

Northwest Regional Development Commission

07 - 0171



Annual Report Calendar Year 2006

Table of Contents

General Highlights

Letter from the Chairman	3
Introduction and NWRDC Staff List	4
Commission Membership List	5
Budget	6

Program Highlights

Program Highlights	7
Aging	8-10
Arts	11-13
Economic Development	14-15
Community Development	16-17
Enterprise Loan Fund	18
Hazard Mitigation	19
Housing	20
JOBZ	21
Special Projects	22
Transportation	23-24
Publications	25
Committee Lists	26

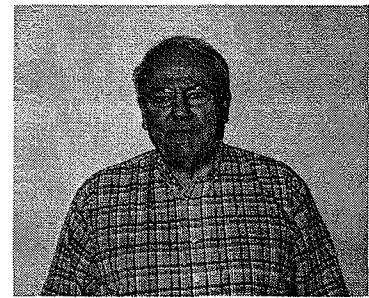
Audit Letter	27
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Working for Local Units of Government in Kittson, Marshall, Norman,
Pennington, Polk, Red Lake and Roseau Counties

NWRDC • 115 South Main, Suite 1 •
Warren, MN 56762 • 218-745-6733
Agency Web Site Address: www.nwrdc.org

Letter from the Chairman

Dr. Joe Bouvette



"Planning for the Future"

Our area as a whole reached a population plateau in 2000 and our thoughts have turned toward, not only the possibility, but the likelihood of future growth. Modern production farming continues as an economic corner post, our manufacturing base is expanding, value-added agriculture is on the move, and our lifestyle economy (Art, Culture, Recreation, Shopping, Travel) is attracting new residents, workers, and visitors.

Growth and change can also bring new challenges and costs. Our communities and governmental organizations must provide the infrastructure and services needed by residents and employers. For example, many communities are facing the high cost of new housing, especially the \$25,000 per lot investment a city must

make for streets, water, and sewer. Local units of government are also being asked to help address conflicting ideas about new development, including debates about the use of our natural resources. In Kittson County, we have a vigorous discussion going on about the ownership of township roads which will dramatically influence the direction and control of public recreation.

At the NWRDC, commission members, committee members, and staff are gearing up to assist communities and local units of government with the planning, resource development, consensus building, and promotion needed to address these emerging issues. The 2006 Annual Report describes the type of assistance we can provide.

The Arts: A Driving Force in Northwest Minnesota's Economy

The Arts: A Driving Force in Northwest Minnesota's Economy is a survey completed in 2005. The exciting results of this survey were presented at several events throughout the region, and at the Minnesota Regional Development Organizations conference in October.

This study provides compelling new evidence that the nonprofit arts and culture are a \$1.3 million industry in Northwest Minnesota – one that attracts audiences, spurs business development, supports jobs, and generates government revenue.

Nonprofit arts and culture organizations, which spend \$560,912 each year, leverage a remarkable \$744,729 in additional spending by arts and culture audiences – spending that pumps vital revenue into local restaurants, hotels, retail stores, and other businesses. At \$40.97 per person, the Northwest exceeds the state average (\$36.89) for non-resident per capita spending at arts events. The survey shows that the region has a high potential for using its arts and culture resources to increase tourism revenue by making the region more attractive to a broader range of visitors.

The Arts: A Driving Force in Northwest Minnesota's Economy demonstrates that investing in arts and culture yields significant economic benefits and lays to rest a common misconception: that communities support the arts and culture at the expense of local economic

development. This report shows conclusively that the arts are a driving force in Northwest Minnesota's economy.

This project is a collaboration of the Forum of Regional Arts Councils and Minnesota Citizens for the Arts, with major funding from The McKnight Foundation. Americans for the Arts, the study's national partner, created the economic models for the study. The Northwest Regional Arts Council coordinated and collected information for the Northwest study portion. Groups from Crookston, Fosston, Hallock, Lake Bronson, Red Lake Falls, Warren, Thief River Falls, Roseau, Stephen, Climax, East Grand Forks, and Warroad participated in the surveys.

Total Impact of the Nonprofit Arts Industry

Includes organization and audience expenditures	
Total Expenditures	\$1,305,641
Full-Time Equivalent Jobs	35
Resident Household Income	\$691,000
Local Government Revenue	\$26,000
State Government Revenue	\$113,000



NW Regional Development Commission

What The NW RDC is All About . . .

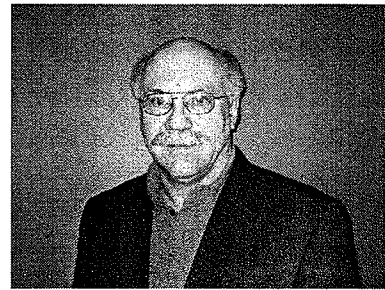
Regional Development Commissions were created by the State Legislature through the Regional Development Act of 1969. The intent of the Act was to create an option for rural units of government to supplement existing public services and coordinate specific activities of mutual concern. Although created by the State, Regional Development Commissions were left in the hands of local representatives to insure that the final design would reflect area needs and preferences.

The Northwest Regional Development Commission was created on February 2, 1973 by the joint actions of local units of government. Programs were set up to reflect priority work items of the time; and relationships were established with the state and federal agencies that could provide assistance with local projects. Programs and work priorities have changed in response to economic

and social trends; but the central mission of supporting efforts by cities, counties, townships, businesses and individuals to improve living, working and natural resource conditions in Northwest Minnesota has remained the same.

The Commission has worked to establish a manner of operation which reflects and compliments the independent, progressive style of Northwest Minnesota. Technical assistance, specialized program delivery, public participation, direct funding, access to information and formalized planning services are the basic materials which we can contribute to the construction of your project.

Please look over our Annual Report and stop by or call if you have any questions, comments or suggestions.



Above: Leon Heath, Executive Director

Right: Carol Sorensen,
Financial Officer



Left: Brenda Solberg,
Front Office Manager/
Financial Assistant



Right: Betty Safranski,
Front Office Assistant/
Aging Assistant



Staff Listing

NWRDC Staff

Darla Bergquist, Region 2 Aging Program Developer
Tracey Ebertowski, Senior LinkAge/RxConnect Specialist

Cameron Fanfulik, Loan Fund Manager

Leon Heath, Executive Director

Jennifer Olson, Hazard Mitigation Planner

Lois Pagnac, Senior LinkAge/Outreach Specialist

Rose Reed, Senior LinkAge Specialist

Danica Robson, Aging Program Director

Betty Safranski, Front Office Assistant/Aging Asst.

Troy Schroeder, Transportation Planner

Brenda Solberg, Front Office Manager/Financial Asst.

Carol Sorensen, Financial Officer

Mara Wittman, Arts Council Director

As of December 31, 2006, Tracey Ebertowski will no longer work at the RDC. We wish her well on her new adventure, and welcome new staff Carol Bye.

Northwest Regional Development Commission



NWRDC Board of Directors

Seated (left to right) Velma Oakland, Warren Strandell and Kimberley Johnson. Standing (left to right) Dr. Joe Bouvette, John Erickson, Warren Olson, Delray Larson and Orris Rasmussen.

COMMISSION MEMBERSHIP

Kittson County

**Dr. Joe Bouvette	Hallock	County
*Kimberley Johnson	Kennedy	Townships
Charles Lindberg	Kennedy	Industry
Dale Nelson	Karlstad	Municipalities
Gregory Peterson	Lancaster	Municipalities
Betty Younggren	Hallock	SWCD

Marshall County

*Delray Larson	Gatzke	County
Ruth Magnusson	Argyle	Townships
Ole Soltvedt	Oslo	Municipalities
Gail Yutzenka	Argyle	School Board

Norman County

Glen Brookshire	Halstad	Municipalities
Fred Jamison	Ada	Townships
*Warren Olson	Halstad	County

Pennington County

Elvera Cullen	TRF	Municipalities
*John Erickson	RLF	Townships
Oliver Swanson	TRF	County

Polk County

Eugene Dufault	Crookston	Townships
James Herdliska	Erskine	Municipalities
Martha Hurtado	Crookston	Minorities
Gerald Jacobson	Fertile	Labor
Bill Montague	Crookston	Financial Institute
*Warren Strandell	EGF	County
Tracey Sundeen	Crookston	Seniors
Arlene Tucker	Crookston	Women
Kathleen Twite	EGF	Business

Red Lake County

Cathrine Johnson	Oklee	School Board
Genevieve Knott	RLF	Townships
Robert Melby	Oklee	Low Income
*Velma Oakland	RLF	County
Vaughn Thorfinnson	RLF	Vocational Schools
Ronald Weiss	RLF	Watershed Dist.

Roseau County

*Orris Rasmussen	Roseau	County
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*Board Members

**Chairperson

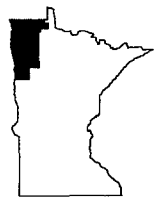


Above: Left to Right - NWRDC Members Velma Oakland, Tracey Sundeen, Kathleen Twite and Arlene Tucker at the Commission Meeting.

