



**HEADWATERS**

Regional Development Commission

*Leading the Way*

# Organizational Self-Assessment

November 2016

## *The Headwaters RDC: Organizational Self-Assessment*

### *Introduction*

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

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

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

The process we used is straightforward:

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

The following narrative documents the results of this assessment.

### *Who We Are*

The Headwaters RDC started as a regional planning organization, and evolved over 35 years into a leadership-focused and results-oriented organization. We still undertake

planning, and have added considerable development-oriented activities, but our key leverage tool to be effective in all these areas is our leadership. Our customers have come to expect it, and our Region needs it.

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

### *What We Do*

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

### *Our Business Model*

The way we earn our revenues each year is different than most public organizations. Less than 30% of our income is derived from a property tax levy, and another 12% is derived from longer-term ongoing contracts. Otherwise, our revenue comes from interest on loans we make, fees from housing we build and/or rehabilitate, and consulting contracts in traditional planning areas.

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

### *Our Changing World*

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

- Regional centers are becoming increasingly important economic engines throughout Minnesota. Bemidji's growth will continue to influence the Region's future.
- Energy costs will continue to influence public policy and create both challenges and opportunities that are as yet unknown.

- External funding will be scarce, given severe constraints at the federal and State level.
- The old economic order emphasized low cost; the new order emphasizes innovation and quality.
- Workforce issues are central concerns of businesses.
- The new economic order puts a premium on talent. Quality of place is seen as one of the attractors for talent.
- The proportion of our population that is of workforce age is shrinking, while the percent over 60 is growing.

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

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

Following are some of the themes from each group.

*Commission Members*

- Commissioners strongly favor occasional guest speakers. Most Commissioners also like small group discussions on some issues.
- Commissioners expressed broad satisfaction with Commission meetings and organizational management.
- Commissioners gave staff high marks for overall performance.
- A few Commissioners were “neutral” in their appraisal of commission discussion and the role of advisory committees and subsidiary corporations. These comments suggest a need to promote more opportunity for Board discussion and enhanced information regarding the work of both advisory committees and subsidiary corporations.
- One respondent called for a newsletter and deeper information in Board packets. Another suggested an earlier meeting time to accommodate those who travel

some distance to attend meetings. These issues should be discussed in greater detail at upcoming meetings.

- Commission members suggested a number of important issue areas that HRDC should focus on over the next five years, including:
  - Economic development/ workforce
  - Meeting a broad range of housing needs
  - Community development, including grant writing
  - Transportation
  - Infrastructure development/ funding
  - Active living
  - Long range/ comprehensive planning
  - Aging issues
  - Mental Health

#### *Recent Customers and Partners*

- 95.5% of recent customers would recommend the HRDC to other partners, indicating a very broad level of satisfaction with our work.
- Customers have suggested a very broad range of issues that are deemed important for the HRDC to focus on over the next five years. Many of those issues, such as the following, are currently being addressed:
  - Economic development and business financing
  - Housing
  - Transportation
  - Community Development
  - Hazard Mitigation/ Emergency Communication
  - Health and Wellness through Active Living
  - Natural Resource Management

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

- Linking current activities with educational institutions
- Exploring ecotourism opportunities
- Collaboration between local units of government

- One respondent expressed concern with the challenges presented by staff turnover. The comment should be a reminder that we need to pay attention to keeping the staff that we have, especially in light of the statewide labor shortage.

### *Assessment Summary*

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

### *Conclusions*

- **The HRDC has played an integral role in positioning the Region for future success. Its continuation is in the public welfare and interest.**
- Customer Observations on quality
  - Customers gave staff high marks on timeliness, responsiveness, effectiveness, leadership displayed, commitment, and quality of both process and results. At least 89% of respondents indicated each as either excellent or good.
  - Customers offered a few suggestions for improvement, including:
    - Consider increased marketing efforts, perhaps through a monthly newsletter that would highlight success stories and availability of resources;
    - Have a presence and keep active in communities throughout the region;
    - Make sure staff levels are adequate to complete tasks in a timely manner.
- Key Strategic Issues for the Commission to consider
  - What are the implications of shifting demographics including a relatively smaller workforce and increasing population of senior citizens?
  - What will be the effect of increasing energy costs? Are there opportunities as well as challenges?
  - What can we do to decrease the gap between the “haves” and “have nots”?

- How can we most effectively work together to create the communities and Region that we want to live in?

