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Southwest Regional Development Commission Fiscal Year 2003



Pictured above (left to right) is newly elected SRDC Chairman Gene Short presenting an appreciation plaque to Craig Rubis, outgoing Chairman.

Minn. Stat. 462.393 Subd. 1

GENE SHORT ELECTED SRDC CHAIRMAN

The Southwest Regional Development Commission, at their Annual Meeting held July 10th, elected Redwood County Commissioner Gene Short as the new Commission Chairman. Short has served on the SRDC, representing the Redwood County Board, since 1997 and is eligible to serve as Chair for two consecutive two year terms. Other Commissioners elected as officers are Lincoln County Commissioner Larry Hansen as SRDC Vice-Chairman; Rock County Commissioner Robert Jarchow as SRDC Secretary; and Murray County Commissioner Bill Sauer as SRDC Treasurer. Outgoing SRDC Officers are Jackson County Commissioner Craig Rubis, who served as Chair since July, 1999 and Lyon County Commissioner Bob Fenske, who served as Vice-Chair since July, 1999. Both Commissioner Rubis and Commissioner Fenske will continue to serve on the SRDC Board of Directors. The Commission expresses their appreciation for services rendered by the past Officers.

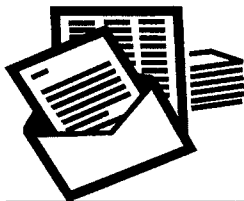
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Message from the Chair

A year ago, I used the word survival to sum up the previous year. With the help of the Legislature and the support of the counties, we were able to refinance our debt and raise revenues to cover the payments on that debt. Because of this, the Commission has been able to make significant progress this past year and for the first time in many years, FY 04 projections are that all available staff time will be accounted for before the year starts. It is great to start looking at growth again. This is a sign of how hard our staff works and the success they have created.

In the past year, we have been very successful writing and receiving grants for projects in many of our communities. We continue to help small businesses in our region with our revolving loan fund. Staff and commission members are also very active working with transportation, wind power, energy and many other issues important to the region. I have been serving this commission as chairman for the past four years, and I believe everyone knows that it has been a hard four years. I would like everyone to know it has been a rewarding time. It has been great to meet, get to know and work with so many wonderful people around the region and the state and the great staff we have has made it a pleasure to be chairman. Thank you...Craig Rubis.



From the Executive Director

This past year has been one where I think the Commission has re-established a certain level of stability in its operations. A very successful year writing grants has stabilized the financial situation. The SRDC had 100% of their Small Cities Grants funded, a Federal EDA Grant, a Minnesota Investment Fund Grant and three Hazard Mitigation grants also funded. The Revolving Loan Fund continues to assist businesses in the region with gap financing.

The SRDC also continues to be very active in planning activities, providing staff to the Rural Energy Task Force and the Southwest Solid Waste Commission and continuing our relationship with MNDOT to do transportation planning. Looking forward, staff is beginning to line up possible projects for 2004, and it looks like FY 2004 will be another positive year. The Southwest Area Agency on Aging is expanding its role with the Senior LinkAge Line® to become the regional call center for the twenty-seven counties in Southwest and South Central Minnesota, and the SRDC will be representing communities in twelve counties in a regional JOBZ application.

Thanks to the continuing good work of the staff and the Commissioners, the SRDC remains a vital part of Southwest Minnesota. Jay Trusty, SRDC Executive Director



Community Development Projects

Avoca/Iona Small Cities Project

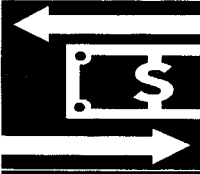
As part of the SRDC's Small Cities Development Program, staff at the RDC works with smaller communities who are trying to come up with funds to make infrastructure improvements within their respective community. These improvements could be either constructing a new or rehabilitating an old system.

Towards the end of 2001 and the beginning of 2002, the SRDC began working with the communities of Iona and Avoca, as they were both interested in constructing new wastewater infrastructure in their communities. Some highlights of this project include:

