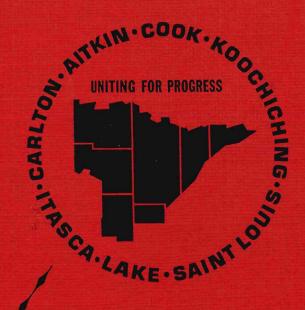


ARROWHEAD
REGIONAL
DEWELOPMENT
GOMMISSION



KCL

Annual Report
Summary
1970

HT 393 .M62 A77ax 1970 summ.

TO THE PEOPLE OF THE ARROWHEAD REGION:

It gives me great pleasure to present, on behalf of the Arrowhead Regional Development Commission, the 1970 Annual Report to the poeple of Northeastern Minnesota.

This report has been prepared to inform you of the activities that have taken place within the organization of the Commission.

This report will demonstrate to you that the success of the Arrowhead Regional Development Commission is your success.

As the Commission progresses so as to develop plans and projects that are consistent with the needs and desires of the people it will be able to serve the people of the Region by causing harmonious and cooperative development.

This Annual Report of 1970 provides a history of the past year and also a look into the years that are coming. I hope that you will see that through the efforts of the Commission the years ahead hold much promise.

Respectfully submitted,

Joseph Veranth

This Annual Report of 1970 has been prepared to comply with The Regional Development Act of 1969, Section 13. It has been prepared through funds made available to the Commission from the Federal and State Agencies cited in the Annual Budget of 1970.

THIS REPORT

The concepts of regional development, regional planning, region decision making, and regional coordination have been a method of public service in the minds of public leaders and others for a considerable length of time. Public servants both elected and appointed, who have been interested in an efficient and economical approach to serving the public; solving economic, social, and environmental problems; and adjusting the method of providing grants-in-aid to local units of government have seen the wisdom of a regional approach.

The regional concept is not understood by the public it is designed to serve. It is the purpose of the Arrowhead Regional Development Commission to provide an understanding of "regionalism" through a demonstration of the regional concept theory in practice. The demonstration is this annual report. It is the hope of the Commission to demonstrate that a regional development commission is a method by which the public will be served more efficiently and the tax dollar spent more wisely.

The Commission recognizes that this report has significant historical value. This is the annual report of the activities of the first regional development commission organized under legislation which is unique in the nation.

The Commission is aware that the other regions of the State of Minnesota are carefully watching the activities of the Arrowhead Regional Development Commission to assess the success, the value and the probability of a similar endeavor. The Commission is also aware of the scrutiny being given to its activities by other parts of the nation for the purpose of enacting legislation which will enable comparable development.

The Commission believes that the first year of operation has shown to the people of the Region that it has and will gain their success. It is for the people of the Region that the Arrowhead Regional Development Commission was organized, it is for their good that the Commission will continue to work. Should the Commission decide to adopt an appropriate motto, it would have to be "Pro Bono Publico . . . " "For the Good of the People."

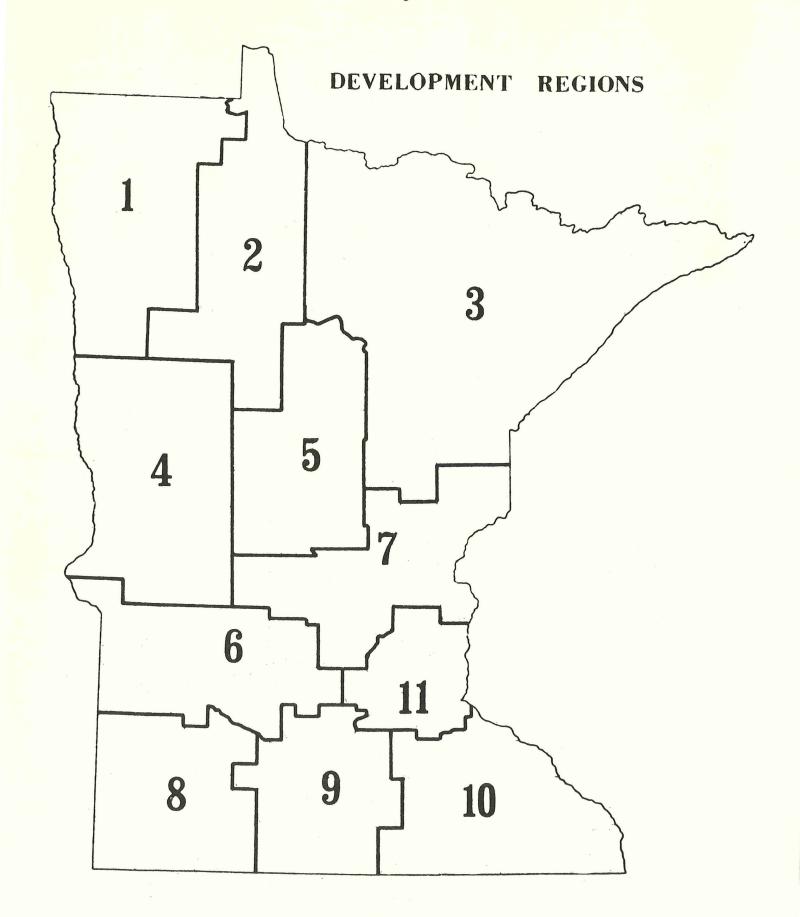
Brief Description of the Arrowhead Region

The Arrowhead Regional Development Commission territory includes the counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake and St. Louis. (See Development Region Map, page five (5)). The Region is the largest in the state. It has a land area of 18,292 square miles which is 23.2% of total land area in the state. It borders Lake Superior and topographically consists of a series of heavy forests and rolling hills to a prairie-like area in the southwestern portion of the Region.