COMMISSION BUDGET

<u>REVENUES</u>	ACTUAL	PROJECTED
	REVENUES <u>CY'2006</u>	<u>CY'2007</u>
FEDERAL		
ECONOMIC DEVELOPMENT ADMIN.	\$52,628	\$52,628
		\$0
	\$52,628	\$52,628
STATE		
MN/DOT	\$66,236	\$50,000
STATE ARTS BOARD	\$89,331	\$88,375
MINNESOTA BOARD ON AGING	\$2,866,977	\$3,262,712
MINNESOTA DEPARTMENT OF PUBLIC SAFETY	\$7,932	\$0
MINNESOTA HOUSING FINANCE AGENCY	\$59,757	\$0
	\$3,090,234	\$3,401,087
PRIVATE FOUNDATIONS		
MCKNIGHT FOUNDATION - ARTS	\$34,443	\$24,000
NW MN FOUNDATION	\$10,000	\$0
	\$44,443	\$24,000
LOCAL GOVERNMENTAL		
LOCAL LEVY	\$193,238	\$202,971
LOCAL CONTRACTS	\$21,372	\$18,897
LOCAL HOUSES SOLD AND PAYBACK	\$141,775	\$0
	\$356,385	\$221,868
MISCELLANEOUS		
NORTHWEST ENTERPRISE FUND	\$690,676	\$569,594
INTEREST	\$19,009	\$7,193
CONFERENCE REGIST./MISC.	\$4,119	\$1,875
IN-KIND	\$7,021	\$0
RESERVED		\$54,059
	\$720,824	\$632,721
TOTAL REVENUES	\$4,264,514	\$4,332,304
<u>EXPENDITURES</u>	ACTUAL	PROJECTED
	EXPENDITURES <u>CY'2006</u>	<u>CY'2007</u>
SALARY/FRINGE	\$640,999	\$667,908
STAFF TRAVEL & REGISTRATIONS	\$51,687	\$54,723
COMMISSION/COMMITTEE TRAVEL/PER DIEM	\$34,037	\$40,820
PROFESSIONAL FEES	\$30,106	\$20,300
PRINTING & POSTAGE	\$17,902	\$25,246
RENT & MAINTENANCE	\$14,907	\$14,250
ARTS EXHIBIT/ARTIST SHOWCASE	\$5,339	\$4,000
TELEPHONE & INTERNET COSTS	\$10,504	\$14,000
SUPPLIES	\$13,510	\$11,500
EQUIPMENT PURCHASED BY PROGRAMS	\$0	\$0
SBDC MATCH	\$1,000	\$0
IN-KIND EXPENSE	\$7,021	
OTHER OFFICE EXPENSES	\$40,846	\$32,539
TOTAL ADMINISTRATIVE	\$867,859	\$885,286
REGRANTED-ARTS	\$62,190	\$49,353
REGRANTED-AGING	\$1,027,056	\$1,437,166
REGION 4 AGING PROGRAM	\$1,455,541	\$1,460,499
BUSINESS LOANS	\$633,617	\$500,000
HOUSING PASS THROUGH FUNDS	\$201,532	\$0
FIXED ASSETS/RESTRICTED FUND	\$7,008	\$5,000
DEPRECIATION	(\$4,458)	(\$5,800)
	\$2,550	(\$800)
TOTAL EXPENDITURES	\$4,250,345	\$4,331,504
INCREASE (DECREASE) TO FUND BALANCE	\$14,169	\$0

Program Highlights



**NW Regional
Development
Commission**

Program Highlights Calendar Year 2006

Serving
*Kittson, Marshall, Norman, Pennington
Polk, Red Lake, Roseau*

Aging

AREA AGENCY ON AGING

Purpose: To build a proactive, comprehensive and coordinated system of advocacy and services that ensures the rights and benefits of all older people.

Program Funding Sources: Older Americans Act through the Minnesota Board on Aging - \$335,189; Minnesota Board on Aging EDP - \$49,190; RDC Tax Levy - \$60,768; Miscellaneous - \$246.

Regrant Funding Sources: Older Americans Act - \$676,199; U.S. Department of Agriculture Nutrition Program - \$213,097; State Nutrition Program - \$137,760; Region 4 AAA Pass Through - \$1,455,541.

Service Priorities: Regrant priorities are: nutrition, congregate and home delivered meals, legal service, transportation, chore/home repair, housekeeping, visiting and medical forms assistance. Support priorities are advocacy, education, support of county committees on aging and senior centers, inter-agency linkages, and information/referral.



Above: Seated (left to right) Betty Safranski, Aging Assistant, Rose Reed, Senior LinkAge Specialist.
Standing (left to right) Lois Pagnac, Senior LinkAge/Outreach Specialist, Tracey Ebertowski, Senior LinkAge/RxConnect Specialist, Darla Bergquist, Region 2 Aging Program Developer and Danica Robson, Aging Program Director.

Aging Highlights

New Name, Larger Planning and Service Area . . .

We continued with our second year of the partnership for the larger, consolidated Area Agency on Aging. Working in partnership with the West Central office, we combined reporting forms, examined office functions for efficiencies, and developed common policies and procedures for operation.

Eldercare Development Project . . .

In 2006, we were again selected to be one of six Eldercare Development Projects (EDP) across Minnesota. The primary focus of Eldercare Development Projects is to increase the availability of community based options for seniors, and to improve the capacity of communities to meet the needs of seniors and elders within their population. Our efforts will focus around increasing the availability of Parish Nurse Programs and Health Ministries, and to increase the availability of residential options including: adult foster care, assisted living, and other less restrictive options for seniors.

Adult Foster Care Development . . .

Helped three individuals become licensed adult foster care providers, and provided information to 12 additional individuals, including a person from the Red Lake reservation.

Community Service/Service Dev. Grantees . . .

Assisted ten agencies with the development of Community Service/Service Development Grants. These grants are funded from the Department of Human Services, and are focused on developing community based alternatives to nursing home care.

Parish Nurse Partnership and Development . . .

Provided scholarships for four individuals to complete the Parish Nurse Preparatory Course and become a Parish Nurse. In addition, we helped 10 churches with the development of Health Ministry Cabinets, a key factor in a successful Parish Nurse Program.

Community Based Parish Nurse Program . . .

Assisted with the development of a Community Based Parish Nurse Program in Clearbrook. In this model, four churches will share the benefit of having a Parish Nurse that will serve each of their congregations. This Parish Nurse will be located in the Life Center in Clearbrook, which is a community outreach center.

Senior LinkAge Line® Highlights

Presentations • • •

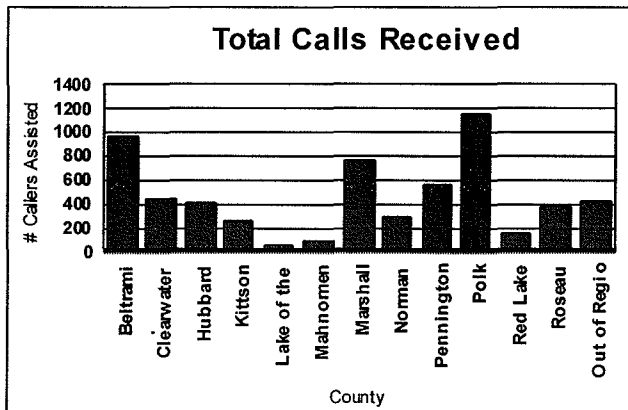
Provided information at 33 presentations to 811 seniors, family members and caregivers on Medicare prescription drug plans, advance directives, senior programs, etc.



Left: Tracey Ebertowski at the Marvin Health Fair.

Health Fairs • • •

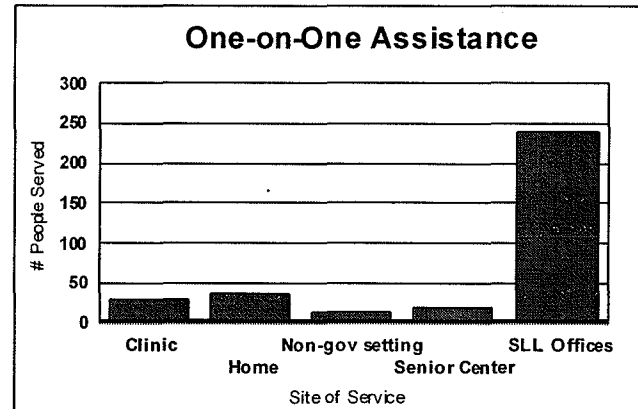
Information was provided to 1,128 seniors, family members, and caregivers through participation in 18 Health Fair and Resource Booths. These events were sponsored by employers, schools, human service agencies, and senior centers.



County	# Callers Assisted
Beltrami	976
Clearwater	451
Hubbard	411
Kittson	260
Lake of the Woods	56
Mahanomen	90
Marshall	774
Norman	298
Pennington	558
Polk	1,147
Red Lake	163
Roseau	385
Out of Region	436
Total	6,005

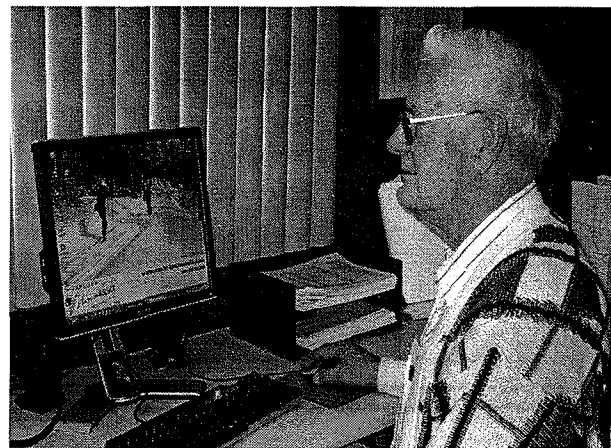


Above: Betty providing one-on-one assistance to Arvid Maurstad.