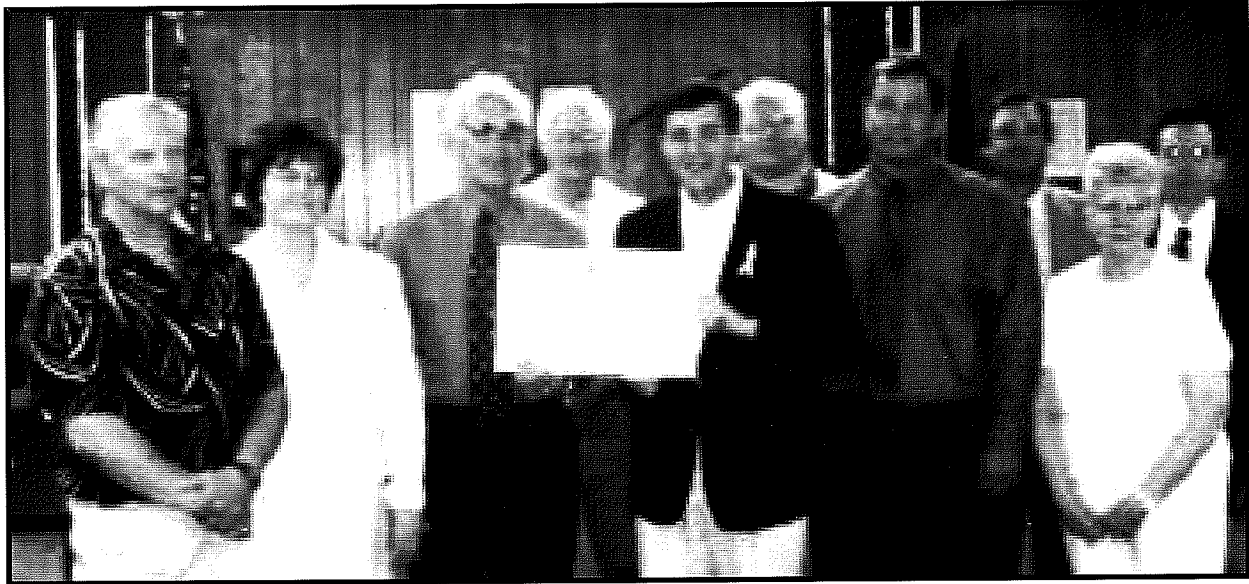
- New infrastructure for each community will consist of both wastewater collection and treatment.
- Iona will be installing a new water system, consisting of new distribution lines, a new water treatment system, and a new water tower.
- Partnership between the two communities saved each community money.
- Each community will construct their own collection systems and then jointly construct a new treatment facility.
- The two communities formed a joint powers board to oversee this project.
- A Preliminary Engineering Report has been prepared and funding from Rural Development Program and MN Department of Employment & Economic Development (DEED) has been received.
- The project has been bid.
- Work has begun in Iona.
- Work will begin in Avoca shortly.
- SRDC staff will be working with each City and their residents in completing applications for funding for completing their sewer connections.

Pictured (left to right) is Clint Sires, SRDC Development Planner with Matt Kramer, Commissioner of the MN Department of Employment & Economic Development





Economic Development Projects



Congressman Gil Gutknecht presents a check to the Representatives from the City of Pipestone and the Southwest Regional Development Commission

SRDC WORKS WITH CITY OF PIPESTONE TO SECURE CRITICAL GRANT FOR INDUSTRY

In early spring 2002, SRDC Deputy Director Nan Larson was asked to attend a Pipestone City Council meeting to provide input into financing sources for a pretreatment wastewater system for a key employer, the Ellison Meat Company. The City and the business were struggling with a way to meet in the middle to solve their problem of violations cited from the Minnesota Pollution Control Agency, due in large part to the industry. Following the meeting, Larson was asked to pursue a preliminary funding request from the U.S. Department of Commerce, Economic Development Administration, for wastewater infrastructure grant dollars. A pre-application was submitted in June, and a full application was invited in January, following some hurdles regarding the federal agency's classification of "distressed areas". The City chose to contract with the SRDC to have the full-application prepared, and staff spent sufficient time in the follow up phase of the application process as well. In June 2003, Congressman Gil Gutknecht came to Pipestone to announce the award of \$741,000 in grant dollars to the project, which is approximately sixty percent of the projected total costs. The City and the Ellison Meat Company have developed a Significant Industrial User Agreement and have agreed to split the remaining balance between the two. The City has now contracted with the SRDC for the administration of this grant project, which will likely be over the next eighteen months.

The new pretreatment system will not only allow the expansion of the Ellison Meat Company, but will give the City the added capacity to add other industries to their industrial park.