### *Next Steps*

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

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

# Appendices

## Constant Contact Survey Results

**Survey Name:** 2016 HRDC Customer and Partner Survey

**Response Status:** Completed

**Filter:** None

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1. Which of the following best describes your affiliation?		
	Number of Response(s)	Response Ratio
Local elected official	17	12.5%
Local city/county staff	30	22.2%
Business person	28	20.7%
Non-profit staff or board member	31	22.9%
Citizen-leader	6	4.4%
State agency staff	6	4.4%
Tribal staff	2	1.4%
Federal agency staff	5	3.7%
Other		
1. Banker and Prior HRFC board member		
2. Bank Officer		
3. client		
4. Clearwater County HRA Board Member		
5. Education		
6. Property Management		
7. Housing Partner		
8. Chamber President /CEO		
9. lender		
10. Education	10	7.4%
No Responses	0	0.0%
<b>Total</b>	<b>135</b>	<b>100%</b>

2. Have you or your organization had an opportunity to work with us (HRDC, HRFC, HHDC) sometime over the past five years?		
	Number of Response(s)	Response Ratio
Yes	128	94.8%
No	7	5.1%
No Responses	0	0.0%
<b>Total</b>	<b>135</b>	<b>100%</b>

**3. If you answered "yes" to question 2, what was the nature of the activity in which you were involved with us?**

	Number of Response(s)	Response Ratio
Business Finance	18	13.3%
Economic Development	19	14.0%
Housing	50	37.0%
Natural Resource Management	1	<1%
Hazard Mitigation Planning	0	0.0%
Emergency Communication	3	2.2%
Transportation	16	11.8%
General Community Development	14	10.3%
Other		
1. many areas		
2. Education Study		
3. Community partnerships and projects		
4. HRDC as a contractor/TA Provider		
5. grant applications and reimbursement		
6. Nearly all these listed		
7. All the above	7	5.1%
No Responses	7	5.1%
<b>Total</b>	<b>135</b>	<b>100%</b>

**4. If applicable, please rate the following characteristics of our service.**

**1 = Very Poor, 2 = Poor, 3 = Fair, 4 = Good, 5 = Excellent**

Top number is the count of respondents selecting the option.  
Bottom % is percent of the total respondents selecting the option.

	1	2	3	4	5
Timeliness	0 0%	1 1%	11 9%	57 45%	58 46%
Responsiveness	0 0%	3 2%	6 5%	50 39%	69 54%
Effectiveness	0 0%	2 2%	8 6%	58 45%	60 47%
Leadership Displayed	0 0%	3 2%	9 7%	42 33%	74 58%
Staff Commitment	0 0%	2 2%	7 5%	43 33%	77 60%
Quality of Process	0 0%	3 2%	8 6%	56 43%	62 48%
Quality of Result	0 0%	3 2%	13 10%	50 40%	58 47%

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

92 Response(s)

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1. Process needs to be set for all participants such as when doing a strategic plan.
2. I focus on consumer real estate, from my perspective HRDC provides many viable options for consumers to obtain assistance with down payments / closing costs. The requirements for qualifying for this service are reasonable and appropriate.
3. Transportation & Small Community Development
4. Helping the region increase capacity to take on complex projects that intermix affordable housing and community development.
5. Homeless (in progress), Mental Health (in process?), Veterans housing and medical Work force training / education
6. Economic Development, housing
7. Economic Development, Housing, Growing Elderly Population
8. Economic development and business finance.
9. Mental Health
10. Housing - supportive, specialty housing such as jail re-entry and opioid moms, affordable and simple market housing for single people, section 8, basically housing of every type.
11. I would suggest that involvement with potential clients need fast action and support if new small business is being explored by people before dreams fall into a abyss of no help.
12. economic development and reducing local drug abuse
13. GROWING BUSINESS AND INFRASTRUCURE IN THE AREA
14. Housing for individuals that do not qualify for traditional funding. Housing for individuals of minority or disability.  
Help those first time home buyers who may have difficulty receiving funds from traditional venues.
15. Human centered development. Healthy housing, active transportation, integration of infrastructure and health.
16. Attracting more light industry to the community to provide livable wages for prospective wage earners. Minimize subsidized housing in the area, and concentrate efforts on growing the middle class.
17. Grant applications, keeping financial accountability
18. traffic safety and trails
19. Workforce development & education via mentoring - providing otherwise-missing "parental" support and guidance, to get people employed and needing fewer other social services
20. transportation solutions for low-income, creative space making, encouraging small towns to find their niche and embrace diversity
21. Not sure.
22. Housing  
Economic Development
23. transportation funding
24. The problem is the staff is always changing. They are always in training mode. Not very effective if you always have inexperienced staff. Train them in and then they leave.
25. affordable housing and business development
26. Continued counseling in financial and workforce issues as they work with their clientele for success.
27. workforce development, educational readiness, connecting between/among regional communities, rural broadband
28. I think we need to be flexible and change as needed.
29. Housing and Economic development
30. Housing issues