Volunteers • • •

Each year our SHIP volunteers play a larger role in assisting us with a wider variety of activities. In 2006, they volunteered a total of 354 hours. Time was spent on Medicare Part D prescription drug benefit enrollment, individual counseling, computer education, and helping in the office on many projects. In addition, the volunteers attended 13 training sessions provided by the Area Agency on Aging. Our sincere thank you to these dedicated volunteers.



Above: Volunteer, Elden Johnson, assisting with Medicare Part D Plan Comparisons.

2006 Aging Grantees

Kittson County Senior Medical Travel - Provided a total of 256 one-way trips to 31 persons.

Northwest Sentencing to Service Chore Program - Provided a total of 2,020 hours of chore service to 158 persons.

Roseau County Senior Medical Travel - Provided a total of 866 one-way trips to 89 persons.

Roseau County Sentencing to Service Chore Program - Provided 2,172 hours of chore services to 30 persons.

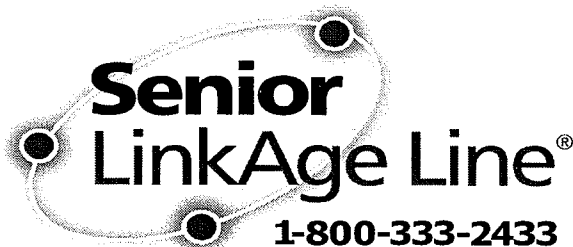
Tri-County Community Corrections Sentencing to Service Chore Program - Provided 2,590.5 hours of chore service to 165 persons.

Valley Houskeeping Program - Provided 8,446 hours of homemaker services to 184 persons.

LSS Caregiver/Respite Program - Provided 2,508 hours of Caregiver Counseling services to 345 people and 18,119.5 hours of Respite Services to 137 people in Regions 1, 2 & 4.

LSS Health and Wellness Fairs - Provided health and wellness information at 29 health fairs to 1,542 persons.

Legal Services - Provided 1,318 hours of legal services to 146 persons and provided 21 Educational Sessions to 720 persons in Regions 1, 2 & 4.



Lakewood Home Health Aide Program - Provided 436.75 hours of home health aide services to 10 persons.

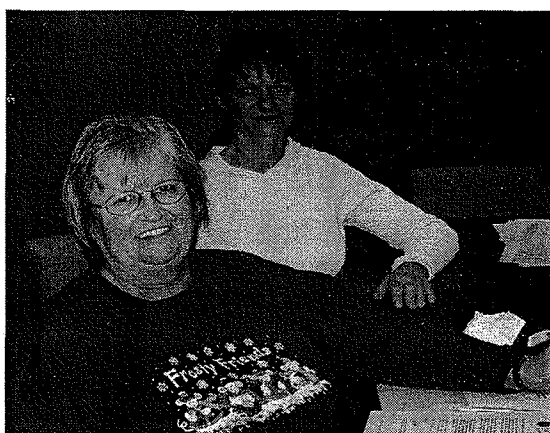
Red Lake Homemaker Program - Provided 504.75 hours of homemaker services to 7 persons.

Clearwater Senior Transportation - Provided 202 one-way trips to 78 persons.

Beltrami County Frail/Elderly Home Modification - Provided 107 hours of home modification services to 17 persons.

LSS Senior Nutrition Program - Provided 195,909 Congregate and 81,597 Home Delivered Meals to 10,879 persons.

Community Resource Connections, Inc. - Provided 3,927 Information & Referral contacts to 3,393 persons in Beltrami & Hubbard Counties.



Above: Volunteers Marilyn Carlson and Henrietta Linder.

Below: Staff and Volunteers at an update training session in January.



Arts

NORTHWEST REGIONAL ARTS COUNCIL

Purpose: To promote, develop and encourage artistic growth and excellence of arts organizations and individual artists in northwestern Minnesota by awarding funds and conducting programs and services.

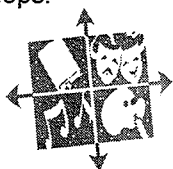
Program Funding Sources: MN State Arts Board - \$52,596 and Interest - \$543; McKnight Foundation - \$8,988; RDC Tax Levy - \$6,552; Miscellaneous - \$2,148.

Re-Grant Funding Sources: MN State Arts Board - \$36,735; McKnight Foundation - \$25,455.

Re-Grant Programs: *State Funds:* Production Assistance/Sponsorship; Artist in the Schools. *McKnight Funds:* Individual and Student Artist Grants; Small Capital.

Service Priorities: Direction setting, grants to organizations, grants to individual and student artists, Northwest Minnesota Art Exhibit, information including website, newsletter, training/workshops.

Arts Highlights



Grant Program Summaries

Production Assistance/Sponsorship •••

From January 1, 2006 - December 31, 2006, we re-granted \$25,158 to 6 different productions and 12 sponsorship projects throughout the region. Ten of the projects were specifically aimed at children. An estimated 8,188 adults attended and over 1,120 youth participated.

Artists in the Schools Grant Program •••

In 2006, \$10,010 was re-granted to area schools. Seven projects were awarded serving 2,128 students. Five additional projects applied for grants, but were not funded due to lack of funds available.

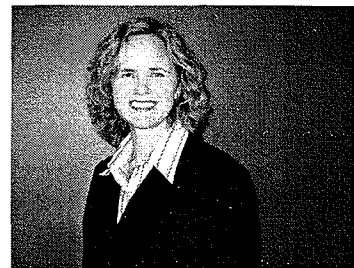
Small Capital Grants •••

\$2,955 was granted to arts organizations to purchase various artistic equipment including training DVD's. Two organizations received awards. Ten school districts received \$1,000 each to purchase artistic equipment. Items purchased included art display racks, kilns, video equipment, microphones, and music software.

McKnight Artist Grants •••

Six adult artists and eight student artists received awards this calendar year. In the Individual Artist category \$10,000 was granted. In the Student Artist category \$4,000 was granted. Most awards were for technical training.

Right: Mara Wittman,
Arts Council Director



Services and Technical Assistance

Web Site Development-Arts •••

Updated web pages for the arts to include on-line application forms, as well as downloadable pdf forms. Also added more information on arts organizations and artists. www.nwrdc.org/arts.htm

Newsletter •••

Northwest Arts continued to provide a list of our grants, as well as opportunities for artists, schools and arts organizations. Three newsletters were printed and distributed to 950 arts constituents.

2007 Northwest Artist of the Year •••

Audrey Sandahl, formerly of Lake Bronson, was chosen as artist of the year to honor her lifelong achievements as a visual artist prior to her death in 2005. Sandahl was very involved in community art projects and the visual artist group Artists Unlimited. Sandahl was a singer, violin player, and a poet. As a visual artist she worked mainly in watercolor.

2007 Northwest Arts Advocate of the Year •••

Tom Silewski of Kennedy was chosen for his outstanding service as advocate for the arts in the region. Silewski's qualifications include his lifelong volunteer efforts with the 42nd Street Song and Dance Company of Kennedy and the Stephen Arts Council. He is engaged in all aspects of the theater and of the arts. He has been involved as director, actor, producer, stage manager, sound and light technician, and set designer for countless productions. He has assisted with senior recitals, art shows, photography contests, dinner theatres, children's theatres, comedies, major musicals, fund raisers, college scholarships, the list goes on and on.



Arts continued

Arts Economic Impact Study •••

Survey results for Northwest Minnesota were presented to the public during the NW Regional Art Exhibition artist reception at the Hallock City Hall on March 27, 2006. Over 200 people attended the event. Sheila Smith, Executive Director for Minnesota Citizen's for the Arts presented the information to a captive audience.

Northwest Minnesota Art Exhibition •••

Coordinated 2006 exhibit in Hallock at the City Hall from March 23-27, 2006. This included the jury process, registration, hanging, and artist reception. 124 pieces were on display for almost a week. \$1,650.00 of awards were given to artists based on the recommendations of juror Frank Kelley of Grand Forks.

Northwest Minnesota Art Exhibition Awards:

Adult Award Winners

1st Prize: \$500.00: LaVonne Forsberg, Thief River Falls: Painting
2nd Prize: \$250.00 Carol Kankel, Red Lake Falls: Jewelry
3rd Prize: \$100.00 Margaret Anderson, Lancaster: Painting
Merit - Drawing: \$50.00 Irene Bertils, Crookston
Merit - Painting: \$50.00 James Howard, Thief River Falls
Merit - Photography: \$50.00 Barbara Hansson, Lancaster
Merit - Sculpture: \$50.00 Jerome Fuglseth, Fertile
Merit - Ceramic: \$50.00 Robin Foster, Red Lake Falls
People's Choice: \$100.00 Rock Bakken, Hallock

High School Student Award Winners

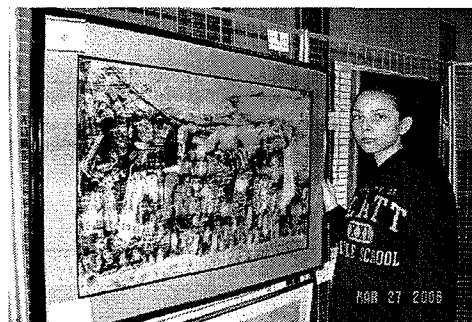
1st Prize: \$150.00 David Stapleton, Fosston: Painting
2nd Prize: \$75.00 Rachel Huderle, Warren: Photograph
3rd Prize: \$50.00 Sarah Amundgaard, Warren: Photograph
Merit - Drawing: \$25.00 Andrew Sourdiff, Ada
Merit - Painting: \$25.00 Nakita Estling, Warroad
Merit - Photograph: \$25.00 Amanda Timm, Thief River Falls
Merit - Mixed: \$25.00 Anya Bailey, East Grand Forks
Merit - Digital: \$25.00 Jocelyn Kraska, Hallock
People's Choice: \$50.00 Anya Bailey, East Grand Forks



LaVonne Forsberg, Thief River Falls, received the first place adult for her painting (above); and (below) Rock Bakken, Hallock, received adult people's choice. (left) Sheila Smith presents at the reception.



