



Newsletter Volume 5, Issue 2, December 2004

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Notes from Randy's Desk

Happy New Year from MCCR!

Thank you to all the volunteers currently working on worthy projects that are transforming Miner County. It is such an inspiration to see so many people and organizations joining together to improve our quality of life. A special thanks to the Northwest Area Foundation for its continued encouragement and support of the Miner County Plan.

Miner County's work is something like the Lewis and Clark expedition. While those explorers knew what they wanted to accomplish, they were not exactly certain how to reach their destination, or what their journey would require. They planned as best they could and then were flexible in addressing challenges they encountered. Lewis and Clark shared a vision and encouraged each other to keep going. They overcame barriers because of their positive and determined attitude. What they learned was extremely valuable to those who followed.

Those of us in the 21st century Miner County are, in a sense, pioneering the future as much as 19th century explorers did. Recognizing that, we need to be intentional about our efforts -- intentional in encouraging others to make Miner County their home or place of business, and intentional in supporting our leaders, churches, schools and civic organizations, intentional in reducing poverty. We can do this informally, just by talking to others as we go about our daily lives, or formally as we work through tax entities and other organizations in positive and creative ways.

"Buying Locally Matters" is a phrase we need to repeat to ourselves, as a reminder of how important that is to the local economy. We have seen a significant increase in sales tax revenue over the past nine years, and 2004 is no exception. In fact, this year's revenue will be the highest. This revenue provides much needed services and improvements. Plus, the futures of Miner County's businesses depend on our support as their customers.

A couple businesses have been highlighted within this newsletter to give you a better understanding of their work. Also, please look over the "Did You Know" section of the newsletter. Hopefully, you'll find some statistics and other information of interest to you.

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Choosing a Community

When talking about population movement in rural South Dakota, the headlines always seem to read “Populations of Small Towns Decline.” That trend, however, may be turning, and Merlin Rieck and his wife Norma are a case in point.

The Riecks moved to Howard in the Fall of 2003 after spending five years in the Black Hills. Merlin was semi-retired and had been working at Custer State Park as a seasonal employee. They had initially been drawn to the Hills by their beauty, but the Hills couldn't compete with the desire to be with family and friends.

With children in Mitchell and Florence, the Reicks set out on a trek to return to eastern South Dakota and find a community somewhere in between their children. They decided

to put down their roots in Howard because as Merlin said, “It had everything we were looking for: our church, good medical facilities, and places to shop.” They were pleased to find property at a reasonable price — something they struggled to find in the larger communities in the region.

Their favorable impression of Howard continued to grow as they worked on their new home. In particular, Merlin cited the quality of service he received from Homestead Building Supply as well as local contractors. “Phil Bremmon was unbelievable with his help,” said Merlin. “He bent over backwards to help us with our home, even though we were 400 miles away at the time.”

The Reicks had decided to purchase a Governors House, move it to

Howard, and add a garage. “We looked at more than a half dozen homes, but we really wanted a single story home,” said Merlin. “A Governor's House was just such a great value for us... and we think we've doubled the value of it with the work done by local contractors.”

Since moving here, they have learned that Howard has even more to offer. The cost of living in Custer was much higher than in Howard. In particular Merlin cited the lower energy costs. “The house provides an advantage because it's so well insulated, and I've found the city rates to be very reasonable.”

Put these things together and Merlin will tell you that he is convinced they made a good choice.

Governor's House for Sale

Statistics show that once a person buys a house in a community, they are much more likely to stay in the community for the long term -- even if their job or other responsibilities move to other places. This fact was strongly considered when the MCCR Housing Committee made its decision to bring a Governor's House to Howard.

The house, now on its foundation in the Greenleaf Housing Development, is available for purchase depending on income and age of qualifying individuals. It is hoped that it will provide an opportunity for someone to purchase a home in Miner County who would not have considered it otherwise.

The Governor's House program has the major goal of providing quality, low-cost, low-maintenance, energy efficient housing for income qualifying individuals. Under its original design, individuals would purchase the house,

and move it to a lot they owned. In time, however, communities were allowed to purchase the houses as a means of encouraging people to move to their towns.