Comparing the Region as a geographic unit to the states in the nation, it would rank 41st among the 50 states. It is geographically larger than the combined land area of five states.

The bulk of the population of the Region is in the south-central portion of the Region. The majority of the land area is sparsely settled and large land areas have for all practical purposes no inhabitants. The densely populated areas are the metropolitan area of Duluth and the string of communities across the Iron Range. These concentrations have approximately two-thirds of the population of the Region.

The Region has an average number of political subdivisions as related to the population and as compared to the state and nation. There are: 12 cities, 60 villages, and 173 townships.



ADMINISTRATION

Historical Development

The Arrowhead Regional Development Commission had its beginnings as an organization called the Arrowhead Economic Development District. The District was designated by the U.S. Department of Commerce on April 23, 1968, and was comprised of six counties. St. Louis, Itasca, Cook and Lake Counties were designated by the Department of Commerce as Redevelopment Areas (RA). This meant that they were qualified to recieve special assistance from the Economic Development Administration (EDA). The counties of Carlton and Koochiching were also included in the Development District. Aitkin County became the seventh county in the Arrowhead Regional Development Commission of their own volition, through petitions to the Commission and to the Governor.

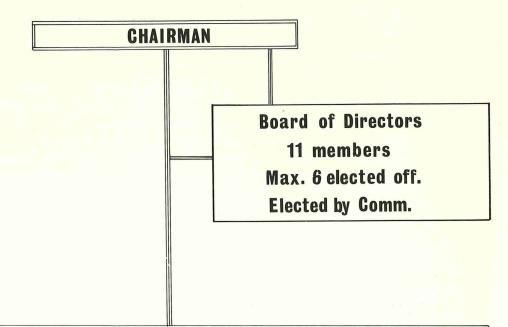
During the 1969 legislative session, the Regional Development Act was passed. The legislation allowed that existing Economic Development Districts be designated as regional commissions, headed by Governor-appointed chairman.

The Regional Development Act of 1969 was precisely what the District needed to accomplish its task. The authority to be a comprehensive planning agency, to review applications for federal and state grants and loans, and to conduct research and study were the elements that would make the original regional concept a success.

The District had received a grant of \$25,000 from the State which was allowed in the legislation. For all intents and purpose, the District was becoming a Regional Commission. At this point, the District could not be considered a legally constituted commission since the law provided that a Chairman be first named and then the commission organized. Late in November of 1969, Governor Harold LeVander named Joseph Veranth as Chairman of the Commission. Mr. Veranth began a period of orientation so as to understand the function of the Arrowhead Economic Development District. In consultation with the State Planning Agency and the District staff, Chairman Veranth determined the procedure by which the Commission would be organized.

The Act provided for a commission consisting of 38 members, representing municipalities, counties, special districts, school boards, councils of government, and citizens from special interest and minority groups. The Commission was structured so as to provide representation according to population and tax base. The Act also provided for an eleven-member Board of Directors to manage the business and affairs of the Commission.

Commission Structure



County	County Commissioner	County Commissioner over 100 M	Municipalities under 10 M	Municipalities over 10 M	Commission Region
St. Louis	1	1	1	Duluth Hibbing Virginia	Townships 1
Aitkin	1		1		School Board
Carlton	1		1		HOTL COG
Cook	1		1		1
Itasca	1		1		Special Dist.
Koo- chiching	. 1		1		Public Interest
Lake	1		1		16

ARROWHEAD REGIONAL DEVELOPMENT COMMISSION MEMBERSHIP

Officers

Joseph Veranth	Duluth, St. Louis County
Marvin Marklund	Two Harbors, Lake County
Freeman Johansen	International Falls, Koochiching
Art Barschdorf	Duluth, St. Louis County
	Marvin Marklund Freeman Johansen

Board of Directors

	$\underline{ ext{City}}$	County
Joseph Veranth Jerry Jubie Bert Ackerson T. H. Shoaff Freeman Johansen Earl Bolin Joseph Begich Isador Iverson Walter Stock Bev Johnson Marvin Marklund	Duluth Floodwood Hibbing Grand Rapids International Falls International Falls Eveleth McGregor Cloquet Grand Marais Two Harbors	St. Louis St. Louis St. Louis St. Louis Koochiching Koochiching St. Louis Aitkin Carlton Cook Lake
Ex Officio Members Floyd Anderson Arthur Barschdorf	Duluth Duluth	St. Louis St. Louis

