BRE	##			
Employee Related Costs	100,714	118,000	107,000					
Filing Fees	500	500	500					
Investment Expense	4,950	4,950	2,475	49.5k shares @ 10 cent				
Miscellaneous	200	200	200					
Office Supplies & Equipment	1,200	1,200	1,200					
Postage	100	100	250	BR&E increase (one-time)				
Printing	1,000	1,000	2,000	BR&E increase (one-time)				
Registrations	1,000	2,000	2,000					
Special Projects	69,000	52,000	7,000	Holding pending calculation of likely remaining one-time funds				
Dues & Subscriptions	1,200	2,400	2,400	increase - online subs and quickbooks				
Telephone	1,340	1,000	1,000	reduced - rely on landline less				
Travel Expense: Board	500	500	3,000	Biomass Conference Heidi (\$2500), more mileage with BRE...				
Travel Expense: Staff	3,200	3,200	5,700	Move biomass conference out of special to travel?				
TOTAL EXPENSE	201,339	199,500	156,175					
Estimated Beginning Balance*	110,000	185,000	113,000					
Income	249,200	142,750	120,500					
Expenses	201,339	199,500	156,175					
Ending Balance	157,861	128,250	77,325					

Swift County Taxable Market Value

Jul-19

Year	TMV	Amount Change	% Change From Last	Amt Change Cumulative	% Change Cumulative	Taxable Market		Requested Tax Levy	Requested Tax Levy Rate %	Actual Tax Levy	Actual Rate %
						Taxable Market	Taxable Market				
1995	440,762,300	19,350,800	4.4%	116,738,600	36%						
1996	471,123,600	30,361,300	6.4%	147,099,900	45%						
1997	508,801,800	37,678,200	7.4%	184,778,100	57%	85,415					
1998	547,960,100	39,158,300	7.1%	223,936,400	69%	92,246					
1999	609,251,900	61,291,800	10.1%	285,228,200	88%	99,345					
2000	638,563,900	29,312,000	4.6%	314,540,200	97%	110,457					
2001	681,418,800	42,854,900	6.3%	357,395,100	110%	115,772					
2002	730,826,700	49,407,900	6.8%	406,803,000	126%	123,541					
2003	795,879,800	65,053,100	8.2%	471,856,100	146%	132,499					
2004	895,637,600	99,757,800	11.1%	571,613,900	176%	144,293	70,000	0.0088%	70,000	0.0088%	
2005	993,192,700	97,555,100	9.8%	669,169,000	207%	162,379	70,000	0.0078%	70,000	0.0078%	
2006	1,130,685,200	137,492,500	12.2%	806,661,500	249%	180,066	70,000	0.0070%	70,000	0.0070%	
2007	1,265,948,500	135,263,300	10.7%	941,924,800	291%	204,993	70,000	0.0062%	70,000	0.0062%	
2008	1,432,438,700	166,490,200	11.6%	1,108,415,000	342%	229,516	70,000	0.0055%	70,000	0.0055%	
2009	1,725,431,900	292,993,200	17.0%	1,401,408,200	433%	259,701	77,000	0.0054%	77,000	0.0054%	
2010	1,775,768,400	50,336,500	2.8%	1,451,744,700	448%	312,821	124,000	0.0072%	77,000	0.0045%	
2011	1,831,052,100	55,283,700	3.0%	1,507,028,400	465%	321,947	87,000	0.0049%	77,000	0.0043%	
2012	2,051,335,900	220,283,800	10.7%	1,727,312,200	533%	331,970	77,000	0.0042%	77,000	0.0042%	
2013	2,560,925,300	509,589,400	19.9%	2,236,901,600	690%	371,907	77,000	0.0038%	77,000	0.0038%	
2014	2,909,113,300	348,188,000	12.0%	2,585,089,600	798%	464,296	87,000	0.0034%	87,000	0.0034%	
2015	2,986,348,200	77,234,900	2.6%	2,662,324,500	822%	527,422	87,000	0.0030%	87,000	0.0030%	
2016	2,780,172,120	(206,176,080)	-7.4%	2,456,148,420	758%	541,425	87,000	0.0029%	87,000	0.0029%	
2017	2,793,135,804	12,963,684	0.5%	2,469,112,104	762%	504,045	97,000	0.0035%	87,000	0.0031%	
2018	2,806,846,200	13,710,396	0.5%	2,482,822,500	766%	506,396	97,000	0.0035%	97,000	0.0035%	
2019	2,799,945,354	(6,900,846)	-0.2%	2,475,921,654	764%	508,881	117,000	0.0042%	117,000	0.0042%	
2020						507,630	117,000	0.0042%			