“We're not the first community to try a project like this,” said Mike Knutson, MCCR Housing Coordinator. “Rural communities across South Dakota, like White Lake and Redfield, have had a lot of success moving in Governor's Houses.”

“In some cases, having a house like this available has been a major factor in a family's decision to move to a community,” Knutson said. “That would be awesome if it happened here.”

The purchase of the house however, is not limited to someone living outside the community. “There have been many



instances in which seniors have purchased the houses as a means of down-sizing,” said Knutson. “They have been living in a larger home and want an energy efficient, smaller home. These homes fit that bill.”

Anyone interested in the home is encouraged to contact the MCCR office. Further information on the Governor's House project, including income and/or age requirements, can be found at the South Dakota Housing Development Authority website, www.sdhd.org.

Howard Farmer's Co-op Association



It's been said that South Dakota is not a place you can understand by driving through it at 70 mph.

That is even more true of our rural communities and organizations and businesses.

Howard Farmers Coop is an excellent example. Most of us might note the size of the soybean bunker, the new bins, the new agronomy center or the service center along SD Highway 34. But one has to look and listen to understand the vital role the Coop plays in our community.

This year the Coop is expecting to handle over 3 million bushels of grain (an increase of more than 500,000 bushels over last year). The condition of the Coop in 1994 was very different. "The regional experts and consultants were advising us to close the Howard Cenex facility which was in financial trouble at the time," said Jim Mutziger, General Manager. "They were also suggesting that the elevator couldn't survive without rail access and would likely be gobbled up by surrounding competitors. There were tough decisions to be made."

The board of directors analyzed the various components of the operations of both the Farmers Elevator and the Cenex. Relying on grain handling left the elevator vulnerable in the years of

lower grain production. On the other hand, Cenex's fertilizer/chemical operation was dependent upon the weather – for example, fall fertilizer applications could be held up by early snowfalls. What the board and staff saw was an opportunity in combining the two businesses and in keeping the investments working locally. "While weather impacts both sides of the equation, generally one or the other part of the operation is able to be productive at any given time," Mutziger explained.

In July, 1994 the board of directors voted to merge the Howard Farmers Elevator with the Cenex to form the Howard Farmers Cooperative Association.

"It takes a lot of courage to make decisions with the future in mind," said Mutziger. "The board had to make decisions for 3 – 5 years down the line with the understanding that it may take that long to see if their decisions were the correct ones. The board felt an obligation to the local patrons who had built and supported the elevator over the many years. They also recognized the number of employees affected by their decision and decided to work to keep them in our community. They

knew there would be a huge impact on local tax revenue if the business went elsewhere; they

intentionally chose to keep it here."

The merger took place ten years ago. Today the Coop is an example of what intentional planning and decision making can mean for a rural community. The Coop generates \$15-20 million in sales each year. The annual payroll and benefits totaling over \$880,000 annually mean 20 jobs in Howard with benefits that include insurance and pension plans. "Our average sales per employee is \$909,000. While not every employee has the job of sales, this is still a significant number in terms of staff productivity," said Mutziger.

When asked what the next challenges are for the Coop, Mutziger said that they are those of many rural cooperatives – the number of farmers is decreasing, the average age of farmers is increasing, more of the acres are controlled by large ag-corporations. But Mutziger said he felt that the Howard Farmers Coop has an advantage. "The people here have witnessed what their working together and supporting their own community can do. They take pride in that and are committed to it. I think that's our biggest advantage."

Energy Dynamics

You can do anything from here.

Run a multi-million dollar business out of Carthage, South Dakota? No problem. The message “you can do anything from here,” is one that Lyle Darnell of Energy Dynamics, agrees with wholeheartedly. And with over \$3 million in annual gross sales, Energy Dynamics is proving it.

Energy Dynamics markets ground source heat pumps manufactured by the Millbrook Hutterite Colony, located near Mitchell. Owned by Lyle and Brandon Darnell and Larry Barrick, Energy Dynamics has over 300 dealerships in 34 states and 5 provinces.