SRDC REVOLVING LOAN FUND SUPPORTS NECESSARY SERVICE BUSINESS IN ROCK COUNTY

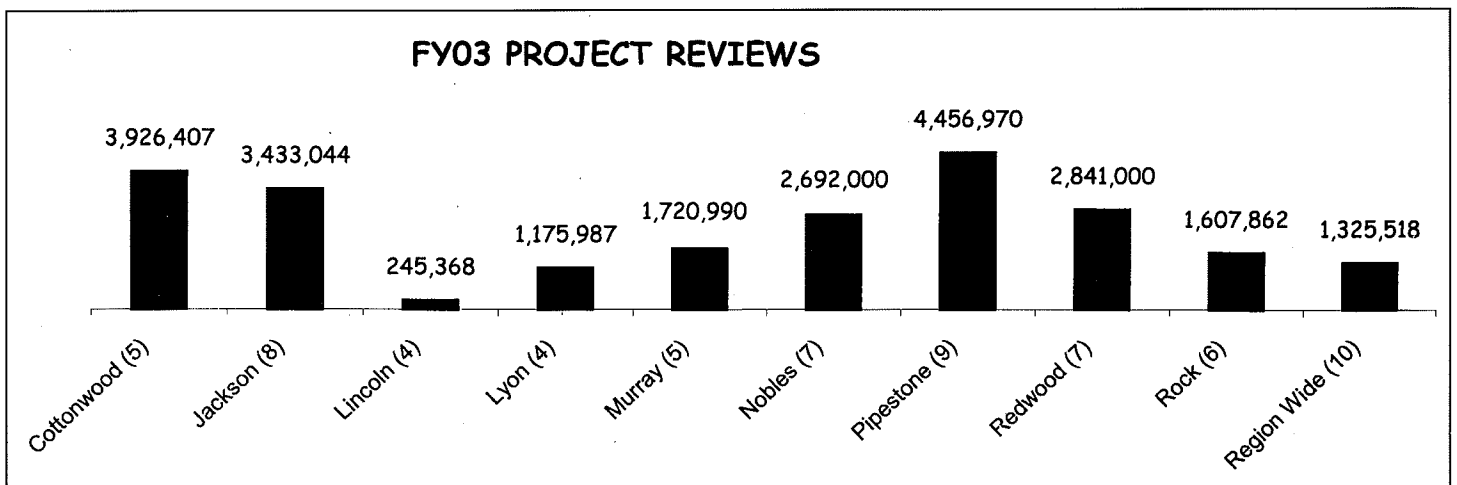
Earlier this spring, SRDC Deputy Director Nan Larson was approached by area First State Bank Southwest Executive Vice-President Greg Raymo regarding the SRDC's interest in participating in a unique economic development opportunity in the region. A dentist recently graduating was seeking to purchase a dentistry practice in Luverne, but needed gap financing to get the deal done. The practice was owned by a dentist who had been limiting his hours in the last several years as he was anticipating retirement, and was now seeking to retire permanently. To the SRDC, this was a super way to support the importance of retaining needed services to small towns in our region. Services available and amenities in cities are becoming more and more a critical issue for the retention, expansion, and location of business to an area.

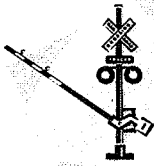
The revolving loan fund committee of the SRDC was pleased to approve a loan to Mark Bierma, DDS to make it happen. The SRDC participated in the financial package along with the First State Bank Southwest and the Southwest Minnesota Foundation, together with local funds.



Project Reviews

During Fiscal Year 2003 the Southwest Regional Development Commission reviewed 65 projects from within the Region to avoid duplication and insure wise use of public funds. If you are interested in receiving a complete listing of the project reviews for FY03, please contact the SRDC office.