Maximum 0.01813%

Jennifer:
based on enabling resolution from 1995

Year	RDA Net Grant Revenue to County	RDA Grant Revenue spent in County	Levy	RDA Net Direct \$\$ Value-Add	Grants Earned
2007	-	-	70,000	(70,000)	
2008	-	50,000	70,000	(20,000)	MN NH3 Study
2009	50,000	-	77,000	(27,000)	ARRA Energy
2010	-	-	77,000	(77,000)	
2011	-	-	77,000	(77,000)	
2012	400,000	-	77,000	323,000	MIF CNH - capitalized loan funds
2013	-	467,000	77,000	390,000	SCDP Murdock/Kerk
2014	-	-	87,000	(87,000)	
2015	-	*494,500	87,000	(87,000)	*\$5M Broadband Assist
2016	-	-	87,000	(87,000)	
2017	-	*100,000	87,000	(87,000)	*\$100K Blandin Training
2018	-	320,625	97,000	223,625	SCDP Kerkhoven/DeGraff
2019	75,000	-	117,000	(42,000)	
Total				275,625	
2020	36,000	443,000	117,000	362,000	2020 proposed levy w/successful FHLB grant
Total	561,000	1,280,625	1,204,000	\$637,625.00	

*Not included in Cash Value

Jennifer Frost:
Admin to HRA - Pending FHLB grant

Jennifer Frost:
Pending FHLB grant

**RESOLUTION
REQUESTING THE SPECIAL BENEFIT TAX FOR 2020
THE SWIFT COUNTY RURAL DEVELOPMENT AUTHORITY**

Motion by Member _____ Seconded by Member _____

WHEREAS, the Swift County Rural Development Authority (RDA) desires to levy such a special benefit tax in the amount of \$117,000., within the RDA's area of operation; and

WHEREAS, the levy of such a special benefit tax is subject to the consent of the Board of Commissioners of Swift County, Minnesota; and

WHEREAS, the RDA is also required to, in connection with the levy of such a special benefit tax, formulate and file a budget in accordance with the budget procedure of the County in the same manner as required of the executive departments of the County, and the amount of the tax levy for the following year shall be based on that budget and approved by the Board Commissioners of Swift County;

NOW THEREFORE, BE IT RESOLVED that the Board of Members of the Swift County Rural Development Authority, hereby requests the the levy of a special benefit tax for taxes payable in 2020 within the Authority's taxing jurisdiction in the amount of \$117,000. This represents no change over the current levy amount of \$117,000.

Adopted on a _____ vote by the Swift County RDA Board Members on the 23rd day of July 2019.

Swift County RDA Board Officer

Name, Position

ATTEST:

Jennifer Frost, Executive Director

Board Presentation

A. Subject	Date	Time	#
Loan Funds	7/23/2019	10 min	601

B. Reporter
Jennifer Frost

C. Summary

Following a microlending training course, the instructor asked us to consider:

How are we using our loan funds to further our mission and achieve our goals?

Our RDA fund is flexible but small in the amount of dollars we have to lend. The Swift County RLF has restrictions on its uses, but the uses are greater than we currently have in place.

Attached is a document that outlines the eligible uses of funds and restrictions.

I'd like to spend time during the next several meetings reviewing and considering the various options available to us with our federal loan fund dollars, and then challenge ourselves: Is there a better way to utilize our funds that will further our mission and help us achieve our community economic development goals?

D. Fiscal Impact

No direct fiscal impact

E. Recommendation/Request

Discuss – is there an interest in a more in-depth review of our loan fund opportunities?