Businesses with this type of national distribution are usually associated with much larger communities, but as Darnell says, “With today’s communications systems, you can do your job from places like Carthage.”

Not only can you operate a business successfully from a small town like Carthage, but there are good reasons businesses should be located there. At the top of Lyle’s list of reasons to do business in Carthage is family; you can not find a better place to raise a family. Quality schools, outdoor recreation, and safety more than make it the perfect place to raise a family. That was certainly one of the main considerations his son, Brandon, made in deciding to join the business.

The second reason is economics; you can not find a more economical place to do business than Carthage. A case in point is the Energy Dynamics facility. They purchased a former church building, and completed a major remodeling project, turning it into one of the nicest facilities in Miner County. The costs of purchasing and remodeling



Pictured from left to right are Larry Barrick, Lyle Darnell, Brandon Darnell and Michael Hunt of Energy Dynamics

are a fraction of what they would have been in a place like Sioux Falls or Minneapolis.

With these advantages it is amazing that more people don’t start a business and live in small towns. But as Lyle points out, “People don’t always feel that they can be seen as successful and still be ‘country people’. Their self image is tied to where they live, as though living in the city proves that they are successful.”

With a proven track record for sales, it would be easy for Energy Dynamics to sit back and do business as usual, but that is not where Lyle sees the company moving. Recently, Energy Dynamics hired Michael Hunt, a licensed engineer with Heating, Ventilation, and Air Conditioning (HVAC) experience. They anticipate that this could increase their radiant floor heating business by 30%.

They have also hired a professional marketing firm to help create a plan for future growth. “People are not afraid to hire a lawyer or an accountant when they need legal or financial advice,” said Lyle. “Why wouldn’t they turn to professional help to advertise.”

People should not be confused, however, that Energy Dynamic’s success is due solely to its ability to market heat pumps. The foundation of their work is the quality of the products they sell and the services they provide. Energy Dynamics provides customer service to their dealers twenty-four hours a day, seven days a week, in order to make sure that their customers get what they are paying for. As Lyle likes to say, “If you are not getting the service, you are only getting half of what you paid for.”

People who are looking to run a successful business can learn a lot from Energy Dynamics. Not only does quality work pay dividends, but you really can “do it from here.”

Energy Dynamics is a corporation which is wholly owned by Lyle and Brandon Darnell and Larry Barrick. It was established with the sole purpose of marketing ground source equipment for Hydron Module, LLC.

For more information on Energy Dynamics check out their website at www.hydronmodule.com.

Did You Know...



...Miner County Leadership Council

which is made up of representatives and students from the school districts, county commissioners, incorporated cities of Canova, Carthage, and Howard, met for the third time to discuss collaborative ways to work together on the Miner County Plan. The purpose of the Miner County Council is to be committed to working together; be able to think and act creatively; redefine "Community Boundaries"; and be willing to do things differently. It was a unanimous decision by the group that this was important and to meet on a regular basis.

...The **Canova CARE Center** has maintained a membership of approximately 104 individuals/families.

...There are **1,385 workers living in Miner County with 1,097 working in the county** and 288 working elsewhere. There are 1,366 people working in Miner County with 1,097 living in county and 269 living elsewhere. Miner County has a net loss of workers of 19 or 1.4% which is very good for a rural county. McCook County, for example, has a net loss of 839 workers or 30.4%.

...**Dakota Beef Company**, a fully integrated beef processing company producing private label certified organic beef, currently has 12 full time employees. According to Scott Lively, CEO of DBC \$5,000,000 dollars of investment will be invested into the plant through building expansion, renovation, and equipment. DBC will also be looking to add an additional 25 employees this summer.

...**MCCR's Revolving Loan Fund** has loaned out \$750,000 for new business startups and expansion and retention of existing businesses. Working with local financial institutions, 15 loans have been made, 30 new jobs have been created, and 12 jobs retained.

...Through the **MCCR Business Assistance Program** an additional 28 jobs have been created and 110 jobs have been retained. Five additional businesses are being worked with currently.