County Commissioners

	City	County	Term in Years
Cliff 1 C 11	A 141-1	A :41-:	0
Clifford Gravelle	Aitkin	Aitkin	3
Howard Ross	Cloquet	Carlton	3
Bev Johnson	Grand Marais	Cook	3
Lloyd Nesseth	Squaw Lake	Itasca	3
Marvin Marklund	Two Harbors	Lake	3
Earl Bolin	International Falls	Koochiching	3
Floyd R. Anderson	Duluth	St. Louis	3
Fred Barrett	Hibbing	St. Louis	3

Mayors or Councilmen - Municipalities Under 10,000 Population

	City	County	Term in Years
Lawrence Fulton	McGregor	Aitkin	1
Ludwig Anderson	Kettle River	Carlton	1
Henry Thomsen	Grand Marais	Cook	1
Truman Shoaff	Grand Rapids	Itasca	. 1
Phil Olson	South International Falls	Koochiching	1
David Battaglia	Two Harbors	Lake	1
Joseph Begich	Eveleth	St. Louis	1

Mayors or Councilmen - Municipalities Over 10,000 Population

	City	County	Term in Years
Henry Pappone	Virginia	St. Louis	2
Joseph Taveggia	Hibbing	St. Louis	2
John Sheedy	Duluth	St. Louis	$\overline{2}$
	Township Supervisor Representative	<u>ve</u>	
Henry Koistinen	Zim	St. Louis	1
•			
	Head of the Lakes Council Government	ents	
Donald Solem	Duluth	St. Louis	1
	School Board Representatives		
Sulo Walli	Cromwell	Carlton	1
M. George Downs	Duluth	St. Louis	1

Special Interest Groups

		City	County	Term in Years
Gaylord Bridge	Health	Alborn	St. Louis	1
Arne Heikkila	Human Welfare	Duluth	St. Louis	1
Douglas Bourgeois	Crime	Duluth	St. Louis	1
Claude Titus	Commerce & Industry	Gr. Rapids	Itasca	1
Arthur Barschdorf	Mining	Duluth	St. Louis	1
Earl Stewart	Minorities	Duluth	St. Louis	1
Isador Iverson	Tourism & Recreation	McGregor	Aitkin	1
Arlene Harvell	Environmental Quality	Duluth	St. Louis	1
William Marshall	Agriculture & Forestry	Gr. Rapids	Itasca	1
Walter Norlen	Transportation & Comm.	Two Harbors	Lake	1
Vincent Gentilini	Community Action Boards	Virginia	St. Louis	1
John Radosevich	Community Action Boards	Duluth	St. Louis	1
Earl Bester	Labor	Duluth	St. Louis	1
Donald Hackey	Nett Lake Reservation	Nett Lake	St. Louis	1
Sherman Smith	Fond du Lac Reservation	Cloquet	Carlton	1
Lorraine Oberg	Grand Portage Reserv.	Grand Port.	Cook	1

By-Law Development

In order to organize the Commission, it was essential that by-laws be developed which would satisfy the requirements of the Regional Development Act of 1969 and be workable for the day to day activity of the Commission. There were no suggested guidelines for the by-laws. It was through a process of several drafts and consultation with the Chairman and the staff that the by-laws were finally put into proper form for presentation to the Board of Directors for their approval.

The by-laws were adopted on July 1, 1970, at a regular meeting of the Board of Directors of the Arrowhead Economic Development District. Included at the meeting were additional members who had been appointed by their respective units of government or agencies to serve as members of the Commission.

Reorganization of the Commission

The official reorganization of the Commission should be set as September 30, 1970. It was on this day that the first meeting of the entire Commission was held in the Walnut Room of the Duluth Arena Auditorium. Other dates may be set for the actual beginning of the Commission; November 20, 1969, Governor Harold LeVander appointed the first Chairman, Joseph Veranth. The Regional Development Act of 1969 states that a Commission "shall be established upon the appointment of a Chairman by the state planning officer and notification of all local government units within the region." Another date which might be cited as the date of organization would be July 1, 1970, the date the by-laws were adopted.

Legal Responsibilities

The basic legal responsibilities of the Commission at its inception were to adopt by-laws, see to the election of the Commission membership, and elect a Board of Directors. Implementation of that election was described in the by-laws. Through diligent work, the nominating committee selected those persons whom it believes were best qualified for the offices. At the meeting of September 30, 1970, nominations from the floor were allowed and the results of the election established the Commission, its officers and its Board of Directors.

The next responsibility of the Commission under the Act was to prepare a review system and begin the workings of a comprehensive plan.

Early in the development of the Commission, the staff had begun the preparation of guidelines to implement the Commission and review authority and responsibility. A long period of time elapsed before the State Planning Agency and the Arrowhead Regional Development Commission were able to determine the feasibility of guidelines and procedures.

To begin the workings of a comprehensive plan, it was necessary to secure a staff member qualified to do comprehensive planning. After a considerable length of time, a Planner in Charge was hired. His responsibility would be to assist in securing funds to make the development of a comprehensive plan financially feasible. He would, in consultation with the Commission, set the direction that the plan would take and determine the portions the plan that would be given priority.

With these responsibilities under control, the Commission was ready to begin its day to day operation. Progress toward the implementation of the two important areas of responsibility, review and planning, had begun by early November, 1970.