31. workforce, training, retention of current secondary ed students in the region.
32. smart growth
33. new business to the area. manufacturing
34. Active Transportation, Quality and prevalence of bike lanes (and no parking signs) and shared use paths, biking and walking way-finding, bicycle safety education
35. Workforce Development, Economic Development, Educational Development
36. Housing and corridors of alternative transportation.
37. Business incentives for growth in the region
38. Community Development
39. Planning and support for small communities.  
Economic development for small communities.
40. HRDC's role as the "go to " planning and development agency in the NW region of MN is extremely important to small communities and native organizations as it relates to housing development. Minnesota needs HRDC's expertise and experience to develop affordable and supportive housing that the public sector isn't doing and build strong partnerships.
41. Workforce Development, Housing,
42. I can't answer this because I just work with them on housing issues.
43. Economic assessment and development
44. Workforce Housing  
Business Development
45. Small business development and survival! Continue opportunities for job creation.
46. Housing and economic development especially for low-income and minority communities
47. Community development to mitigate climate change like pedestrian, bike and transit-oriented development.
48. collaborative projects and funding resources
49. Housing and economic development. I feel that the northern region is going to expand in leaps and bounds over the next five years.
50. Executive director transition.
51. Low income housing- working with joint planning board for housing projects
52. Development opportunities for the youth.
53. Supporting workforce development, education, and placement.  
Availability of broadband in remote locations.  
Professional & leadership development for municipal staff and elected officials in small communities (under 1000 population).
54. Assisting in ending homelessness. Providing leadership in the areas of mental health solutions and chemical dependency.
55. We have a limited partnership, of course would like more opportunities, but that depends on each scenario. All correspondence has been great.
56. Economic Development for our county with goal to provide jobs with living wage of \$17/hr minimum
57. Housing for those due to hardships, economics, mental health issues or transitioning from either a drug program or jail
58. Workforce development, quality of Place and housing
59. Low income housing development, comprehensive planning for communities,
60. Housing and Economic Development
61. Addressing housing needs, area infrastructure needs, water quality (specifically irrigation impacts)and helping employers find the quality of employees they need to stay in business. Additionally it would be helpful to find ways to keep state/federal government from intruding into the lives of people through their rules and regulations.
62. Affordable housing in the communities that the HRDC covers. This is a critical need throughout the Northwest Region and beyond.
63. Leveraging funds with other agencies on their repair loans/grants programs.
64. Housing for all

- 65. Housing and Economic Development
- 66. 1.Social & economic impacts of demographic change  
2.Workforce readiness  
3.Labor participation rates  
4.Regional competitiveness: (Tourism & Tech)
- 67. there continues to be the same issues. they need more drive and focus. maybe with the recent changes in this county things will improve.
- 68. Economic Development, Housing, General Community Development
- 69. Housing and small cities funding
- 70. energy, transportation,
- 71. Housing, Economic Development, Aging population
- 72. Mitigating poverty in the region.
- 73. I am unsure. What they did for us was great. So I guess keep it up.
- 74. Developing more flexibility in their finance programs with lending institutions. Focus on key areas within your market to grow, do what you can with the key markets, rely on that to provide a ripple effect to the other communities, but focus and hone energy on your main market, i.e. Bemidji then xyz city next, etc... Seems like the net is cast wide
- 75. mold in housing
- 76. Housing repair financing opportunities for low income owners.
- 77. Community development in the broadest sense - housing economic development leadership research capacity building citizen engagement etc.
- 78. All types of housing: supportive, affordable, work force and market rate housing
- 79. Environmentally sustainable economic development with broad social benefits.
- 80. Affordable housing and owner occupied rehab
- 81. The intersection of affordable/workforce housing and economic vitality of communities.
- 82. Housing in rural communities
- 83. They are working with the Regional Radio board and Committees and are doing a great job of educating and dealing with difficult state software as well.
- 84. Outreach to smaller communities by presentations and inviting them to board mtgs and have a list of opportunities that are able to be offered to these communities.  
Explain process.
- 85. Housing and poverty.
- 86. Long range planning.
- 87. help small towns get state and Federal money for infrastructure
- 88. Affordable Housing
- 89. transportation planning
- 90. Employability, Housing, Economic development, Communication
- 91. Housing
- 92. affordable housing