...There were **10 New Homes built** in Miner County in 2003 and **15 homes built** in 2004 for a total of 25. South Dakota Housing Authority estimated that there would be only 12 built in the years 2003 through 2007.

...**Howard City Sales Tax** for 2004 is at a record setting pace, which is very encouraging for local businesses and the city. This year's October Sales Tax increased 38.5% over last October.

...The **Gross Sales** for all of **Miner County** for 2003 was \$62,053,916.70, which is a 27.9% increase over the 2002 total of \$48,523,662.68.

...The **Campbell Original Strawbale Museum** has had 1,070 visitors on their general guest book and in an additional guest book from the Strawbale Days held there were around 700 guests in attendance.

...**PBM Packaging, Inc.** of North Carolina is one of the leading printing companies of game cards in the U.S. The company has been doing business in Howard since 1998 and just recently purchased the building and land from Ann Powell Blake.

...Miner County's **Proportion of Total Personal Income by Source**, according to the latest statistics, is as follows:

Farm	13%
Transfer Pmts (Soc. Sec, Medicare, Retirement, etc.)	21%
Dividends, Interest & Rent	24%
Wages & Salaries	29%
Nonfarm Proprietors	13%

...From 1995-2004 the **Agromony Center of the Howard Farmers Cooperative** grew from one little fertilizer plant to a cooperative with rolling stock of \$1 million. Over the past 10 years the Coop has added \$3,875,000 in fixed assets while incurring only \$400,000 in long term debt. Over the past 10 years the Coop has distributed \$1,491,000 in patronage dividends and retired stock.

...An example of **Income Qualification for Free and Reduced Lunch Program** for Free Lunches for a family of four would be \$24,505 or less and for Reduced Lunches it would be \$34,873 or less. For more information regarding income eligibility guidelines for different size households you can contact either the Howard or Carthage school districts or the MCCR office.



...The former **Sherman's Service** building from Howard was moved to Fedora's Main Street and was converted to a **new Fire Hall**.

Miner County Heritage Fund



Friends of Miner County include those of us who make our home here and those of us who still think of Miner County as “home” or who have connections here even though we are now away from home. This year’s holiday mail included information about the Miner County Heritage Fund. Pat Maroney, President of the Board of Directors, recently sent a letter to each “Friend of Miner County” asking for their support of the work of community building underway throughout the county.

“Those who came before us left us a wonderful legacy,” said Maroney. “They have provided us with the values and the abilities to understand, to honor and to cherish the contribution of our rural place. It is our turn to put

those skills and assets to work to insure that opportunities exist for good jobs, that safe and affordable housing is available and that the infrastructure needed for quality community building is in place here in Miner County.”

The mailing included a brochure outlining some of the programs supported by the Miner County Heritage Fund which has a tax deductible status as determined by the IRS.

The Miner County Heritage Fund Board of Directors includes Pat Maroney, Richard Peterson, Mads Andenas, Gloria Faye Truman and Dan Scott.

If you have any questions or ideas regarding the Heritage Fund please feel free to contact any member of the board of directors or MCCR. If you would like us to forward a copy of the Heritage Fund brochure to someone on your contact list, please give us a call at (605) 772-5153.

Learning New Things About Old Friends

A series of short profiles will be included beginning with this newsletter. These short interviews with area residents will highlight the variety of ways people throughout the county are engaged with “Helping Make Miner County a Great Place to Call Home.”

This newsletter includes profiles of Faye Oines, Rick Olson and Staci Eggert. The series is planned to include interviews with 24 individuals from throughout the county over the coming months.

MCCR would like to thank Faye, Rick and Staci for agreeing to be the “first” of our many featured volunteers.

www.mccr.net

Check out the Miner County Community Revitalization website to stay updated regularly with articles about Miner County and MCCR. Local business opportunities that are for sale can also be found on the website. The CORELL Calendar that lists upcoming activities in Miner County is also located on this website. If you know of someone who is not receiving our newsletter but would like to be added to the list, please contact our office at 772-5153. To receive an electronic version please request it on our website.

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