FISCAL ACTIVITY

Essential to the operation of the Commission is proper funding and proper budgeting. The fact that the operations of the Commission are funded by several agencies makes reporting these balance sheets and budgets essential in order that the public might better understand the relationships of the programs to each other.

The fiscal matters of the Commission have not been fully developed for several reasons. The Commission has had less than one year of operation as a multi-funded agency. To develop budgets and bookkeeping systems for a multi-funded agency, takes time and experience. The cost factors of the various operations in the different divisions and their need for the supportive services of the Division of Planning and of Research will be determined only after an extensive work program has been developed. The Commission has contracted with a qualified consultant to develop a fiscal management program.

ARROWHEAD REGIONAL DEVELOPMENT COMMISSION

Annual Income, 1970

Citizens Action Council	00
Economic Development Administration*	0
Public Service Careers	0
Region B	00
State of Minnesota (Match to EDA)*	00
TOTAL INCOME	0(

^{*}Portions of these grants were received in 1969 for Fiscal Year July, 1969 to June, 1970. For this reason, the Income and Expenditure do not balance. For a further explanation, see the following Balance Sheet.

ARROWHEAD REGIONAL DEVELOPMENT COMMISSION

Annual Expenditures, 1970

Citizens Action Council:

Consultants \$1,510.00 Equipment 48.00 Other 932.76 Personnel 3,846.20 Personnel Burden 276.50 Travel 2,290.28 Sub-total \$8,903.74
Economic Development Administration:
Consultants 10,861.40 Consumable Supplies 860.17 Miscellaneous 1,607.05 Personnel 53,952.24 Personnel Burden 3,262.91 Postage 327.17 Printing and Publications 1,051.27 Space Costs and Rentals 6,044.79 Telephone and Telegraph 2,764.54 Travel 8,263.82 Utilities 310.57 Sub-total \$89,305.93
Public Service Careers:
Office Expense 185.55 Overhead 910.14 Personnel 3,687.22 Personnel Burden 292.86 Travel 1,485.32 Sub-total \$6,561.09
Region B:
Equipment .175.98 Other 1,252.27 Personnel .6,334.68 Personnel Burden .92.45 Travel .1,680.38 Sub-total .\$9,535.76
TOTAL EXPENDITURES\$114,306.52

ARROWHEAD REGIONAL DEVELOPMENT COMMISSION

Balance Sheet / December 31, 1970

ASSETS

Cash
Citizens Action Council.
Consultants 1,510.00 Equipment 48.00 Other 932.76 Personnel 3,846.20 Personnel Burden 276.50 Travel 2,290.28
Economic Development Administration:
Consultants 5,030.00 Consumable Supplies 307.84 Miscellaneous 674.22 Personnel 27,387.21 Personnel Burden 1,703.68 Postage 172.13 Printing and Publications 671.61 Space Costs and Rentals 2,776.17 Travel 4,036.09 Telephone and Telegraph 1,371.70 Utilities 158.03 Public Service Careers:
Office Expense
Overhead
Personnel
Personnel Burden 292.86 Travel 1,485.32
Region B:
Equipment
Other
Personnel
Travel
Total Assets

Balance Sheet (Continued)

LIABILITIES AND CAPITAL

Edman, F. Robert\$2,130.00
Total Liabilities
Surplus
Citizens Action Council
Economic Development Administration
Public Service Careers
Region B
State (Match to EDA)
Total Capital\$81,661.48
1711 PW 1 0 1 0 1 1 0 1 1 1 1 1 1 1 1 1 1 1 1
Total Liabilities and Capital\$83,791.48

Annual Budget for 1970

Commentary

The budget outlined on the following page shows the categorized expenditures for the past calendar year. In some divisions the budget ran from July through December, 1970. This was due to budgets which are available through agencies operating on that fiscal year.

Definition of Funding Agencies and Method of Procurement

Funds to administer, plan and reorganize the Commission were available from six (6) different sources.

Economic Development Administration (EDA): These funds were received on a matching basis of 70% federal and 30% local share. They were matched with \$25,000 grant from the State of Minnesota which was made available through the Regional Development Act of 1969.

Citizens Action Council Program (CAC): A grant to conduct this program was obtained by application to the Governor's Commission on Crime Prevention and Control. The funds for this program were made available to Minnesota from a block grant of the Omnibus Crime Control and Safe Streets Act of 1968. The matching money was provided by the State, giving the Commission a one-hundred percent grant.

Public Service Careers Program (PSC): The grant received from the Economic Development Administration is allocated for the administration of the project and action funds to be used to train personnel enlisted in the program. The total grant was \$120,000 of which \$27,000 was for the grantee administration costs. This was a one-hundred percent grant and no local funding was required.

Planning Grant for Region "B" (Justice): The grant was given from the planning funds made available to the state under the Omnibus Crime Control and Safe Streets Act of 1968. The ten percent match for this grant was paid by the State.

Regional Development Commission Grant (State): The Act provides that "the state planning officer will make available to any commission created under this act a sum not to exceed \$25,000 a year for fiscal years 1970 and 1971."