<b>6. Would you recommend the HRDC to other partners?</b>		
	<b>Number of Response(s)</b>	<b>Response Ratio</b>
Yes	129	95.5%
No	3	2.2%
No Responses	3	2.2%
<b>Total</b>	<b>135</b>	<b>100%</b>

## 7. Do you have any suggestions for improvements that we can make?

49 Response(s)

1. I have not attended the Home Stretch workshop that HRDC provides to our community – I plan on attending the next available course and would be very interested in partnering with this endeavor. Education is key, and HRDC provides a valuable service in this area.
2. Increase communication to external stakeholders and partners regarding activities and successes of HRDC.
3. Any way you can play a role in redirecting a culture of entitlement towards achievement instead?
4. Staff is excellent and always willing to discuss issues that arise.
5. None that I can think of
6. None
7. No
8. Enjoy working with staff members and confident in their abilities to complete the task presented.
9. Keep in contact with clients and provide a timely frame of requirements. Energy and enthusiasm by H.R.D.C. will promote ideas in distressed areas. Don't give up on people's dreams give hope in a system that can help.
10. Keep up the good work in Northern Minnesota. It is a pleasure to work with such dedicated individuals.
11. Not at this time
12. Brief but frequent newsletter to all constituents and potential constituents
13. Not currently
14. report progress of issues and matters at hand
15. Long term staff development. Keep staff longer.
16. Collaboration with partners on obtaining funding and implementation of bicycling and pedestrian plans; maintain at least 1 staff person as a League Cycling Instructor; continue to develop relationships across the region with leaders and advocates to increase bicycling and walking
17. Blow their horn a little more on their successes and how they help to assist and grow the communities they serve
18. Stay focused on something long and deep enough to make a measurable community impact.
19. More staff.
20. Satellite offices, hard to connect when main focus is on Bemidji
21. no
22. Continue to make a difference as you have and continue to do in rural communities.
23. No excellent knowledgeable staff and leadership on important issues
24. No. HRDC has been an excellent partner and very easy to work with on a number of projects. We appreciate the great working relationship!
25. Keep hiring quality staff like we currently have.
26. Need a solid exec director. I had heard there was consideration being given to a shared leadership model, which in my opinion would be a complete disaster.
27. Nothing comes to mind; HRDC is doing good work all around.
28. Keep supporting the outstanding staff leadership.
29. All good!
30. None at this time
31. Make sure you have sufficient staff to complete tasks in a timely manner.
32. Be active in your communities; all staff should be engaged and showing up in your

- communities, even at events and meetings that HRDC is not the organizer.
33. Get to know your communities and the issues they are struggling with. Tell the HRDC story to a broader audience. Blow your own horn!
  34. I think Tim Flathers is an excellent leader. He knows housing from the ground up. He leads by example. I also think Nikki Clancy is good to work with. When we have had issues with residents, we communicate to address the problem. She understands that we can't control the resident's behavior, we can only guide & support them. A team player.
  35. Very Excellent staff. Always helpful and always pleasant to work with and they are very committed to their work.
  36. Not at this time
  37. No
  38. No, we have found the HRDC to be an excellent and effective partner to work with. I can't think of anything that we would change.
  39. Keep doing what you are doing. Worked great for us.
  40. Not really HRDC does a great job as a regional "thought leader" and catalyst for systems change. Keep up the good work!
  41. Your organization does a great job and it's always a pleasure to work with you. The staff is very responsive and we have strong collaborative relationship.
  42. One on one visits with area lenders to discuss what HRDC has to offer
  43. no- they have an excellent staff.
  44. While challenging, outreach to more of the public.
  45. more detail in planning documents (action steps), staff help to complete action steps, and help getting infrastructure needs funded
  46. Appreciate their hard work!
  47. Monthly newsletter with grant opportunities, e.g.
  48. None
  49. no

## Constant Contact Survey Results

**Survey Name:** Survey of HRDC Board Members

**Response Status:** Completed

**Filter:** None

Nov 04, 2016 2:22:43 PM

### 1. How satisfied are you with the following:(1 being very dissatisfied, 5 being very satisfied)

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	1	2	3	4	5
The quality of commission meeting background information	0 0%	1 7%	1 7%	7 47%	6 40%
Commission discussion of issues at meetings	0 0%	0 0%	3 20%	7 47%	5 33%
The roll and effectiveness of your subsidiary corporation boards (HHDC, HRFC)	0 0%	0 0%	2 15%	4 31%	7 54%
The agenda formatting	0 0%	0 0%	0 0%	6 43%	8 57%
The structure of meetings	0 0%	0 0%	0 0%	7 47%	8 53%
The role of staff at commission meetings	0 0%	0 0%	0 0%	5 36%	9 64%