David Stapleton (above) was the student 1st Place winner for his painting. Anya Bailey (right) won both a merit award and people's choice for her mixed media piece.



Arts Grants Listing for Calendar Year 2006. . .

PRODUCTION ASSISTANCE/SPONSORSHIP

Ada Summer Children's Theater	\$1,500.00
Middle River Community Theater	\$1,000.00
Roseau County Fair	\$1,320.00
Fertile Area Arts Council	\$500.00
Sandhill Settlement Hist. Soc.	\$1,270.00
Association of the French of the North	\$2,000.00
Kittson County Fair	\$1,600.00
Valley Crossing Arts Council, Crookston	\$800.00
City of Karlstad	\$1,895.00
Crookston Community Theater	\$2,000.00
Thief River Falls Arts Council	\$1,500.00
Marshall County Fair	\$2,000.00
Artists Unlimited, Lake Bronson	\$585.00
Thief River Falls Arts Council	\$955.00
Summer Arts Stages	\$2,000.00
Summer Arts Stages	\$1,000.00
Crookston Library	\$1,800.00
Fosston Library Arts Center	\$2,000.00

ARTIST IN THE SCHOOLS

Fosston School	\$750.00
Fertile Beltrami School	\$1,800.00
Greenbush Middle River School	\$1,185.00
Roseau Public Schools	\$1,300.00
Kittson Central Public School	\$1,195.00
Oklee Public Schools	\$1,890.00
Plummer Public School	\$1,890.00

SPONSORSHIP

Crookston Public Library	\$2,000.00
Summer Arts STAGES, East Grand Forks	\$1,000.00
AFRAN, Red Lake Falls	\$855.00
City of Red Lake Falls	\$1,125.00
Clayworks, Red Lake Falls	\$1,700.00
Roseau Convention Visitor's Bureau	\$725.00
Warren/Alvarado/Oslo Education Foundation	\$2,000.00

SMALL CAPITAL

Stephen Arts Council	\$2,000.00
Thief River Falls Comm Arts Council	\$955.00
Thief River Falls School District	\$1,000.00
Kittson Central School District	\$1,000.00
Stephen/Argyle School District	\$1,000.00
East Grand Forks School District	\$1,000.00
Fertile Beltrami School District	\$1,000.00
Crookston School District	\$1,000.00
Climax-Shelley School District	\$1,000.00
Warroad School District	\$1,000.00
Norman County East School District	\$1,000.00



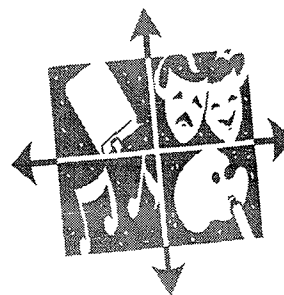
Arts Council members Betty Pikop (standing) and Alice Hofstad (right) talk with Charlie Lindberg of Hallock who was volunteering at the Artist Exhibit guest book table and helping with the coordination of the exhibit.

ADULT ARTIST FELLOWSHIP

Sherrie Guiliat, Red Lake Falls	\$1,200.00
Jill Kandel, Red Lake Falls	\$1,200.00
Pat Dunning, Thief River Falls	\$1,200.00
Stashenko Hempeck, Hendrum	\$1,200.00
Joren Kandel, Red Lake Falls	\$1,200.00
Dan Andree, Ada	\$4,000.00

STUDENT ARTIST TRAINING MENTORSHIP

Amelia Schmitz, Red Lake Falls	\$500.00
Elizabeth Balstad, Fosston	\$500.00
Matthew Brinkman, Fosston	\$500.00
John Peterson, Erskine	\$500.00
Rachel Aker, East Grand Forks	\$500.00
Amber Dyrdaahl, Fosston	\$500.00
Jared Scharpen, Argyle	\$500.00



Economic Development

Purpose: To assist in the creation of new jobs by providing general planning guidance, technical assistance for specific industrial projects and services to local units of government.

Program Funding Sources: United States Economic Development Administration (EDA) - \$52,628; RDC Tax Levy - \$56,781.

Service Priorities: Community Planning, Promoting Northwest Minnesota, Business Development, Labor Force and Housing Development.

Economic Development Highlights

"Manufacturing, Agriculture Value Added, and Energy Production jointed to create on-going job growth"

Business Assistance •••

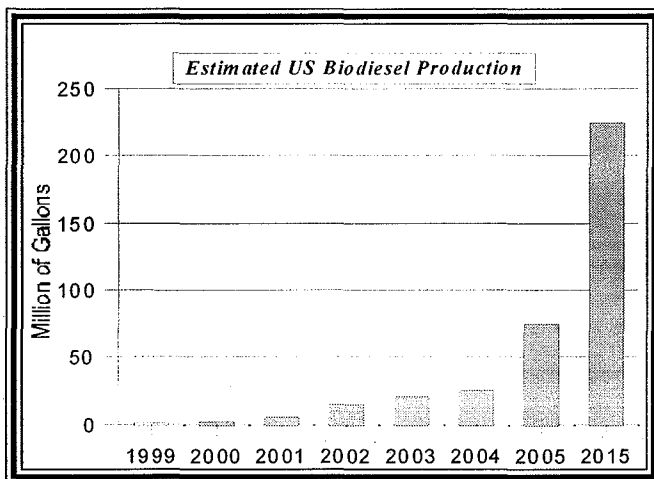
Provided approximately 675 hours of technical assistance to businesses which resulted in the direct creation of **100 new jobs, \$3,138,000 in public investment, and \$8,797,000 sector investments.** Specific projects are listed under the Loan Fund and JOBZ sections.

Community Assistance •••

Provided approximately 570 hours of technical assistance to communities and community groups on development issues including: planning and zoning, grant writing, business development and web site development.

North Star Bio-Energy Inc Bio-Diesel •••

Assisted Hallock with EDA grant application for infrastructure funding grant assistance from DEED for infrastructure funding for industrial park road. DEED granted \$300,000 for assistance.



Economic/Community Development Staff

Above: Seated (left to right) Troy Schroeder, Transportation Planner, Cam Fanfulik, Loan Fund Manager. Standing (left to right) Jennifer Olson, Hazard Mitigation Planner, Leon Heath, Executive Director and Mara Wittman, Arts Council Director.

Agassiz Energy Ethanol Plant •••

Assisted Polk County and Knute Township with Department of Employment and Economic Development (DEED) application for infrastructure funding.

Warroad Biomass Power Generation •••

Worked with area economic development groups, AURI, and EERC to study feasibility of electric and heat generation using waste wood and ag products in Roseau County.

Fosston Methane Digester •••

Worked with the City and Minnesota Dehydrated Vegetables on possible funding sources for the addition of electrical generation capacity using bio-gas from the Digester.

North Star Bottled Water •••

Assisting company with relocation to former Ada Produce site. Company will qualify for JOBZ and RLF assistance.

Growth Partnership •••

Provided staff support to **Middle River, Newfolden, Oklee, Plummer, Red Lake Falls, St. Hilaire, Thief River Falls and Warren** for series of multi-community meetings to identify joint approaches to housing and labor force shortages in the Thief River Falls area. Completed a memorandum of agreement to fund and implement programs to address the issues.

Economic Development Continued

Ada Advances . . .

Assisted in the implementation of a new program to attract new jobs and revise community economic development systems based on the "Business Ready Communities Concept". Efforts included securing a \$25,000 grant from the Northwest Minnesota Foundation.

St. Vincent Flood Protection . . .

Assisted the City in securing \$434,000 in State funding to complete dike repairs and a feasibility study on improvements to remove the City from the 100 year flood plain.

Development Strategies . . .

Completed the 2007 update of the Comprehensive Economic Development Strategy (CEDS). Strategies include more emphasis on promoting the region, job creation in manufacturing and agricultural value added, and addressing work force and housing shortages.

Jobs and Careers Committee . . .

Provided staff support to the Jobs and Careers Committee. This Committee provides staff guidance on emerging development issues in the area. Critical new issue for this year has been work force shortages and worker retention.

AG Information Clearinghouse . . .

Working with AURI to provide a comprehensive list of resources to assist entrepreneurs in value-added business ventures. Development of a peer network of value-added processors and manufacturers in region.

Roseau Flood Protection . . .

Continued providing staff support to the Roseau Area Flood Mitigation Task Force. This group has coordinated flood mitigation efforts related to the 2002 Flood. Significant activities this year included completion of the West Intercept and securing a Corps of Engineers approve east diversion project to remove the City from the 100 year floodplain.