Regional Juvenile Detention Project (Local): An Arrowhead Regional Development Commission staff member has been named in a contract between the Minnesota Department of Corrections and St. Louis County acting as the fiscal agent for the Juvenile Detention Board, to plan and implement the funding and program for the project. These funds are paid on a work-done basis and may vary from month to month.

${\begin{tabular}{l} ANNUAL BUDGET\\ 1970\\ ARROWHEAD REGIONAL DEVELOPMENT COMMISSION\\ \end{tabular}}$

	Personnel	Consultant	Travel	Space & Equipment	Other Direct Cost	Action	Total
E.D.A.	\$60,213	\$ 0	\$ 0	\$ 0	\$4,683	0	\$64,89 <mark>6</mark>
C.A.C.	5,250	1,189	2,200	373	988	0	10,000
P.S.C.	3,622	0	1,485	400	901	0	6,408
Justice	6,924	2,300	2,550	776	450	0	13,000
Sub-total	76,009	3,489	6,235	1,549	7,022	0	94 <mark>,</mark> 304
State	1,250	4,500	8,000	6,371	4,879	0	25,000
Local	3,056	0	199	0	276	0	3,531
Sub-total	4,306	4,500	8,199	6,371	5,155	0	28,531
TOTAL	\$80,315	\$7,989	\$14,434	\$7,920	\$12,177	0	\$122, <mark>835</mark>

 State and Local
 \$28,531

 Federal
 94,304

\$122,835

Summary Prepared: January, 1971

Budget for 1971

The figures of the budget for the coming year are subject to change. This budget is composed of those funds that have been secured as of January 15, 1971. It is expected that additional funds will become available.

Definition of Funding Agencies and Method of Procurement

E. D. A. (See Annual Budget for 1970)

Justice (See Annual Budget for 1970)

C. A. C. (See Annual Budget for 1970)

Farmer's Home Administration (FHA) This is a one-hundred percent grant award for the purpose of conducting a Water and Sewer Survey for the communities under 5,500 population in the Region.

Housing and Urban Development (HUD) Grants are provided for multi-jurisdictional planning under Chapter 701 of the HUD Act. This grant has been secured for the purpose of developing the overall program design, providing technical assistance for and starting the initial housing element of the comprehensive plan. It is granted on a matching of 75% federal and 25% local. Some of the matching funds will be secured through in-kind contributions.

P. S. C. (See Annual Budget for 1970)

State (See Annual Budget for 1970)

Local (See Annual Budget for 1970)

U. M. D. (University of Minnesota, Duluth) This in-kind contribution by the University will be used to match the HUD grant.

State Highway Department Through technical assistance in developing the transportation study design, the Highway Department will make an in-kind contribution which will be used for match to the HUD grant.

${\bf ANNUAL~BUDGET, 1971}$ ${\bf ARROWHEAD~REGIONAL~DEVELOPMENT~COMMISSION}$

	Personnel	Consultant	Travel	Space & Equipment	Other Direct Costs	Action	Total
E.D.A.	\$50,583	\$ 0	\$ 0	\$ 0	\$8,499	\$ 0	\$59,082
Justice	19,869	2,400	4,000	331	900	0	27,500
C.A.C.	5,250	1,190	2,200	372	988	0	10,000
F.H.A.	17,000	70,000	2,000	4,000	2,000	0	95,000
H.U.D.	8,340	5,660	1,000	2,000	3,000	0	20,000
P.S.C.	15,058	0	357	1,200	3,977	93,000	113,592
Sub-total	\$116,100	\$79,250	\$9,557	\$7,903	\$19,364	\$93.000	\$325,174
State	\$2,000	\$6,000	\$8,000	\$6,428	\$2,572	\$ 0	\$25,000
Local	4,560	0	300	0	600	0	5,460
U.M.D.*	4,000	0	0	0	0	0	4,000
Hwy. Dept.*	2,000	0	0	0	0	0	2,000
Sub-total	\$12,560	\$6,000	\$8,300	\$6,428	\$3,172	\$ 0	\$36,460
TOTAL	\$128,660	\$85,250	\$17,857	\$14,331	\$22,536	\$93,000	\$361,634

*Note: In-kind Contribution Prepared: January, 1971 State and Local \$36,460 Federal 325,174

GRAND TOTAL \$361,634

COMMISSION STRATEGY

The basic strategy of the Commission is to provide a visible plan and development system which will lead to harmonious and cooperative development in the Region. We cite the plan and system as being "visible." The connotation of this term should be "a plan or system that is actually existing in the Region." We make this distinction as part of the strategy because we believe that there is in the minds of the agents of change plans and systems that would cause harmonious development. Our responsibility is to gather the various impressions from the leadership of the Region and correlate it into a single "visible" plan and system.

Approach to Planning

Fulfillment of the responsibility under the Act to "prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development plan for the Region," will require that the Commission follow a definite procedure. That procedure is based upon three factors which are need, fiscal ability and practicality.

Most significant in the "approach to planning" of the Commission will be the study and analysis of the several comprehensive plans that have been completed for individual communities and counties. A method will be developed to correlate all or parts of the existing comprehensive plans into the regional plan.