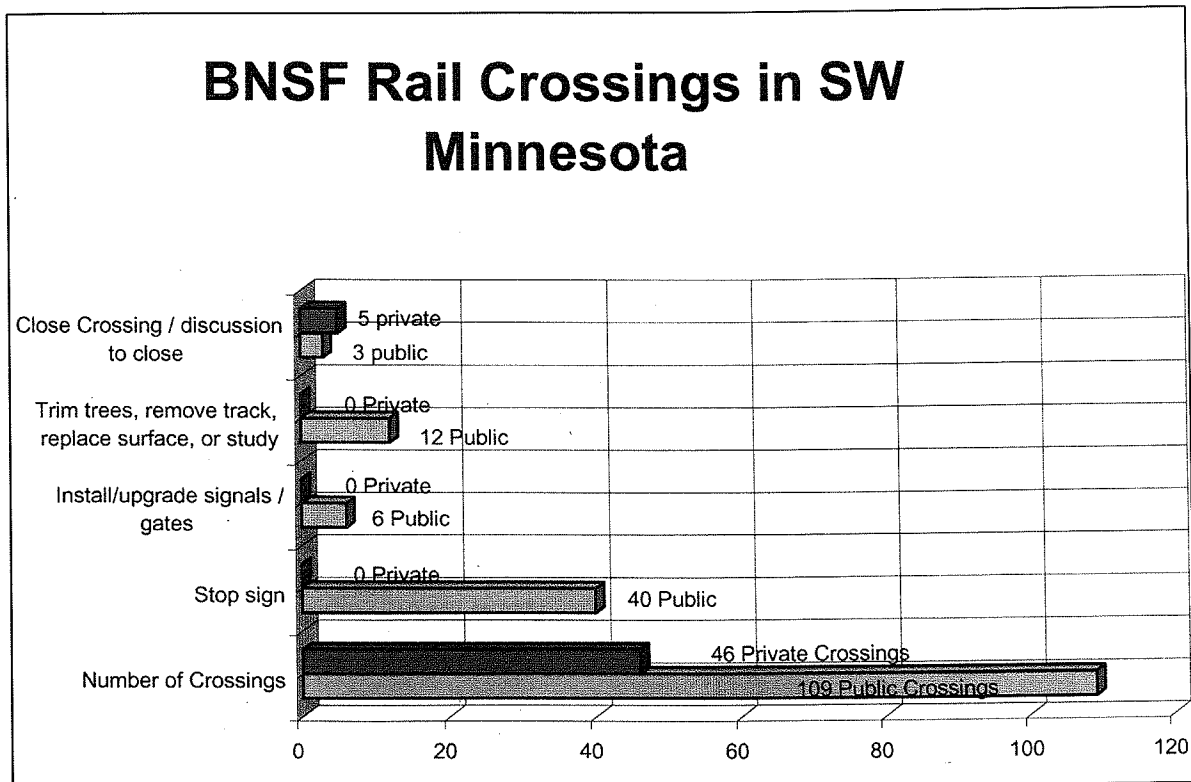


Transportation Projects

BNSF Rail Corridor Study Completed

A railroad grade crossing study was conducted along the Burlington Northern Santa Fe Railroad corridor that parallels Highway 23 and crosses 7 Counties from the Minnesota border in Rock County through Kandiyohi County. Four Counties (Rock, Pipestone, Lincoln, Lyon) and the road authorities along the corridor in the Southwest Region were part of the corridor study, which examined the safety issues and accident history at the public crossings, identified the private crossings and made recommendations on safety improvements.

The Study was funded by Mn/DOT who contracted with SEH Consultants. The Southwest RDC participated in linking the local units of government to the study team, attending the study team site visits, and review of the draft report. The chart below identifies the number of public and private crossings in the four counties, and the recommendations from the draft report.





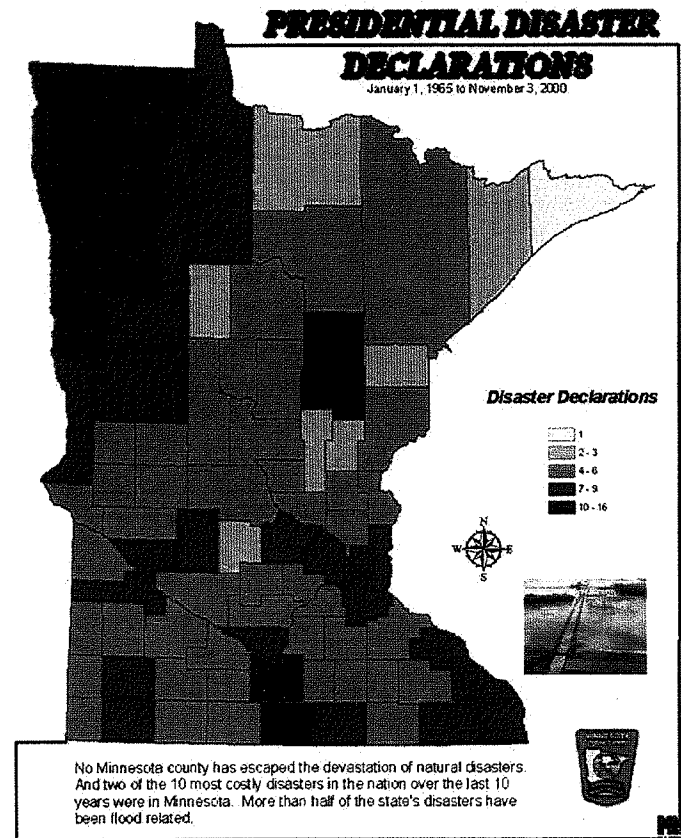
Hazard Mitigation Planning

During the middle of 2002, the Minnesota Division of Emergency Management (DEM) sent out an RFP for developing All Hazard Mitigation Plans (HMP) for all of the counties in Minnesota. On behalf of Nobles County, the SRDC responded by submitting an application to DEM. The Nobles County proposal was approved for funding and received \$20,000 from DEM to develop a plan specific to their county.