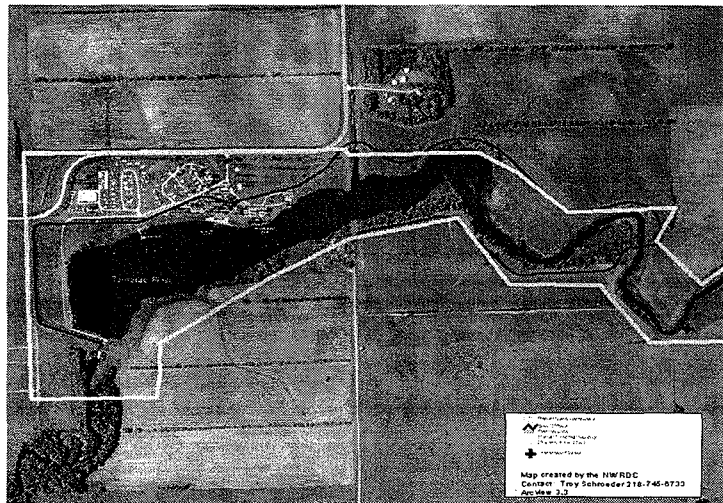
GIS Services:

The RDC Geographic Information Services (GIS) Department continues to map projects throughout the region, these maps help in the planning process and provide projects with the detail and orientation that is only available with maps. Maps using aerial photography provided by the Farm Service Agency have become very popular for city and county planning activities. The region had the county road functional classification placed into files usable with GIS. The new classification is a useful tool for adjacent counties in planning future road development.

The cities of Greenbush, Badger, Fertile, Roseau, Hallock, Crookston, McIntosh, Warren, and several townships have done GIS projects that relate to the JOBZ program, county ordinances, or county water planning. The RDC will assist the DNR, FEMA, and hired consultants in mapping the FEMA floodplain in the coming years.

The Marshall County Park Board used the map (**BELOW**) in the application package for transportation enhancement funding through the Area Transportation Partnership. Marshall County used several maps for the county water plan, ATV parks, feedlot ordinances and zoning.

Recreation Site Plan (Florian Park, Marshall County)



Community Development

NORTHWEST REGIONAL DEVELOPMENT COMMISSION AND BOARD OF DIRECTORS

Purpose: Discuss and develop solutions to rural issues and problems which are held common in Northwest Minnesota.

Funding Source: Local Tax Levy - \$47,062; and interest \$18,466; Misc. - \$1,725.

Service Priorities: Operation of the NWRDC Board of Directors and Commission, Community Planning and Ordinances, Tourism Promotion, Art and Culture Promotion, Special Projects, Technical Assistance on Local Issues and Project Funding.

Local Issues Highlights

Northwest Regional Development Commission ...

Conducted four quarterly NWRDC Commission meetings and seven Board of Directors meetings to identify local issues, approve staff activities, provide program funding, and encourage cooperative development approaches.

Community Assistance ...

Provided approximately 200 hours of assistance to communities on tourism development, community promotion, mapping/GIS, web site development, and community planning.

MN Historic Northwest ...

Our staff assisted this group in several of their projects including web site development www.mnhistoricnw.org and special projects. A focus this year was the workshop in Fosston by the Minnesota Historical Society staff on recording Oral Histories. Our staff also assisted the Marshall County Historical Society on computer technical problem solving, a power point presentation on the OxCart Trek, and converting slides to digital formats. The consortium is made up of members of nine counties with assistance by the NWRDC, Explore Minnesota Tourism, and Pembina RC&D.



Hallock Web Site Creation ...

Our staff created a new basic web site for the City of Hallock in Spring 2006. Our staff brought a copy of the site to Hallock and worked one-on-one with city staff to

refine and enhance the site. Then we trained their staff on FrontPage software and published the site on-line. Now they do all their own updating and page creation with some assistance from our staff in trouble shooting.

City Web Site Creation ...

Our staff formed a collaboration with the People Connection in Fosston to assist five cities in creating new web sites and training them in web site updating and new page creation.

Twenty five+ page sites were created by our staff for the cities of Erskine, McIntosh, Fertile, and Winger. A basic site was also created for the city of Mentor if they choose to publish it. This project has run in a similar fashion to the Hallock project. Each city is at different levels of training and publishing their sites. In 2007 these projects will be completed.



Land of the Dancing Sky Artist Contacts ...

Artists from several communities including Thief River Falls, Crookston, Ada, East Grand Forks, Warren, and Roseau provided enhanced information related to their artwork to become more marketable to local retail locations. Information will continue to be collected and displayed in the Arts Council's on-line Artist Directory. The Artist Directory has been established for many years and serves as a tool to link artists to retail.

Web Site Promotion of NW Minnesota ...

Sections of the Visit Northwest Minnesota website VisitNWMinnesota.com were continually updated in 2006. These included the county pages, the tourism directory, and the Arts/Historical Sites listings.

Tourism Directory ...

Updated the 2006 version of the Northwest Minnesota Visitor and Recreation Guide. Published the guide to our visitnwminnesota.com web site. Printed 900 copies of the 48 page guide for distribution. More effort was made by staff to collect e-mail and web site addresses and to feature our area's National wildlife recreation.

Riverland Meetings ...

Our staff attended several Riverland Tourism meetings throughout the year assisting with their projects and the general promotion of the area. Our staff provided a little help and advice as they created a new brochure. We will continue to work with them to create a revised web page for Riverland.

Community Development Continued

Promotions Committee of the Enterprise Fund . . .

This renewed committee started to focus on restructuring the mission, goals, and objectives related to promoting our area. A new strategic document will be completed in the next year. It is anticipated that this group will encourage a higher level of marketing and promotional materials for the area based on their discussions to date.

Norman County Tourism Brochure . . .

Helped **Ada, Borup, Flom, Gary, Halstad, Hendrum, Perley, Shelly and Twin Valley** gather information, format, and print a new county wide tourism brochure and assisted with visitor information updates in the County Web Site.

Greenbush Planning and Zoning . . .

Completed a comprehensive plan and zoning ordinance for the City including plans for a new affordable housing subdivision related to job growth at Central Boiler.

Excel Township Planning and Zoning . . .

Started the process for creating a comprehensive plan and zoning ordinances related to large feedlot issues and non-agricultural housing growth.

Rocksbury Township Planning and Zoning . . .

Completed a draft comprehensive plan and zoning ordinance related to residential housing growth.

Highland Township Planning and Zoning . . .

Started work on a comprehensive plan and zoning ordinance to help the township avoid any potential conflicts with new developments.

Waters of the Dancing Sky Scenic Byway . . .

Creating maps of the Waters of the Dancing Sky Scenic

Byway to promote the byway and all the activities occurring along the byway annually. Golfing will be promoted in the 2007 season. The Byway includes **Badger, Greenbush, Lake Bronson, Hallock, Karlstad, Roseau and Warroad**.

King of Trails Scenic Byway . . .

Created maps that entice people to visit the cities along the byway. The King of Trails Scenic Byway travels through Kittson, Marshall, Polk, and Norman Counties traveling along USTH 75.

MRDO . . .

Participated in Minnesota Regional Development Organizations (MRDO) activities and initiatives. Work items over the past year included staff training, improved coordination with state wide organizations representing local units of government, and maintaining federal funding for economic development activities.

Green Routes Brochure for Northwest . . .

Our staff worked with the Northwest Sustainable Partnership and the University of Minnesota to encourage retail stores, restaurants, and artist studio's to coordinate the Northwestern Green Routes brochure. Thirty locations that work to improve the environment, or are energy conscience were featured. The four-color brochure was printed and is available throughout our region since the Spring of 2006.

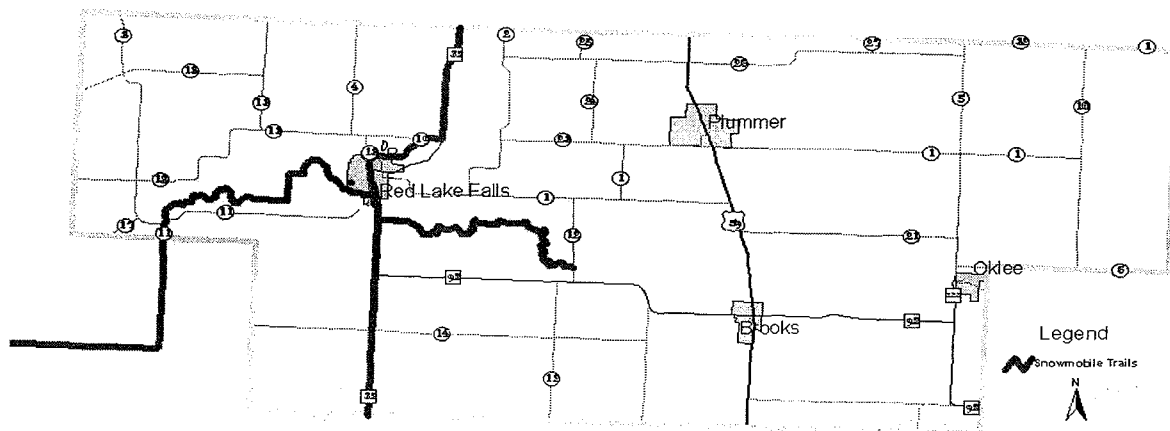
Agassiz Recreation Trail Joint Powers Board . . .

Assisted in the process of acquiring 17-miles of abandoned rail line between Ada and Beltrami. This corridor will be a critical north-south link to existing recreational trails.

Snowmobile Trails . . .

Assisted Northwest Minnesota snowmobile clubs with transitioning trail maps to digital format including Global Positioning System (GPS) based maps.

Red Lake County Pathfinders Snowmobile Trail



Enterprise Loan Fund

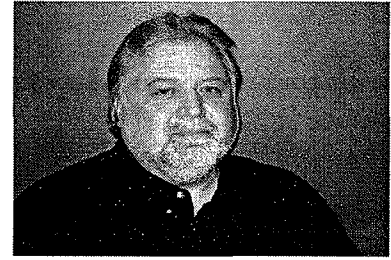
Purpose: To strengthen and diversify the economy by providing a source of low interest financing to businesses, when credit is not otherwise available from other sources, to ensure the successful completion of activities to be financed.