F. Prepared By

Jennifer Frost

GUIDELINES

for the

RE-USE OF LOCAL REVOLVING LOAN FUNDS (RLF)

**COMMUNITY DEVELOPMENT BLOCK GRANT
ECONOMIC DEVELOPMENT PROGRAM (CDBG-ED)
MINNESOTA INVESTMENT FUND**

**STATE OF MINNESOTA
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT
BUSINESS AND COMMUNITY DEVELOPMENT DIVISION
OFFICE OF BUSINESS FINANCE
March, 2014**

INTRODUCTION

The Community Development Block Grant Program (CDBG) administered by the Minnesota Department of Employment and Economic Development (DEED) is funded annually by the U. S. Department of Housing and Urban Development. DEED's Office of Business Finance receives 15% of the states' CDBG annual allocation for the purpose of furthering economic development in the non-entitlement areas of Minnesota. This economic development set aside is operated within the Minnesota Investment Fund (MIF) program, which is supplemented with state funds. *(For purposes of this document, the program will be referred to as "CDBG-ED" and the requirements apply only to the federal funds.)* HUD establishes the CDBG regulations and requirements for the program and has oversight responsibilities for the use of these funds.

CDBG-ED funding is provided to a unit of general purpose local government. *(The local unit of government will be referred to as "the local government").* In turn, the local government provides a loan to a business to assist with its start up or expansion. DEED allows the community to retain the loan repayments, including principal and interest. Historically, local governments chose to use the repayments to capitalize a Revolving Loan Fund (RLF) for economic development purposes only. It has been found that for many reasons, (i.e., number of years it has taken to accumulate enough cash to actually use the funds, staff turnover, lost paperwork, confusion over the federal requirements, lack of projects, etc.) many RLF's have been inactive. Fortunately, CDBG rules provide flexibility on the reuse of these funds. To assist local governments in the administration of their RLF, CDBG-ED funds can be used for the following:

- 1) Revolving Loan Fund (RLF) for Business Financial Assistance;
- 2) Other CDBG Eligible Activities; and
- 3) Assistance to a Local Development Organization (LDO).

These guidelines will provide general guidance on the requirements for the reuse of the funds. For in-depth information the community must refer to regulations posted by HUD on their website.

Before determining how these funds will be used, it is strongly recommended a thorough needs assessment of the community be undertaken. Through this process, the community will have a better understanding of its community and economic development needs and will be positioned to effectively address these needs.

SECTION I

Revolving Loan Fund (RLF) for Business Financial Assistance

The establishment of a Revolving Loan Fund within a community is one of several tools available to encourage business development. When establishing a RLF, the local government should begin by determining the economic development needs of their community from which they can develop policies, procedures and guidelines in response to those needs. There is no reason to “reinvent the wheel” as there is a wide array of RLF guidelines, samples of application forms, and legal documents on the web; or DEED’s application(s) may be used. Upon completion of the policies and procedures, the grantee must submit them to DEED for approval.

When a RLF is capitalized with repaid CDBG-ED loan repayments, the community takes on a major responsibility, as it will be functioning as a lender. The lending responsibilities are similar to those of commercial lenders and include loan marketing, application processing, credit analysis, lending decisions, loan closing and documentation, and loan servicing, in addition to meeting all of the federal, legal and administrative requirements of the CDBG-ED program.

Because the RLF dollars are public funds, the local government must demonstrate to the taxpayers (as well as DEED and HUD) that their funds are being used wisely and for a public benefit. If a project fails, there may be a loss of public funds and external scrutiny of the local governments lending practices. It is important for the local government to mitigate these risks through prudent screening, underwriting, structuring and monitoring of business loans.

It is strongly recommended that administrators of the RLF take RLF training through organizations such as the National Development Corporation (NDC) or the Council of Development Finance Agencies (CDFA).

Local governments with CDBG-ED RLF’s must keep the following in mind:

The RLF never loses its federal identity. When loans are repaid, all CDBG regulations and requirements that applied during the term of the original project(s) will apply to the RLF. Some of these requirements include, meeting a national objective, public benefit standards, citizen participation, environmental review and Davis-Bacon (prevailing wage). The only exception is when loan repayments are made to a qualified Local Development Organization (See Section III). In addition, the grantee must report to DEED on the use of the RLF on an annual basis as long as the funds continue to revolve.

In compliance with HUD regulations and state rules, the State of Minnesota has chosen to permit the local government receiving CDBG-ED funds to establish a revolving fund to carry out specific, identified activities. A revolving fund, for this purpose, is a separate fund (with a set of accounts that are independent of other program accounts) established to carry out specific activities which, in turn, generate payments to the fund for use in carrying out such activities. These payments to the revolving fund are program income and must be substantially disbursed

from the revolving fund before additional grant funds can be requested from the State for revolving fund activities. Such program income is not required to be disbursed for non-revolving fund activities. Interest earned on the revolving fund is program income.