The development of the Nobles County All Hazard Mitigation Plan (HMP) has been aided by the fact that the SRDC recently worked with the county to update their comprehensive land use plan. As part of the HMP development, the comprehensive plan has been instrumental in providing some of the Nobles County "profile" data that the HMP requires. In addition, some of the data that was used to make maps for the comprehensive plan can and will be used in the HMP as well.

To date, SRDC staff has spent time putting together the profile section of the HMP. Once all of the data has been collected and mapped for the profile section of the plan, a hazard identification and assessment chapter will need to be developed. For this purpose, the SRDC is having Nobles County put together a task force, which will have an important stake in the plan development process. The task force will assist SRDC staff in identifying any and all hazards that have the potential to affect the county. In the case of Nobles County, an Emergency Management Planning Advisory Committee already exists and this group will be used in plan development. Members of this committee will most likely serve on the task force and the committee will be used to garner participation from the general public.

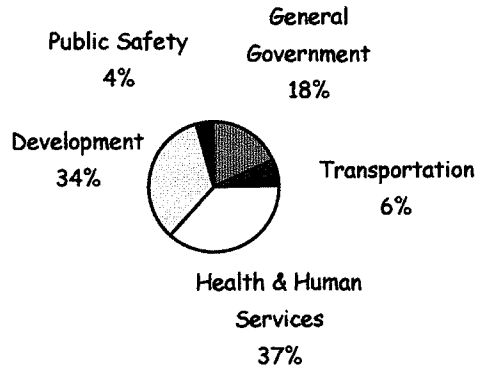
The plan is scheduled to be put into place by the first part of 2004, at which time it will go through a public review process. Once the general public has had a chance to review and comment it will be submitted to DEM and to the Federal Emergency Management Agency for their review and approval. The completed and approved plan will allow the county access to more grant funds from FEMA to implement ideas identified within the HMP that will lessen the impact of future disasters.





Finances

FY04 COSTS BY PROGRAM CATEGORY



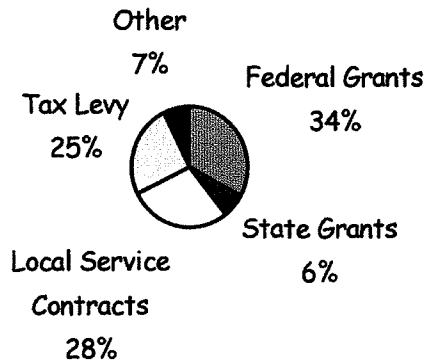
SOUTHWEST REGIONAL DEVELOPMENT COMMISSION

FISCAL YEAR 2003

Revenues	Annual Report - SRDC Administrative Only
Tax Levy	239264
MN Board on Aging	118931
Dept. Health-Purchasing Alliance	8774
Senior Link/Health Ins	61078
Title III-E-Senior Linkage	31951
State LTC I&A Initiative	9876
Operation Restore Trust (ORT)-HICP	2742
State/CMS-Health Insurance Counsel	13276
Dept. Safety-Hazard Mitigation	3080
Board of Innovation-Purch.Alliance	31628
Economic Dev. Adm.	55000
MN/DOT	50000
Civics Mentorship	750
Current Contracts	239096
Debt Service Levy	108435
Interest Earned & Miscellaneous	17417
Reserves used for Building	8162
Reserves used for Equipment Purchases	14759
Total Revenues	1014218

Expenditures	Annual Report - SRDC Administrative Only
Committee Expense	45542
Salaries & Fringe	544809
Staff Travel	32648
Office Space & Utilities/Upkeep	24925
Postage	11470
Communications	10949
Print/Publication & Advertising	17484
Supplies	5490
Insurance	7720
Depreciation (Non-building)	11724
Audits	4900
Computer	7016
Equipment	14759
Other	18146
Consultant/Contracted Services/Legal	28159
Building Remodeling	8162
Office Building Principal Payment	17338
Total Expenditures	811242
Balance	202976
Incr/(Decr) in Equipment Reserve	-3035
Incr/(Decr) in Building Reserve	2295
Incr/(Decr) in Unrestricted Reserve	40810
Incr/(Decr) in Debt Service Reserve	108435

FY04 REVENUE SOURCES



SOUTHWEST REGIONAL DEVELOPMENT COMMISSION	
DEBT SERVICE BOND - Fiscal Year 2003	
Bonds	1,645,000
Interest	5,114
TOTAL RECEIPTS	1,650,114

BOND USE	
Principal on Loans	1,347,501
Debt Service Interest	68,382
Contracted Services Payoffs	110,321
Legal Services	10,527
Bond costs	13,300
Property taxes & charges	97,980
Other	2,103
TOTAL BOND USAGE	1,650,114

Worthington Property Receipts	5,454
Worthington Property Costs	-59,925
Reduction in Unrestricted Reserve	-54,471

Passthrough amount for MBA/AAA subgrantees at \$732,231.