Program Funding Sources: Loan Interest and Loan Fees - \$57,013.

Loan Funding Sources: Loan Repayments and Loan Interest - \$633,663.

Service Priorities: Financing for-profit businesses which create or retain jobs, especially for the long term underemployed or unemployed.

Right: Cam Fanfulik,
Loan Fund Manager



The NWRDC provides assistance during the loan application process and after the loan is approved. Loan Fund staff work with the business owner, area lenders, Small Business Development Center and other gap financiers to put together a financial package that increases the business owner's chances for sustainable, long-term success.

- **Over seventy-five businesses and individuals received personal technical assistance.**

Loan Fund activities have played an integral role in financing several business start-ups and expansions over the past twelve months. As the region and businesses continue to recover from past floods and agricultural disasters, there has been an increase of loans, loan requests, and technical assistance provided to clients throughout the area.

2006 Loan Activity

Loans made by the Enterprise Fund Loan Committee included funding for new start-ups in a wide variety of sectors:

- Hardware/Farm Equipment
- Flight Testing Systems
- Manufacturing/Metal fabrication & assembly
- Mechanic Repair (Auto)
- Recreation/Sporting Goods
- Retail food and specialty
- Ag service
- Manufactured Homes
- Custom Wheel Chair Manufacturing
- Communications

Loans totaling \$779,250 were made to:

Homark Company, Inc. - Red Lake Falls
D & D Sports, Inc. - Thief River Falls
Ideal Aerosmith, Inc. - East Grand Forks
May Corporation - Grygla
River Auto Parts and Service - Middle River
Invisimax, Inc. - Warren
Ceres Equipment, Inc. - Roseau
Roseau County Ford, Inc. - Roseau

Historical Loan Activity

The following is a brief summary of total Loan Fund activity:

Total Number of Loans	148
Active Loans	52
Total Amount of Loans	\$9,466,324
Other Financing Leveraged	\$45,184,661
Jobs Created/Retained	1,417

The following is Loan Activity by County:

<u>County</u>	<u># of Loans</u>	<u>Amount</u>
Kittson	17	\$952,620.42
Marshall	33	\$2,051,204.51
Norman	13	\$545,933.00
Pennington	8	\$579,850.00
Polk	44	\$3,108,725.00
Red Lake	9	\$533,115.00
Roseau	24	\$1,694,875.69

Hazard Mitigation

Purpose: To get people, property, jobs, natural resources, and crops out of harm's way.

Program Funding Sources: MN Dept. of Public Safety - \$28,334; Inkind - \$7,021; NWRDC Tax Levy - \$827y.

Service Priorities: Compose and adopt hazard mitigation plans for ten counties in Minnesota.



Above: Jennifer Olson, Hazard Mitigation Planner

Hazard Mitigation Highlights

The Northwest Regional Development Commission is composing hazard mitigation plans for ten counties in Minnesota: Becker, Clay, Kittson, Marshall, Norman, Otter Tail, Pennington, Polk, Red Lake and Roseau. When completed, plans will have multiple functions including maintaining eligibility for funding, increased preparedness, continual mitigation strategies and lessened risk.

Mitigation plans are currently involved in the review process. Plan adoption is expected to occur in the early months of 2007, as soon as official documentation of approval from FEMA is received.

Hazard mitigation and disaster response have garnered massive amounts of nation-wide attention. Devastation of the Gulf coast in 2005 by Hurricane Katrina caused national strategy, organization and policy changes on multiple levels that can still be felt or are ongoing, including role expansion and restriction, increased training, support staff enlargement, involved planning and extensive collaboration.

There were two major storm events in Minnesota that were given disaster declarations and Northwest Minnesota was involved in each. These storms showcase the excellent mitigation plans already in place as well as the dedicated individuals. Each event would have been much worse without the current response structure in place, showing the importance of mitigation.

-Winter storms occurred on November 27-29, 2005. The storm started out as freezing rain, causing power outages, power line damage and road blockages. Blizzard and white-out conditions occurred later as the wind speed increased. A declaration was awarded on January 4, 2006 for Norman and Clay Counties.

-Major flooding in Becker, Clay, Kittson, Marshall, Norman, Polk, Red Lake and Roseau Counties occurred from March 30 to May 3, 2006. A rapid snow melt combined with above average waterway flows were the main flood causes. A declaration was given on June 5, 2006.

-Although not a declared disaster, a storm that spawned three to four tornadoes produced an F3 tornado that hit Warroad, Minnesota. Maximum wind speeds of 160-180 miles per hour caused much damage, but no one was killed. (See picture to the right)



Housing

HOUSING PROGRAM

Purpose: To increase the housing stock in the region.

Program Funding Sources: NW MN Foundation - \$10,000; RDC Tax Levy - \$5,959.

Regrant Funding Sources: MHFA Flood - \$59,757; Houses Sold Pay Back - \$141,775.

Service Priorities: Assisting communities, lenders, consumers, and agencies to access available programs that repair, rehabilitate and build affordable homes.

Housing Highlights

"Northwest Minnesota Housing Partnerships have completed \$7,623,912 in housing construction."

Community Assistance • • •

Provided housing planning assistance to Warren, Greenbush, Excel Township, and Rocksbury Township. Provided other assistance to Ada, Thief River Falls, Newfolden, Fertile, Red Lake Falls, Warren, Oklee, Plumber, Middle River, St. Hilaire, Stephen, Brooks, Grygla, Roseau, and Viking. Note: Some communities are served under multiple programs, depending on the set of issues.

Housing Partnership • • •

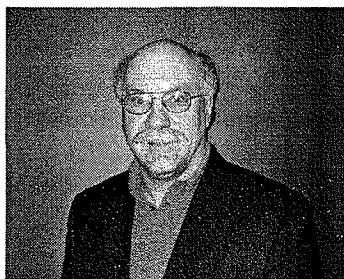
Continued the partnership with the Northwest Minnesota Foundation and the Headwaters Regional Development Commission to assist communities with the development of affordable housing. Provided added technical assistance to twenty cities and townships during the year.

Roseau County Housing Flood Administration • • •

Completed partnership with Wynne Consulting, the City of Roseau, and Roseau County to rehabilitate homes damaged by the 2002 flood. Assistance was provided to 220 home owners using \$3,015,000 in funding from Minnesota Housing. The program provided up to \$20,000 per household to cover structural repairs. The vast majority of the homes were located in the City. The NWRDC served as the fiscal agent for the project.



Above: Housing Construction in Middle River, MN.



Above: Leon Heath,
Executive Director



Right: Carol Sorensen,
Financial Officer

New Housing Construction • • •

Completed partnership with Inter County Community Council (ICCC), Northwest Multi-County Housing and Redevelopment Authority (NWHRA), Northwest Community Action Agency (NWCAA), and Tri-Valley Opportunity Council (TVOC) to construct 32 new homes over the past seven years. The NWRDC served as the fiscal agent for \$1,333,000 in Minnesota Housing funds which was matched with \$3,275,912 in other funding. Homes were built by the partners in: **Twin Valley (2), Thief River Falls (4), Plummer (2), Middle River (3), St. Hilaire (2), Warren (2), East Grand Forks (7), Fosston (2), Crookston (5), and Red Lake Falls (3).**

Regional Housing Advisory Group • • •

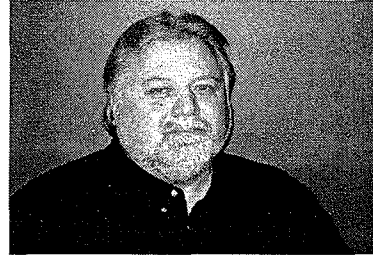
Provided staff support and participated in the Regional Housing Advisory Group (RHAG), which develops new housing programs and advocates for affordable housing in a 12 county area including Northwest and Headwaters development regions. The informal group membership includes: local housing groups, state and federal funding sources, private foundations, and multi-county/regional housing development organizations.

Region One Housing Development Alliance • • •

Provided staff support to the Region One Housing Development Alliance which includes ICCC, NWHRA, NWCAA, NWRDC, and TVOC. The group met three times during the year to coordinate services to individual communities, develop joint funding applications, and anticipate emerging housing needs as defined by local communities. Projects sponsored by the Alliances members have included new housing construction, down payment assistance, and home ownership counseling.



Job Opportunity Building Zone (JOBZ) Administration



Above: Cam Fanfulik, Loan Fund Manager

Job Opportunity Building Zones (JOBZ) is a state initiative designed to stimulate business activity in rural, economically distressed areas of Minnesota. Eligible JOBZone businesses operate in an environment nearly free of local and state taxes for a maximum duration of twelve years, until December 31, 2015. The tax incentives will help new and expanding companies lower their overall costs, facilitate their growth, and create new jobs.

The NWRDC administers a seven county multi-jurisdictional JOBZone that includes 24 participating communities and 9 townships. JOBZ business expansions in 2005 resulted in over 50 new jobs and more than \$16 million in capital investment. 2006 has seen further expansion and capital investment from existing JOBZ businesses, and four new deals are pending. Since the inception of the program in 2004, results have totaled more than \$24,000,000 of capital investment, over 270,000 sq. ft. of new building expansion, and more than 167 new jobs created.