When using the RLF for Business Financial Assistance, the community's RLF will continue the same activity that the original CDBG-ED assistance was addressed – “financial assistance to a for profit business that will create or retain permanent jobs, of which at least 51% will be taken by or made available to LMI persons.” However, in addition to making a direct loan to a business, there are several other activities that are eligible for funding.

Eligible Activities

The financial assistance to businesses can be provided in the form of *grants, loans, loan guarantees, or other assistance* determined by the community and detailed in their RLF policies. Following are the activities that CDBG-ED RLF's can be used for:

- **Direct Financial Assistance to Businesses**
 - Direct financial assistance can be provided to private, for profit businesses that intend to create or retain permanent jobs.
 - Funds under this activity can be used to assist a business with the following:
 - Project based land acquisition;
 - Building construction and other improvements;
 - Renovation of an existing building;
 - Purchase of capital equipment;
 - Purchase of an existing building;
 - Site improvements;
 - Working capital;
 - Railroad spurs or similar extensions;
 - Some types of downtown commercial rehabilitation.
 - Retail operations are eligible.
 - For example, a low interest loan can be provided to a business to assist with the purchase of equipment as part of a larger project.
- **Infrastructure**
 - This includes public works projects necessary for the location, expansion, and/or retention of a specific for-profit business(es). Examples of eligible infrastructure projects are: streets, roads, water, sewer, bridges, sidewalks, parking facilities, drainage systems, railroad spurs, etc.
- **Microenterprise Assistance**
 - The RLF may provide direct financial assistance, including loans, grants, etc. and technical assistance to assist with the start up or expansion of microenterprise businesses.
 - A microenterprise is defined as a commercial enterprise that has 5 or fewer employees, of which 1 or more is the owner.

- **Business Incubators**
 - For the development, rehabilitation or property improvement of a building or the actual construction of a building to house the incubator; and/or
 - Provide assistance to businesses locating within the incubator.

- **Job Training**
 - This involves providing skill building classes to employees or potential employees and can be an important part of an economic development program. It can include:
 - Training unskilled, low-income persons for specific jobs for which they have been hired and which require skill levels beyond what they now have through a customized training program;
 - Re-training existing employees of a business as part of a project which qualifies as job retention.

- **Technical Assistance (TA)**
 - CDBG-ED funds can be used to provide TA in either of the following ways:
 - To provide training to the local government to carry out the economic development activities; and
 - To provide technical assistance and training directly to businesses on topics such as business planning or accounting.

- **Administration**
 - Administration is a one-time cost for items directly related to making the loan (consultant or legal fees, etc.), but cannot include staff time.
 - Costs will be capped at 10% of the loan amount or \$5,000 – whichever is less.
 - If a loan should default at a later date, legal expenses and collection fees would be eligible, but please contact your DEED loan officer in this instance.
 - If a consultant is hired, the local government must follow the procurement process.

Other Requirements

Economic Development projects funded by the local government with CDBG-ED funds are subject to a wide range of requirements. The local government is responsible to ensure that the operation of the RLF is in compliance with a whole host of federal and state laws, regulations and executive orders. Following are the major requirements. Additional information on these and all other requirements are detailed on HUD's website.

- **National Objective**
 - All projects must meet one of three national objectives:
 - Benefit to persons of low and moderate income (LMI);
 - To aid in the prevention or elimination of slum and blight;
 - To meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the

health or welfare of the community.

In the CDBG-ED category, nearly all projects will meet the Benefit to LMI objective.

- **Public Benefit Standards**
 - These standards ensure that at least a minimum level of public benefit is obtained from the expenditure of CDBG-ED funds. Use of these standards is mandatory.
 - This requirement is separate from the National Objective requirement that 51% of the jobs created or retained be taken by LMI persons.
 - Basically, the standards are a “cost per job” or “cost per goods and services” calculation used to determine if the financial assistance is appropriate.