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FISCAL YEAR 2002 AUDIT REPORT

SRDC Combined Statement of Revenues, Expenditures and Changes in Fund Balance All Governmental Fund Types and Discretely Presented Component Units for the Year Ended June 30, 2002.

	Governmental Fund Types		Total (Memorandum Only)		Component Units	Total (Memorandum Only)
	General Fund	Special Revenue Fund	Primary Government			Reporting Entity
Revenues:						
Local & County	\$ 505,077	\$ 406,742	\$ 911,819		\$ 48,080	\$ 959,899
State	309,738	0	309,738		0	309,738
Federal	990,970	0	990,970		0	990,970
<i>Total Revenues</i>	<u>1,805,785</u>	<u>406,742</u>	<u>2,212,527</u>		<u>48,080</u>	<u>2,260,607</u>
Expenditures:						
General government	89,205	0	89,205		0	89,205
Transportation	63,571	0	63,571		0	63,571
Health	1,225,728	0	1,225,728		0	1,225,728
Econ. Development	337,928	346,220	684,148		65,665	749,813
<i>Total Expenditures</i>	<u>1,716,432</u>	<u>346,220</u>	<u>2,062,652</u>		<u>65,665</u>	<u>2,128,317</u>
Excess (deficiency) of revenues over expenditures	<u>89,353</u>	<u>60,522</u>	<u>149,875</u>		<u>(17,585)</u>	<u>132,290</u>
Other financing sources (uses):						
Loan proceeds received	144,000	0	144,000		0	144,000
Operating Transfers to proprietary fund	(183,674)	0	(183,674)		0	(183,674)
Net other financing sources (uses)	<u>(39,674)</u>	<u>0</u>	<u>(39,674)</u>		<u>0</u>	<u>(39,674)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	49,679	60,522	110,201		(17,585)	92,616
Fund Balance - July 1, 2001	\$ 163,921	\$ 197,378	\$ 361,299		\$ 46,428	\$ 407,727
Fund Balance - June 30, 2002	<u>\$ 213,600</u>	<u>\$ 257,900</u>	<u>\$ 471,500</u>		<u>\$ 28,843</u>	<u>\$ 500,343</u>

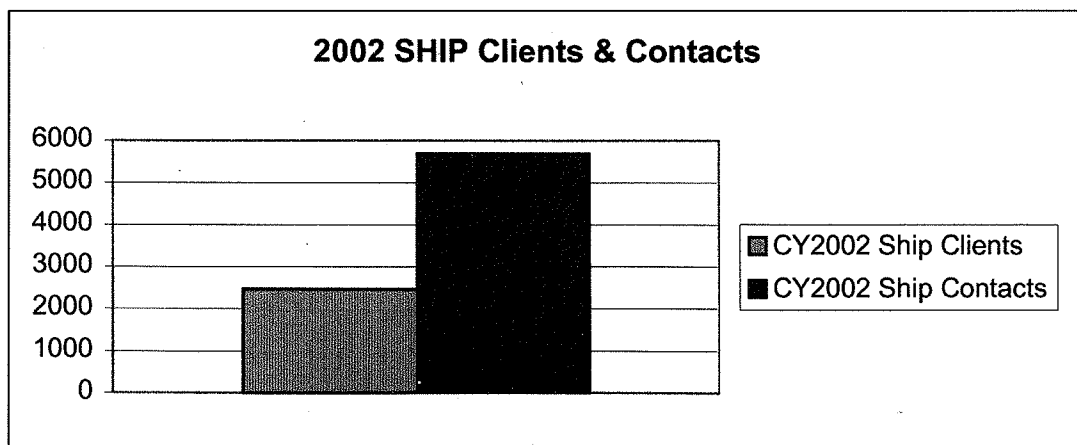


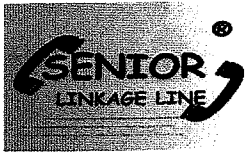
Southwest Area Agency on Aging

The Southwest Area Agency on Aging (SWAAA) is dedicated to providing services to southwest Minnesota's aging population. Advisory Council members within the nine county service area are actively involved in assisting the Area Agency on Aging in making funding recommendations to the SRDC and participating in site and contract assessments. Advisory Council members also assist with outreach to individuals who may be interested in services provided by the Area Agency on Aging.