#### 4 Comment(s)

- meetings are well organized and informative
- I am concerned that some of the constituent members of HRDC have prolonged absences. Perhaps they have been asked to be excused.
- I enjoy the wide cross section of board members as it lends to great discussion and differing points of view.
- First meeting I attended was productive

### 2. Do you like having an occasional guest speaker?

	Number of Response(s)	Response Ratio
Yes	15	100.0%
No	0	0.0%
No Responses	0	0.0%
<b>Total</b>	15	100%

### 3. Do you like occasionally having the small group discussion format?

	Number of Response(s)	Response Ratio
Yes	11	73.3%
No	4	26.6%
No Responses	0	0.0%
<b>Total</b>	15	100%

**4. Do you have any other suggestions as to how we can make commission meetings more engaging and useful for you?**

6 Response(s)

1. The small groups allow more members to speak. Anonymous
2. I learn something at every meeting, I enjoy coming to the meetings
3. Give all HRDC staff respond to and field questions from the commission.
4. The Commission meetings are done very thorough so they are engaging, useful and interesting.
5. Newsletter, deeper advance packet information, somewhat more explanation of specific relation/benefit to constituent organizations
6. Move them to an earlier hour (such as 5:00 or 6:00) for those of us that have to travel.

**5. We are involved in numerous activities designed to help communities be successful. Please rate the importance of the HRDC's continued involvement in these areas. (1 being very dissatisfied, 5 being very satisfied)**

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	1	2	3	4	5
Housing planning, development and rehabilitation	0 0%	0 0%	1 7%	7 50%	6 43%
Economic development planning and project development	0 0%	0 0%	0 0%	7 47%	8 53%
Business financing	0 0%	0 0%	3 21%	8 57%	3 21%
Transportation	0 0%	0 0%	2 17%	5 42%	5 42%
Emergency communication	0 0%	0 0%	5 36%	6 43%	3 21%
Natural resource management	0 0%	1 7%	5 33%	8 53%	1 7%
Land use planning/zoning	0 0%	0 0%	4 29%	8 57%	2 14%
Community development	0 0%	0 0%	1 7%	6 43%	7 50%

**6. Are there areas you feel we should be involved in to help our communities be successful that we do not address presently? Please describe:**

4 Response(s)

1. Coordination among local communities and cooperation with other MN communities; opportunity for communication (lobbying) with state government
2. Some HRDC members tend to be parochial in their points of view rather than considering the entire catchment area of HRDC entities

3. Ecotourism, fishing/hunting/birdwatching/ and other outdoor related recreation development and promotion. E.g. several communities have supported a Pine to Prairies birding trail (<http://www.mnbirdtrail.com/>). A 'Wildlife Tour Route' has been discussed as an opportunity for the area. We have world renown peatlands, etc.
4. Links of above activities with education institutions; Communication to constituents of relevant state & federal programs re above activities, Offer grant-writing for a fee or percentage

**7. The HRDC currently has 12 staff members (including one contract employee). As a group, please rate your satisfaction with their performance in the following areas.(1 being very dissatisfied, 5 being very satisfied)**

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	1	2	3	4	5
Professionalism	0 0%	0 0%	0 0%	2 14%	12 86%
Quality of work	0 0%	0 0%	0 0%	4 29%	10 71%
Relationship with commission members	0 0%	0 0%	2 14%	2 14%	10 71%
Responsiveness	0 0%	0 0%	0 0%	3 21%	11 79%

**8. Over the years, we have developed an organization management style that is characterized by significant authority vested in the staff team, but also characterized by openness and transparency in our discussion with you. Please rate your satisfaction level with the following:(1 being very dissatisfied, 5 being very satisfied)**

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	1	2	3	4	5
The above-described management style	0 0%	0 0%	0 0%	4 29%	10 71%
The quality of our financial management	0 0%	0 0%	0 0%	5 38%	8 62%
The quality of our personnel management	0 0%	0 0%	0 0%	7 50%	7 50%
The overall quality of the organization's management	0 0%	0 0%	0 0%	5 38%	8 62%

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

1 Response(s)

1. I would like to ask that Commission Members be involved in activities that implement economic development that points to collective brain gain while investigating whether or if other governmental relations entities are more accurately be described as being involved in brain drain in policy initiatives that do not well serve the HRDC complement.