- **“Anti-pirating” of Jobs**
 - CDBG-ED funds cannot be used for employment relocation activities or “job pirating.”
 - Job pirating refers to the use of federal funds to lure or attract a business and its jobs from one community to another.
 - Specifically, CDBG-ED funds may not be used to assist businesses if:
 - The funding will be used to assist directly in the relocation of a plant, facility or operation; and
 - The relocation is likely to result in a significant loss of jobs in the labor market area from which the relocation occurs.

- **Environmental Review**
 - All projects are subject to the National Environmental Policy Act (NEPA) which seeks to avoid adverse impacts on the environment by mandating careful consideration of the potential impacts on any project assisted with federal funds.
 - All projects must have an appropriate environmental review completed prior to project costs being incurred.

- **Citizen Participation**
 - The local government must include the public in decisions about use of the RLF, as well as each project to be funded.

- **Acquisition/Displacement and Relocation Requirements**
 - Applies to any acquisition of real property when CDBG-ED funds are used for the acquisition.

- **Davis Bacon and Related Acts**
 - Includes the Federal Contract Work Hours and Safety Standards Act, and the Copeland “Anti- Kickback” Act;
 - Applicable when more than \$2,000 of CDBG-ED dollars are used for construction, remodeling, site development and equipment installation.

- **Guidelines and Objectives for Evaluating Project Costs and Financial Requirements.**

These underwriting guidelines are designed to assist the local government to select economic development projects that are financially viable and will result in the most

effective use of CDBG-ED funds. The use of these guidelines is **voluntary**; however, local governments electing not to use these guidelines are expected to conduct basic financial underwriting of projects funded under this eligibility category. There are six criteria that must be evaluated:

- Project costs are reasonable;
- All sources of project financing are committed;
- To the extent practicable, CDBG-ED funds are not substituted for non-federal financial support;
- Project is financially feasible;
- To the extent practicable, the return of the owner's equity investment will not be unreasonably high; and
- To the extent practicable, CDBG-ED funds are disbursed on a pro-rata basis with other finances committed to the project.

SECTION II

Other CDBG Eligible Activities

The community may broaden the use of the RLF by establishing a program that supports other *community* development needs which combines a wide array of activities. These activities must continue to meet the requirements of the CDBG program. When converting CDBG-ED to CDBG-SCDP, ***the Program Income can only be used as leverage for open active grants or on new applications to SCDP.***

The community must receive approval from DEED's Office of Business Finance if it chooses to use some or all of its CDBG-ED loan repayments for "Other CDBG Eligible Activities." The written request must include the dollar amount to be transferred and a plan for the use of the funds.

The request will be reviewed by DEED's Office of Community Assistance (SCDP staff) and if approved, the community will transfer the agreed upon amount from its RLF to a "Program Income" account. The administration of the Program Income is then transferred to DEED's Office of Community Assistance staff.

- **Federal Objective**
 - All projects must meet one of three national objectives:
 - Benefit to persons of low and moderate income (LMI);
 - To aid in the prevention or elimination of slum and blight;
 - To meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community.

Eligible Use of Funds for "Other CDBG Activities": Community Development is the primary focus of these funds. For more information see the SCDP A-Z guide on the DEED website. You can choose one or a combination of the following activities.

- **Housing Activities-rehabilitation of housing which includes Lead Based Paint and historical evaluation and remediation.**
 - Homeowner Rehabilitation – to assist existing homeowners with rehabilitation of their homes.
 - Rental Housing – to rehabilitate rental housing.51% of the units must be occupied by low to moderate incomes at HUD Fair Market Rents.
- **Commercial Rehabilitation:** Rehabilitation of non-residential building owned privately or by a non-profit. This activity must come in combination with another activity.

- Code Violations
 - Health and Safety Issues
 - Façade Improvements
 - Energy Efficiency
 - Accessibility Access
- **Public Facilities and Improvements:** Activities that are necessary to improve public facilities for communities that have 51% or greater of low and moderate income persons by census or survey area.
 - Public Improvements include, but is not limited to water and sewer lines, water and wastewater treatment and storage.
 - Public Facilities such as community centers.
- **Assessment Abatement:** The recovery of the capital costs of a public improvement.
 - Abatement assessments are provided to households whose family income is 50% or less of the county median income.
- **Clearance:** Usually related to demolishing structures as a result of a disaster or urgent threat to health and safety in the community.
 - Removal of demolition products (rubble) and other debris.
- **Conversion** – The conversion of a closed building from one use to another.
 - Conversion of a closed school building to residential or for use as an eligible public facility.
- **Program Administration** – for the planning and execution of CDBG activities.
 - Eligible costs include staff and related costs required for overall management, coordination, monitoring, reporting, and evaluation. Application preparation is not an eligible activity with any CDBG funds.
 - This is not a stand- alone or separate budget line item and should be included within the main activity cost.