This year the Area Agency has dedicated a large amount of time in the continuation of enhancing home and community based services within the region. Staff implemented a new curriculum for the State Health Insurance assistance Program (SHIP). A large amount of staff time was spent working with the Valley Choice closure for Minnesota Residents. 322 clients were affected in the Minnesota service area and the Senior LinkAge Line® assisted more than 2/3's of these clients in securing other insurance. Currently the Senior LinkAge Line® is actively involved in the new Patient Assistance Drug Programs that are being introduced by the Drug Companies to assist seniors with the rising costs of their medications.

The SWAAA awarded \$542,879 in Title III Funds for Legal Services, Respite, Information & Access, Coordinator on Aging, Peer Counseling, Senior Dining, and Home Delivered Meals & Drug Medication Management.





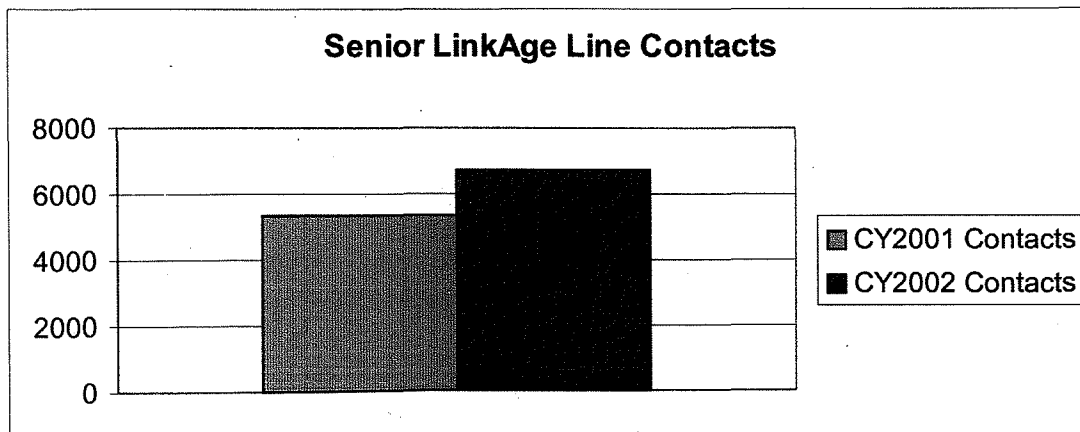
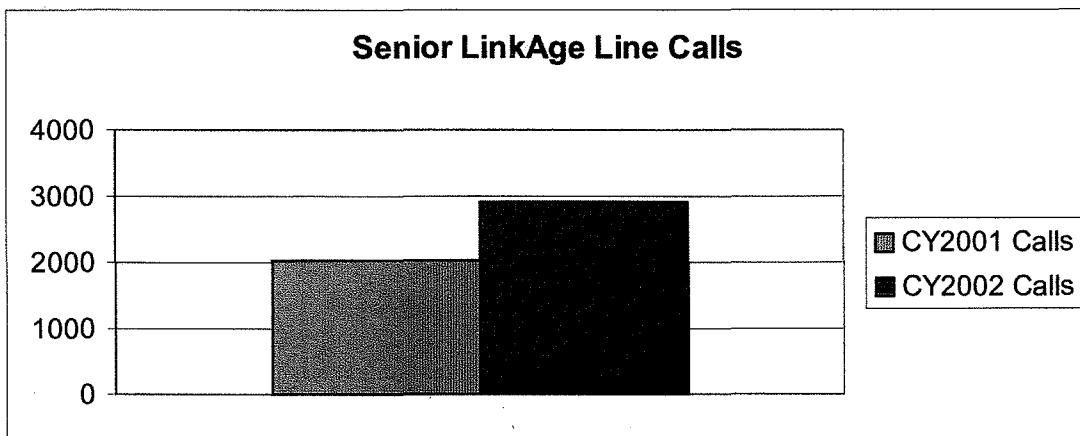
Senior LinkAge® Line Rx Connect "May I Help You?"

A bank employee called the Senior LinkAge Line® to ask about fuel assistance, food stamps or prescription assistance for an elderly client who was having difficulties. The client came to our office with the assistance of an older sibling who was the primary caregiver and lived in the household. The client had suffered medical problems that made speaking difficult, was in generally poor health and was unable to read.

During the Minnesota Health Care application process, the client listed an insurance policy as an asset, but was unclear about the details. Upon review of the policies, it became clear that the "insurance policy" was actually two annuities that the client had purchased from a door-to-door salesman with the clients life's savings. The annuities would not pay off until the octogenarian client was well over one hundred years old. Purchase of these annuities placed the client in an untenable financial situation.