To set our house in order will be the first and most practical aspect of the comprehensive plan. To plan the development or correction of the environment of the Region through planning the proper uses of the environment will be accomplished through these components:

- 1. Water and sewer comprehensive plan for communities under 5,500 population.
- 2. Water and sewer comprehensive planning for communities over 5,500 population.
- 3. Multi-jurisdictional Solid Waste Management Program.
- 4. Monitoring the Regional Waste Water Disposal System of the St. Louis River Basin.
- 5. Assistance to Air Pollution Control Studies.

Primary to planning for the communities will be a housing study. This will consist of review of existing comprehensive plans "housing element" for communities and supplementary field surveys in some area to update existing data and to collect data not furnished.

The next practical steps to take in comprehensive plan development will be an analysis of state plans that have been developed which include surveys and projections for particular components in the Arrowhead Region.

Research Priority Setting

The division of research is the recipient of dozens of requests for supplementary and basic data. The manpower of the division of research and the fiscal ability does not allow that division to provide all data requested. As the number of requests continues to pyramidically grow, it becomes necessary to place restrictions upon the amount of work done and consequently priorities must be set.

Priority setting will be done according to the following criteria: supportive research to planning being conducted or to be conducted; research which is responsive to the requirements or suggestions in the Act; and research which will give support to action programs of the Commission. Priority rating will follow the order of the above criteria.

To accomplish the three main objectives of the Commission of planning, research, and review will be the thrust of the Commission staff. However, funding agencies which provide the funds which will allow the accomplishment of the three main objectives require certain actions and developments.

Nature of Funded Programs

Economic Development Administration

Programs which will provide opportunity to employ the unemployed, and raise the standards of the under-employed will be given Commission attention and resources. The Commission will engage in studies which will demonstrate the possibilities of future industrial development. Such a program is under consideration and could result in an application for almost \$200,000 to conduct an economic impact study.

Housing and Urban Development

The primary objective of this program is to provide a better environment for people in urban places. Of particular emphasis is to provide housing to low income families and senior citizens. Along with the housing is the need to renew the deteriorating parts of the communities.

Criminal Justice System

Region B - A designated region of the Governor's Crime Commission is administrated by the Commission insofar that the Commission provides staff for that purpose. The Commission strategy requires that the staff be primarily engaged in administration and planning of functions of the Region B Advisory Council and in assistance to local units of government in application preparation.

C. A. C. - The Citizens Action Councils on Youth Problems and Drug Abuse Program must be conducted as outlined in the grant. The Commission will continue to employ a coordinator for this program to work with the communities named as target communities.

Regional Juvenile Detention - The Commission will continue to direct this program through staff resources. Such direction and planning will continue until the program is ready for actual operation.

Farmer's Home Administration

The primary objective of this program as it relates to Commission activity and strategy is the development of a comprehensive sewer and water plan for the rural area and communities of the Region.

Manpower Programs

This program known as "Public Service Careers" is action oriented. It requires a minimum amount of input from Commission supportive services. The Commission hopes to develop a complete Division of Manpower Services through the experience gained from this program.

Title I - HEW

This program is based at the University of Minnesota, Duluth, and is being conducted by a board composed of University personnel and Commission members. The main thrust of this program will be to establish information dissemination which will give the leadership and citizens in the Region a better understanding of the functions and goals of the Commission.

Information Dissemination and Public Relations

Essential to the development of a working relationship between the Commission and the Region is an informed public.

Use of Media

It goes without elaboration that the Commission will make use of all media for information dissemination and publicity. The experience of the Commission to this point has been one of great cooperation from the media.

Reporting System

Under careful development is a method to provide regular information to the Commission concerning the day to day developments of the Commission business. The Commission has expressed to the staff the need to have information for the purpose of study before advise and consent.

Equally important is a reporting system to the Region. Two items are in the developmental stage. One will be a regular newsletter to be distributed generally and the second is a cue-sheet which will inform local units of government concerning availability of federal and state programs and priorities of such programs.

Review of Applications of Grants and Loans

Over one year ago, the Commission began to develop "guidelines" for review. These guidelines were developed along the lines set forth in Bureau of the Budget Circular A-95.

The guidelines of Project Notification and Review System go beyond the requirements of BOB Circular A-95. The Regional Development Act of 1969 gives the Commission review over all applications for all federal and state grants and loans.

In December of 1970, the Governor of Minnesota designated ARDC as the regional clearinghouse for A-95. After a public hearing in early 1971, the Commission will begin to implement "review authority" as allowed in the Act.

Commission Staff and Division Structure

The administrative, professional and clerical staff of the Commission have been kept to a minimum for several reasons. Foremost is the policy which avoids the creation of a large organization which would require large funding capabilities. Second, it is the policy of the Commission to utilize existing agencies and institutions as well as private consultants to meet the goals of development.