Note: All Disaster activities will be addressed on a case by case basis.

Other Federal Requirements under the SCDP-Program Income

- **Environmental Review**
 - All projects are subject to the National Environmental Policy Act (NEPA) which seeks to avoid adverse impacts on the environment by mandating careful consideration of the potential impacts on any project assisted with federal funds.
 - All projects must have an appropriate environmental review completed prior to project costs being incurred.

- **Citizen Participation**
 - The local government must include the public in decisions about use of the program income, as well as each activity or project to be funded. A public hearing is required and if funded a second hearing mid-project is required.

- **Davis Bacon and Related Acts-used in commercial rehabilitation, rental rehabilitation of 8 units or more and public facilities.**
 - Includes the Federal Contract Work Hours and Safety Standards Act, and the Copeland “Anti-Kickback” Act;
 - Applicable when more than \$2,000 of CDBG dollars are used.

- **Acquisition/Displacement and Relocation Requirements**
 - Applies to any acquisition of real property when CDBG-ED funds are used for the acquisition.

SECTION III

Local Development Organizations

HUD has recognized the need to lessen the burden to local governments that are administering CDBG-ED funded Revolving Loan Funds (RLF's). Therefore, the Housing and Community Development Act (HCDA) was amended to allow grantees of CDBG-ED funds to sub-grant their award to a qualified non-profit organization to carry out community economic development projects. This process is referred to as "de-federalizing" the funds and by doing so, the RLF is exempt from the CDBG requirements. The local government selects the non-profit organization to carry out the activity and designates it as a Local Development Organization using a LDO agreement.

Because of the large number of underutilized RLF's funded with CDBG-ED funds, as well as the complexity of the CDBG requirements, DEED is strongly recommending that local governments with CDBG-ED RLF's consider the use of this process.

- **Advantages of de-federalization:**

- Decreases the administrative burden on local governments to comply with the onerous CDBG requirements;
- Increased flexibility in the administration of CDBG-ED RLF's;
- Maximizes the flexibility of use of CDBG-ED funds, including accommodating regional approaches to the administration of lending programs.
- No annual reporting to DEED on the use of the funds.

- **Local Development Organization Eligibility Requirements:**

The LDO must meet the requirements of 105(a)(15) of the Housing and Community Development Act. The local government and prospective LDO will be required to complete and submit to DEED a LDO Designation form (attached), indicating that the following requirements related to the eligibility of the LDO have been met:

- The organization is organized as a non-profit under the appropriate Internal Revenue Service code for nonprofits;
- The organization is organized under state or local law to serve the community/economic development needs of communities;
- The organization is independent of the local government;
- The LDO will be "carrying out" the specified activity. In order for loan repayments to become de-federalized, the LDO will be the beneficiary of the loan; and
- The activity shall not be carried out until DEED has approved the LDO designation and Agreement.

- **Process**

DEED awards the CDBG-ED grant to the local unit of government who, after executing the LDO Agreement, grants the funds to the local nonprofit organization that meets the above definition. This entity is now known as the Local Development Organization (LDO). The LDO lends the funds to the business and the loan repayments are returned to the LDO. This loan is subject to the CDBG-ED requirements; however, subsequent loans made by the LDO through the repayments of the original loan are not. The local government monitors the LDO for compliance. DEED monitors the local government. When the project is complete DEED administratively closes the project file. Reporting to DEED on the use of the RLF is not required. Though exempt from the CDBG requirements, the LDO must establish policies and procedures which further economic development in the community.

To accomplish this, the local government must provide the following to DEED:

- Citizen Participation documentation. A public hearing must be held to discuss the transfer of funds to the LDO. Information to be provided to DEED includes: the public hearing notice, public hearing minutes, passage of a resolution concerning the arrangement with the LDO including a stipulation regarding the de-federalization of the funds;
- Draft agreement that is mutually acceptable to both entities,
- IRS documentation establishing the “nonprofit” organization;
- Copy of the LDO’s proposed RLF policies and procedures;
- LDO Designation form;

Upon DEED approval, the agreement may be executed and the RLF policies and procedures finalized.