2004 JOBZone Qualified Businesses:

- 1) 1st Mechanical, LLC. - Crookston
- 2) Hanson Mfg., Inc. - Lancaster
- 3) PoDCo, LLC. - Lancaster
- 4) QC Techniques, Inc. - Roseau
- 5) Central Boiler, Inc. - Greenbush (Deer Township)
- 6) Prac's Institute, Ltd. - East Grand Forks

2006 JOBZone Qualified Businesses (Pending):

- 1) Homark Co., Inc. - Red Lake Falls
- 2) NW Manufacturing, Inc. - Red Lake Falls
- 3) Northern Valley Machine, Inc. - EGF
- 4) North Valley Family Medicine Clinic, PLC - EGF

2005 JOBZone Qualified Businesses:

- 1) Polaris Industries, Inc. - Roseau
- 2) BMI Mfg., Inc. - Oslo
- 3) Specialty Products & Technology, Inc. - Fosston
- 4) B.I.L. Mfg., Inc. - Argyle
- 5) Northland Machine, Inc. - McIntosh
- 6) FCS Ag Country - Ada
- 7) Borderline Tire Industries, Inc. - Oslo



The new year will see business start-ups, expansions and relocations continuing to take place with new jobs and capital investment planned for Red Lake Falls, Thief River Falls, East Grand Forks, Erskine and Hallock.

Land of the Dancing Sky JOBZ Communities

Ada, Angus Township, Argyle, Badger, Badger Township, Barnett Township, Crookston, Deer Township, East Grand Forks, Emardville Township, Erskine, Fertile, Fosston, Greenbush, Hallock, Hendrum, Higdem Township, Karlstad, Kennedy, Lake Bronson, Lancaster, Mayfield Township, McIntosh, Middle River Township, Oslo, Red Lake Falls, Roseau, Soler Township, Stephen, Strand Township, Thief River Falls, Twin Valley, and Warren.

Special Projects

ADA ADVANCES

Funding Sources: Ada Area Promotions - \$951, (Northwest Minnesota Foundation 50% matching grant); NWRDC In-Kind - \$3,750.

The NWRDC partnered with Ada Area Promotions to secure funding and implement a new approach to bringing new jobs into the Community. This approach involved developing a vision for the community and creating a business investment group to examine the feasibility of identifying and locating and expansion or relocating an entire business that fits the community. Ada Area Promotions partnered with the City of Ada and the Ada Economic Development Authority to implement the program.

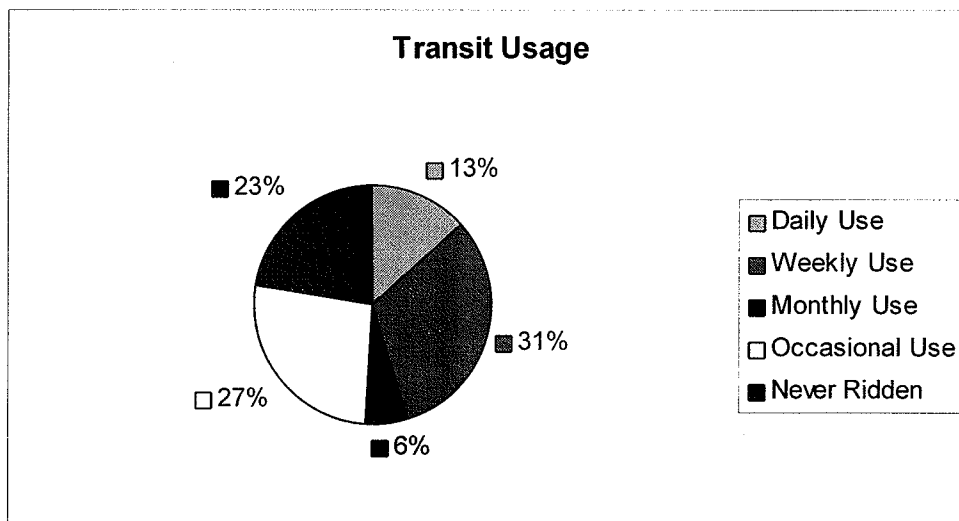
The City and the EDA added to the program by bringing in the North Dakota State University Landscape Design Team to outline a series of community improvement projects and hiring a Danielson & Associates to create a marketing program for the Community. Ada Area Promotions also continued with a program to build and sell new housing in the community and completed a project to create a new industrial park.

The Investment Group was formed during the startup phase of the project and Doty and Associates was hired to lead the group through a business investment and recruitment process. The Group identified categories of business which would fit the community and individual businesses which might be interested in relocation. Results of the landscape design, business recruitment, and marketing programs will be combined into a community vision and implementation steps will be identified during the next phases.

TRANSIT STUDY

Funding Sources: Minnesota Department of Transportation - \$20,000; RDC Tax Levy - \$1,096.

The NWRDC completed a localized transit plan focusing on elderly, disabled, and low income residents of Northwestern Minnesota. A steering committee was organized to provide input into the planning document. The committee will continue meeting to address the organization and coordination efforts within the individual service areas.



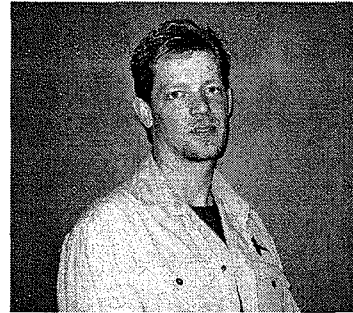
The pie graph above illustrates regional transit usage. An increase in transit usage is expected as the aging population continues to grow, vehicle expenses continue to rise, and education of the transit system is introduced to the public.

Transportation

Purpose: To insure safe efficient movement of people and commodities in the region. Provide an ongoing forum for important transportation issues in the region. Assist Mn/DOT and provide input with it's planning efforts and programs.

Funding Sources: MN Department of Transportation \$46,236; RDC Tax Levy - \$14,192. .

Service Priorities: Direction setting, comprehensive regional planning, legislative advocacy, MN/DOT project coordination.



Above: Troy Schroeder, Transportation Planner

Transportation Highlights

Regional Transit Plan

The NWRDC contracted with Mn/DOT for completion of a localized transit plan focusing on elderly, disabled, and low income. A local technical committee with representatives from: human services, local transit, elected officials, disability community, work force center, the area agency on aging, senior housing, hospitals, Mn/DOT and Jefferson Bus Lines had direct oversight in the development of the plan.

Implementation strategies are based on needs collected by public input, meetings and surveys. Seven broad categories were listed, with action strategies following.

1. **Regional Coordination** - The steering committee noted gaps in coordination between service providers. Efforts will need to continue to strengthen communication.
2. **Marketing** - Regional marketing needs to increase or become more effective in order to attract new passengers and to increase route stability.
3. **Transportation Gaps** - Insufficiency in the existing transit structure inhibits citizens from utilizing transportation alternatives.
4. **Increase Weekend/Evening Transit** - Larger municipalities have a need for after hour and weekend transit services. If a cost-effective strategy is established, it could be extended to smaller/rural cities when required.
5. **Rural Transit** - The long distances required for transporting rural residents door-to-door is not currently cost efficient. Transportation alternatives, such as vans or other vehicles, are possible strategic avenues; however this would require increased coordination and participation.
6. **Transit Funding** - Rising annual maintenance and operating expenses require additional funding to operate existing routes. Additional resources will be needed to expand the current services.
7. **Employee Transit** - Transit services to large manufacturing industries could be utilized throughout Northwest Minnesota. Scheduling and coordination between industry and provider will be necessary.

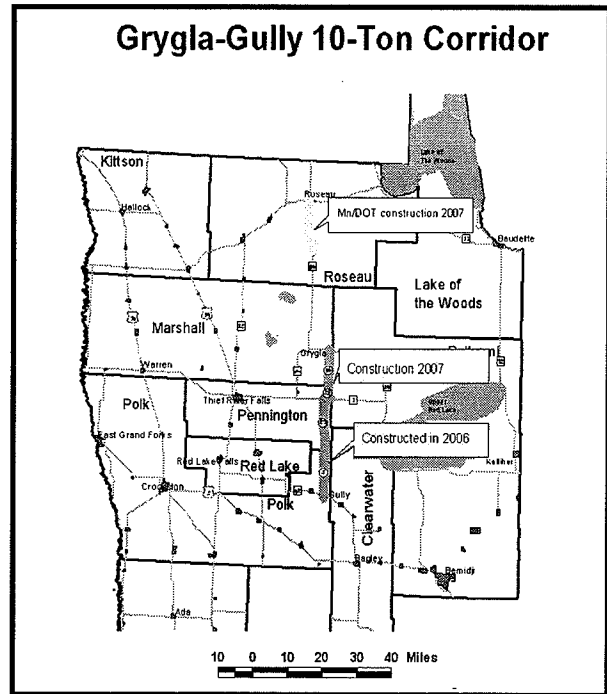
The following are needs identified from the surveys, meetings, and workshops that were completed during the study phase for the transit planning document.

- | | |
|---|--|
| -Sporadic use/Scheduling - (Concern of providers) | -Evening/weekend usage - (Concern of providers & riders) |
| -Funding - (Concern of providers) | -Coordination/Collaboration - (Concern of providers) |
| -Education - (Concern of providers) | -Rising costs - (Concern of providers) |
| -Mobility - (Concern of providers and riders) | -Public transit - (Concern of riders and providers) |

Continued planning with the steering committee is necessary to coordinate action plans to provide a transit service that meets the needs of users and providers.