Executive Director (Rudy R. Esala)

Director of Regional Planning (William S. Beck)

Director of Economic Development and Criminal Justice Planning (Karl N. Aho)

Information Resources Director (William M. Bolander)

Regional Manpower Project Director (Alan D. Ballavance)

Citizens Action Council Coordinator (Randy Rehnstrand)

Executive Secretary/Bookkeeper (Bonnie Kallio)

Student Intern (Rick Wagner)

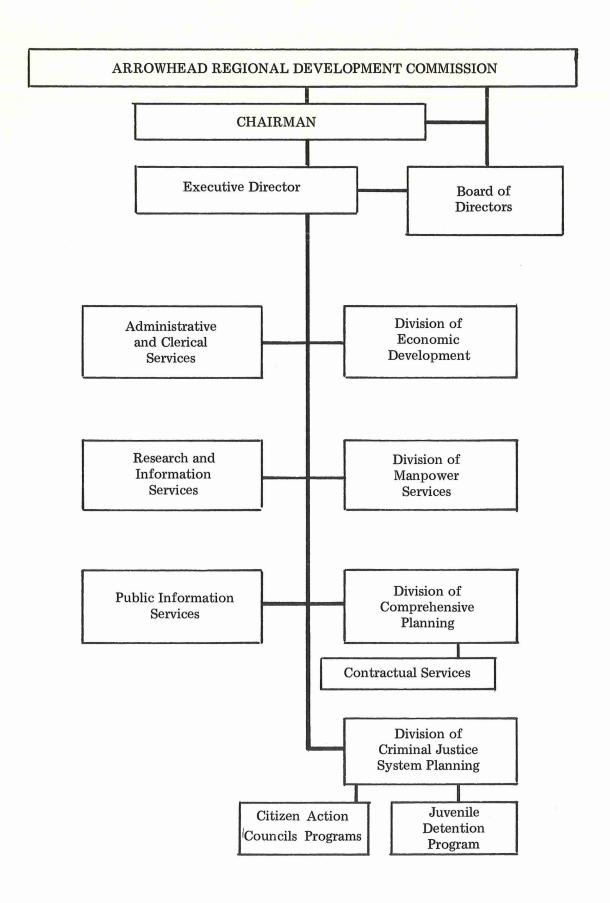
Clerk Stenographer (Roshan Harms)

Clerk Typist/Receptionist (Ann Peterson)

Clerk (Susan Leland)

Division Structure Commentary

The structure is simple and allows adaptability to several patterns of administration. It particularly allows a team management pattern. In all cases, the divisions and services can share in an exchange which will lead to team decision making on the staff level. The frames on the left at the staff level are supportive services. These services do not have funding available to them but must be supported through an overhead factor paid from all other funds. The divisions shown to the right on the chart are in most instances funded by federal or state funds and, therefore, are responsible to a definite program according to the regulations of the grantor.



PLANNING

Planning Methodology and Definitions

The housewife who prepares the family budget, the businessman who orders his Christmas stock in July, and the plumber who schedules his calls in the same neighborhood on the same day all have something in common. They have given some thought to the future, chosen between alternatives and made decisions that are intended to minimize their problems, increase their efficiency and bring greater return for their efforts.

Planning for a community or for an entire Region is no different. It is even more important, for the decisions made by government are much more far-reaching than those of the individual or business.

It requires collecting and analyzing that information which can be used to identify problems or estimate future needs and assist decision making in other ways.

Planning Activities in 1970

The past year was a period of reorganization for the Commission. Formal planning was at a minimum because the thrust of the Commission was directed to reorganization and planning capability was not established on the Commission staff until late in the year.

Planning for Division of Economic Development

Planning for this division has been in progress for the past four years and has reached a point of considerable refinement. Future planning will be the adjustment of goals, priorities, and projects in accord with additional data or changing characteristics of the Region. Planning for this division during the past year has not been formal. It has been planning that has been complementary to the plans of the Overall Economic Development Program.

Planning for Division of Manpower

Approval of grant monies for the Arrowhead Regional Development Commission to initiate its first manpower program called the Public Service Careers Program was received from the Economic Development Administration on June 30, 1970. The \$120,000 grant was based on an indicated potential of 143 vacant job openings identified from a poll taken of governmental agencies in the Arrowhead Region.

A planning report detailing job descriptions, time tables for implementation, training needed and costs was required by the Economic Development Administration to release the program grant monies. This has been accomplished and approval to implement has been received.

Planning to implement the program was based on the most reliable information available at the time which was the expressed needs of the administrators of the public agencies of the Region. Implementing the program during 1971, however, is going to be difficult due to economic conditions.

Planning for Division of Criminal Justice System

The basic planning for this division was accomplished through the development of a Criminal Justice System Profile. Region B Advisory Council to the Governors Crime Commission designated four task forces representing law enforcement, courts, corrections, and prevention. These task forces through several meetings established the problems, needs, and goals of the Region. This is the basic planning document. Further planning will be accomplished through the collection and correlation of secondary data and an updating of the present profile.

Regional Juvenile Detention Center

The Commission became involved in this program at the request of the county commissioners who were the prime movers for the establishment of such a facility. Briefly, the program is to construct a 20-bed juvenile detention center to serve the juvenile detention needs of seven counties. Juveniles are presently being held prior to disposition in county jails. Although these facilities are not detrimental to the youth, they do not allow for diagnostic and preliminary rehabilitaiton processes. The regional nature of the project required a regionally based agency to accomplish the coordination of organization and funding.