A local government that has an existing RLF capitalized with CDBG-ED funds can also provide some or all of its RLF to an LDO. The LDO’s initial use of these funds must meet all CDBG requirements and will not be de-federalized until repaid to the LDO. The process for the transfer of funds to the LDO is the same as outlined above.

Once the transaction is completed and the LDO Agreement is executed, the Grantee cannot recall the funds nor can they instruct the LDO on the use of the funds.

Responsibilities for the initial project

- The Local government is responsible for the following:
 - Compliance with all CDBG-ED requirements on the initial use of the CDBG-ED funds;
 - Monitoring the LDO;
 - Obtaining any necessary records from the LDO;
 - Submittal of annual reports to DEED while the grant is open.

- Local Development Organization (LDO):
 - Is responsible for “carrying out” the initial project. This primarily means it will undertake the activity of the project directly or through contracts with an entity other than the local government. In any case, the LDO must have and continue to have a direct and controlling interest in the project and have the capacity for ensuring that program requirements are met. It cannot be simply a passive “pass-through” participant for the local government that performs all of the work.
 - Is responsible for the following minimum activities in “carrying out” the program:
 - Owner of all program policies and processes for the implementation of the program;
 - To manage the program. If the LDO does not have adequate staffing to manage the program it can contract for these services with a private contractor. A solicitation process for the contractor must be conducted in accordance with the open and competitive requirements of the state’s procurement requirements. These services may include but are not limited to performing the daily accounting, application processing, and construction management duties;
 - To be in control of all decisions regarding the transferred CDBG funds, including final loan decisions;
 - Compliance with all federal and state lending requirements;
 - Owner of the resulting loans and loan repayments;
 - To use any repaid funds as specified in the LDO agreement. If, for some reason the LDO dissolves and an asset reversion occurs, contact DEED for assistance. An asset reversion could change the federal identity of any repaid funds; and
 - Final accountability for all CDBG funds received.

No formal procurement process is required for the selection of a LDO. The local government negotiates terms with its selected LDO.

It is recommended that the local government use DEED’s draft LDO Agreement template.

RESOLUTION OF
(Name of City or County) Requesting Designation of the
(Non-profit Organization) as a Local Development
Organization

WHEREAS, the **(Name of City or County)**, (herein, the **“City” or “County”**) would like to better utilize the Community Development Block Grant Economic Development (CDBG-ED) Set-Aside federal funds; and,

WHEREAS, if the **“City” or “County”** retains these funds and their repayment, the funds retain the federal designation and guidelines forever; and,

WHEREAS, the **“City” or “County”** by resolution, can request from the Minnesota Department of Employment and Economic Development (DEED), authorization to transfer CDBG-ED Set-Aside funds to a Local Development Organization, herein, (LDO); and

WHEREAS, the **(Name of Non-Profit Organization)** is interested in being designated as an LDO and is a non-profit organization, as defined in Internal Revenue Service regulations, serving the community and economic development needs of a non-entitlement area; and

WHEREAS, the **(Name of Non-Profit Organization)** has adopted procedures and guidelines for the use of the federal funds, the repayment of the federal funds plus any interest accrued, earned or paid thereon.

NOW, THEREFORE BE IT RESOLVED by the **“City” or “County”** that the **“City” or “County”** hereby requests approval from the DEED to designate the **(Name of Non-Profit Organization)** as a Local Development Organization (LDO), serving the community and economic development needs of the **“City” or “County”** and, therefore, authorize them to receive the repayments from the CDBG-ED Set-Aside loan to **(Name of Business)**.

I CERTIFY THAT the above Resolution; was adopted by the **(City Council or Board of Commissioners of the City of or County of)** on the _day of _____, 20 .

SIGNED:

WITNESSED:

Name/Title

Name/Title

Swift County RDA/GROW
301 14th Street North
Box 207
Benson MN 56215

Board Presentation

A. Subject	Date	Time	#
Executive Report	7/23/2019	5 min	701

B. Reporter
Jennifer Frost

C. Summary
Place holder for Jen's Executive Director Report

D. Fiscal Impact
NA

E. Recommendation/Request
NA

F. Prepared By
Jennifer Frost