Transportation Continued

The Grygla-Gully 10-Ton Shipping Corridor is nearing completion. Congressman Peterson met with members of the Transportation Advisory Committee (TAC) and the public for a ribbon cutting in Gully. (See Picture Below)



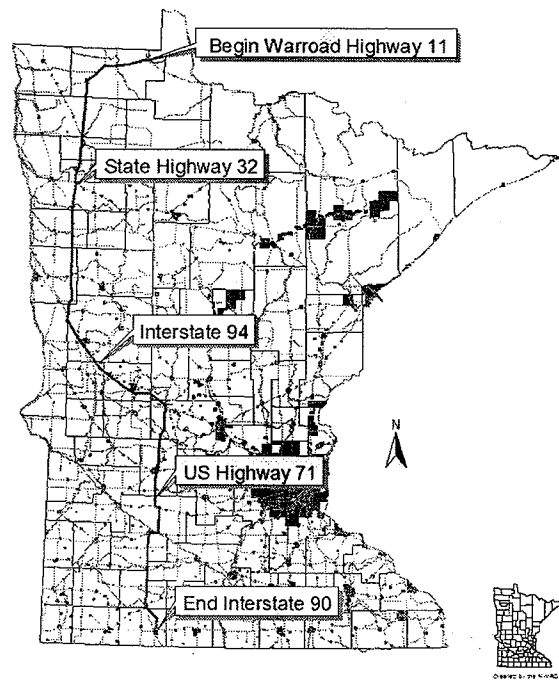
The City of Gully hosted the event with a large turnout of townspeople and county representatives to thank Congressman Peterson for all his efforts in getting \$6.4 million dollars allocated to this project. The Area Transportation Partnership (ATP) and counties contributed the rest of the cost to the nearly \$12 million dollar project. The counties delivered over half of the project within the first year of money allocation. Pennington CSAH 28 and Marshall CSAH 54 are planned for construction in 2007. Mn/DOT also plans to rebuild MNTH 89 from Wannaska to Roseau in the 2007 construction season. With completion of the 2007 construction plans, agricultural and industrial businesses will have a seamless stretch of 10-ton roadway from USTH2 in Bagley to MNTH 11 in Roseau. This continuous 10-ton route will save these industries millions of dollars annually in operation costs. More information is available by contacting Troy Schroeder at the NWRDC 218-745-6733.

Northwest Minnesota Trucking Corridor

Members of the TAC have met with members of the US-2 Manufacturers Association and the Northwestern Minnesota Manufacturers Association to discuss a Western Minnesota shipping corridor for heavy commercial vehicles through the NWRDC Region.

Steve Muzzy from Central Boiler contacted Congressman Peterson's staff assistant Toni Merdan and the Mn/DOT District Two Engineer Lynn Eaton to schedule a statewide meeting with Mn/DOT and RDC personnel. The draft proposed map (right) produced feedback from other portions of the state on the selection of a heavy commercial trucking corridor. The comments from the teleconference were generally positive with different entities wanting the trucking corridor designated through their respective region of the state. The RDC plans to organize a committee that provides information for the development of a planning document that will highlight the areas of highest need to begin the construction of a trucking corridor that provides for the safe movement of commodity in the most efficient manner.

Proposed Western
Minnesota Truck Route



Plans, Studies and Publications

Prepared by NWRDC

Plans

2007 Area Plan on Aging - The Area Plan on Aging examines senior input and demographic data to establish priorities for the use of Title III Older Americans Act funds. Includes budget information, an Executive Summary and work activities.

CY 2007 Work Program - Details the goals and objectives of the Commission in each of the program and planning areas.

2007 Comprehensive Economic Development Strategy (CEDS) - This document examines economic, social, and physical information about the seven counties in Northwest Minnesota and makes recommendations on activities to enhance and improve the economy. The recommendations concentrate on job creation, promotion, agriculture, and housing which can help address population loss.

FY 2007 Regional Arts Plans - Goals, strategies and work activities for State Arts Funds and McKnight Arts Funds are included in these plans.

Revolving Loan Fund Plan - Describes the program elements and guidelines for the loan fund.

Hazard Mitigation Plans - Portrayal of information about hazards and actions being taken to decrease or eliminate existing risks. Comprehensive plans are being composed for the following counties: Becker, Clay, Kittson, Marshall, Norman, Otter Tail, Pennington, Polk, Red Lake and Roseau.

Studies

Red River Bridge Study - The Transportation Advisory Committee has formed a subcommittee to study the economic impacts and importance the Red River bridge crossings have on the region. Results of the study will be presented to Mn/DOT for future planning.

Transit Study - The NWRDC completed a localized transit plan focusing on elderly, disabled, and low income residents of Northwestern Minnesota. A steering committee was organized to provide input into the planning document. The committee will continue meeting to address the organization and coordination efforts within the individual service areas.

Publications

Directory of Artists and Arts Organizations - The directory contains listings of regional artists, arts organizations, school district offices and public libraries. Published online at www.nwrdc.org/arts.htm.

Directory of Government Units of Service Agencies - The directory contains listings of service agencies and governmental offices from the township level through the legislative level.

CY 2006 Annual Report - Information on the funding and work activities of the Commission over the past year. Published and distributed to local officials and legislators.

Northwest Arts - Newsletter developed for the artists, arts organizations and schools in northwest Minnesota.

Senior News - Newsletter developed for the Senior Citizens and service providers of Region One, Two and Four.

www.nwrdc.org - Published updates of program information changes to our agency website.

www.visitnwminnesota.com - Web site devoted to the services, resources and recreational opportunities of our seven counties. Includes an on-line version of the Northwest Minnesota Visitor & Recreation Guide. Shopping, Land of the Dancing Sky Info. and JOB'Z Info.

Northwest Minnesota Visitor and Recreation Guide - A comprehensive listing of attractions and facilities which offer opportunities and services to local and outside visitors to area communities.

Committee Membership List

Region 1 Aging Advisory Committee

Terence Blacklance	Thief River Falls
Bob Carlson	Thief River Falls
* Richard Dahlin	Ada
Matthew Edman	Alvarado
Jamie Hennen	Ada
Gerald Jacobson	Fertile
Charles Lindberg	Kennedy
Warren Olson	Halstad
Julie Pahlen	Roseau
Orris Rasmussen	Roseau
LeRoy Vonasek	Warren
Ronald Weiss	Red Lake Falls
Betty Younggren	Hallock

Region 2 Aging Advisory Committee

Karen Ahmann	Mahnomen
Ann Daley	Bemidji
* Dick Devine	Park Rapids
Vicki Haugen	Bemidji
Raymer Hoyum	Kelliher
W. Patrick Johnson	Clearbrook
Kathy Judkins	Bemidji
Lucille Muller	Laporte
John Nelson	Clearbrook
Gerald Protector	Park Rapids
Jean Radtke	Mahnomen
George Swentik	Baudette
Nancy Wendler	Baudette

Regional Arts Council

Jane Anderson	Thief River Falls
Paulette Christianson	Badger
Betty Halvorson	Plummer
Alice Hofstad	Plummer
* Kimberley Johnson	Kennedy
Gen Knott	Red Lake Falls
Honey Olson	Ada
Betty Pikop	Stephen
Cindy Tsukichi	Thief River Falls

Transportation Advisory Committee

Milton Alm	Norman County
John Anderson	Kittson County

Lon Aune	Marshall County
Kelly Bengtson	Kittson County
Sharon Bring	Marshall County
Mike Flaagan	Pennington County
Marvin Gunderson	Norman County
* Donald Jensen	Pennington County
Alan Johnston	Roseau County
Brian Ketring	Roseau County
Courtney Kleven	Red Lake County
Rich Sanders	Polk County
Warren Strandell	Polk County
Ronald Weiss	Red Lake County

Bridge Subcommittee

Milton Alm	Norman County
Kelly Bengtson	Kittson County
Sharon Bring	Marshall County
Curtis Carlson	Marshall County
Warren Strandell	Polk County

Enterprise Fund

Loan Fund Committee

* Randall Aarestad	Halstad
Reed Engelstad	Red Lake Falls
James Herdliska	Erskine
Gary Rice	Hallock
Doug Safar	Warren
James Snyder	Thief River Falls
Carol Turnow	Roseau

Job & Career Committee

Eugene Dufault	Crookston
Al Leiran	Ada
Duane Lyberg	Hallock
Bill Montague	Crookston
Velma Oakland	Red Lake Falls
Jim Richter	East Grand Forks

Promotions Committee

Delores Adkins	Ada
Pam Heeten	Roseau
Ann Piersol	Red Lake Falls
Jim Thomasson	Mentor
Ethel Thorlacious	Stephen
Liz Valdez	Crookston

*Chair

Drees, Risky & Vallager, Ltd.

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117 South Broadway
Crookston, Minnesota 56716
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FAX (218) 281-5245

INDEPENDENT AUDITORS' REPORT

Board of Directors
Northwest Regional Development Commission
Warren, Minnesota 56762

We have audited the accompanying financial statements of the governmental activities and general fund of the Northwest Regional Development Commission as of and for the eighteen month period ended December 31, 2005, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Northwest Regional Development Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Northwest Regional Development Commission as of December 31, 2005 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued reports dated March 23, 2006 on our consideration of Northwest Regional Development Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not provide an opinion on the internal control over financial reporting or on compliance. These reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 5 through 10 and page 24, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northwest Regional Development Commission's basic financial statements. The other supplementary information presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Northwest Regional Development Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

March 23, 2006
Crookston, Minnesota

DREES, RISKEY & VALLAGER, LTD.

Drees, Risky + Vallager, Ltd.
Certified Public Accountants

Members of Minnesota and North Dakota Society of CPA's
Members of American Institute of Certified Public Accountants

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