Staff was asked to assist in cashing out the annuities so the client could stay solvent. In dealing with the insurance agent it became clear that there would be severe penalties involved for cashing out an annuity that should never have been written. With the help of the SHIP and the Minnesota Department of Commerce, we were able to get the client's money back from the insurance company with no penalties and assisted the client in securing a pre-paid funeral plan. This is just one of many examples of assistance that can be provided from the Area Agency on Aging through the Senior LinkAge Line®.

Increase in Senior LinkAge Line® Activity for CY2002



Mission Statement

"It is the mission of the Southwest Regional Development Commission to address the economic, social, physical, and governmental needs and opportunities of Southwestern Minnesota; while transcending traditional jurisdictional configurations. Further, to apply a regional perspective to problems, allowing for a coordinated effort by local units of government to address the needs of the region's citizenry and the activities of area agencies resulting in the sharing of a regional private and public resources while increasing the efficiency of government in general.

In addition, the Commission shall serve as the mechanism for initiating change in local, regional, State, and Federal policy, programs and regulations translating the region's concerns into a blueprint of action."

**SOUTHWEST REGIONAL
DEVELOPMENT COMMISSION**
2401 BROADWAY AVENUE, SUITE 1
SLAYTON, MN 56172-1142



The Southwest Regional Development Commission (SRDC) is a nine county planning & development agency providing services to local units of government, non-profit agencies, and various individuals and groups in both public and private sectors throughout the region. Membership is comprised of 36 representatives of townships, cities, counties, school boards, and public interest groups in the counties of Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood and Rock.

For more information:

Phone: 507-836-8547
Fax: 507-836-8866
E-Mail: srdc@swrdc.org
Website: www.swrdc.org

FISCAL YEAR 2003 SOUTHWEST REGIONAL DEVELOPMENT COMMISSION MEMBERS

Connie Knorr ----- Cottonwood County Municipalities
Darrell Holmberg ----- Cottonwood County Town Boards
Gary Sorenson* ----- Cottonwood Co Commissioners
Jim Schneider ----- Jackson County Municipalities
Richard Peterson* ----- Jackson County Town Boards
Craig Rubis** ----- Jackson County Commissioners
Gerald Willert ----- Lincoln County Municipalities
Eloise Hauschild ----- Lincoln County Town Boards
Larry Hansen** ----- Lincoln County Commissioners
Joanne Myrvik ----- Lyon County Municipalities
Lori Grant ----- Lyon County Town Boards
Bob Fenske** ----- Lyon Co Commissioners
Cal Wurpts ----- Murray County Municipalities
Charles V. Swan ----- Murray County Town Boards
Bill Sauer** ----- Murray County Commissioners
Patricia Jansen ----- Nobles County Municipalities
Joe McCarvel ----- Nobles County Town Boards
Claire Gerber* ----- Nobles County Commissioners
Harry L. Hansen ----- Pipestone County Municipalities
Wally Bucher ----- Pipestone County Town Boards
Jack Keers* ----- Pipestone County Commissioners
Heinz Janning ----- Redwood County Municipalities
Werner Fischer ----- Redwood County Town Boards
Gene Short** ----- Redwood Co Commissioners
Walter Kopp ----- Rock County Municipalities
Vern Vander Pol ----- Rock County Town Boards
Robert Jarchow** ----- Rock County Commissioners
Bob Byrnes* ----- City of Marshall
James Elsing* ----- City of Worthington
Dan Zimansky* ----- Region 8 School Boards
Rafael Gonzalez ----- Region Eight Cultural Diversity
Carol Flesner ----- SW Center for Independent Living
Mary Mulder ----- SW MN Private Industry Council
Doug Simon ----- Southwest State University
Kert Reedstrom ----- Health & Human Services
John Gochenouer ----- Prairie Discovery, Inc.

** Indicates Current & FY2003 Executive Comm. Members
*Indicates Current SRDC Board Members

Thank You to the following SRDC Commissioners whose terms expired in FY2003: Wayne Beck, Sandy Demuth, Wendell Erickson*, Eric Hartman, Evert Krossschell, Katy Olson, Marlowe Nelsen**, and David E. Sturrock.

CURRENT SRDC STAFF MEMBERS

Jay Trusty ----- Executive Director
Nan Larson ----- Deputy Director
Maddy Forsberg ----- Aging Program Director
Annette Bair ----- Physical Development Director
Dianne Crowley ----- Finance Director
Robin Weis ----- Program Development Specialist
Clint Sires ----- Development Planner
Rhonda Wynia ----- Office Manager
Helen Brinks ----- Financial/Grants Specialist
Linda Tobias ----- Information & Assist. Specialist II
Kathy Schreiber ----- Administrative Assistant II
Lori Sternborg ----- Administrative Assistant I