Citizens Action Council

Establishing of Program Methodology. Long before the program of Citizens Action Councils was put into action, there was a great amount of planning to do. Much of this planning was done by the Crime and Delinquency Prevention Task Force of the Region B Advisory Council to the Governor's Commission on Crime Prevention and Control. It was reported by the Task Force in January, 1970, that there was a need to involve volunteers in improving the general public's understanding and concern for the Regional and State Criminal Justice Systems. It was also suggested that a means should be provided for using volunteers in the criminal system, welfare, recreation, and youth employment.

The staff of the Arrowhead Regional Development Commission laid out a plan by which the coordinator for CAC could establish the councils in the proposed target communities.

Assistance to the Planning Efforts of Local Units of Government

Water and Sewer Planning

During the coming year, the ARDC will be developing a Comprehensive Sewer and Water Plan for the Region. This activity, which is being funded by the Farmer's Home Administration, will investigate the sewer and water utility problems and needs of the unincorporated area and all communities under 5,500 population. The study will give particular attention to lakeshore development since more than 3,600 lakes in the Region constitute its most important recreational asset. They must be protected against pollution.

The Region has several other communities, however, which are not eligible for financial assistance form FHA because of their larger population size. They must obtain assistance from the Department of Housing and Urban Development for utilities. These several include Cloquet, Chisholm, Grand Rapids, Hibbing, International Falls, Virginia and the Town of Stuntz.

Planning Commissions

Several small communities did not have planning commissions to advise their governing bodies of needed developments and coordinations. The Commission staff has assisted these communities in setting up planning commissions and they have worked with the planning commission giving direction and advice on preliminary procedures.

OEDP Development

The Commission has planned and written in cooperation with some of the Indian Reservations a complete Overall Economic Development Program. This was done primarily to give eligibility to the reservations for EDA assistance.

OEDP Progress Reporting

Each county designated by EDA as a redevelopment area is required to submit a "progress report" annually to EDA. Regulations have been changed to allow a county or reservation to endorse the OEDP of the Commission. This is done by a simple letter to that effect. The Commission inturn recognizes such endorsements and indicates that the OEDP will be continually updated and such additions or changes will be sent to the counties and reservations.

Housing and Redevelopment Authority Assistance

Eligibility for certain programs for housing under HUD require that a community have a legally constituted Housing and Redevelopment Authority. The establishment of such legal entities has been the responsibility of the Department of Local and Urban Affairs of the State Planning Agency. The Commission has assumed some of this responsibility in order to expedite the establishment of programs for housing in the Region.

Manpower Needs and Time Phasing for Planning Activities

The tables on the following pages indicate the man/month needs of the Commission for planning activities during the next year. To demonstrate the planning activity further, we have included the time phasing of each of the planning activities to be undertaken.

TABLE 0
1971 Planning Activities
ARDC Man/Months

Funding Source	Planning Activity	Professional	Technical	Clerical	Consultant Contracts	
FHA	Comprehensive Sewer and Water Plan	5.5	7.0	2.0	\$70 <mark>,000</mark>	
HUD*	Overall Program Design	2.5		0.5	6,000	
	Initial Housing Element	2.5	2.5	1.0	<mark>5,700</mark>	
	Technical Assistance	1.5		0.5		
EDA	Overall Economic Development Program	4.5	3.0	1.0		31
LEAA	Criminal Justice Profile	1.0	2.0	0.5		
	TOTAL	17.5	14.5	5.5	\$81,700	

^{*}From January through June only.

^{**}Represents \$ value of staff time contributed by Highway Department and UMD towards local share of 701 funding.

Funding Source: FHA

TABLE 1 Time Phase of Planning Activities by Major Work Task

Planning Activity: Sewer & Water Plan

Work Task	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	
Population and Economic Study	-												
P & E Forecast		=											
Base Mapping*													
Utility Inventory*													
Field Checks*			_										
Inventory Report													32
Prelim. Development Plans*					=								
Prelim. Utility Plans*						_					,		
Utility Cost Estimate*													
Legal Analysis*						——							
Financial Analysis*										-			
Final Plan													
*Work by consultant with coordination by ARDC.													

TABLE 2
Time Phasing of Planning Activity
By Major Work Task

Planning Activity: Housing Element

-	Work Task	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	
	Exterior Condition Survey*			<u></u>										
	Housing Trend Analysis													
	Inventory Existing Agencies & Programs													
	Form Advisory Committee						,							33
	Define preliminary goals									-				
	Summary Report		TI .											
	Preliminary Housing Work Program		,											
	Final Housing Work Program													
	*Work done by consultant					,	-							

Time Phasing of Planning Activities

By Major Work Task

Planning Activity: Overall Program Design

Work Task	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
Compile Existing Plans												
Prepare Composite Maps											•	
Evaluate Land Use & Recreation Plans												
Develop Study Designs For Additional Inputs												ì
Evaluate Study Designs For Comm. Data, Funding, etc.			_									
Prepare Preliminary Overall Program Design												•
Prepare Final Overall Program Design				_								
Prepare Preliminary Regional Goals & Standards												
Conduct Additional Studies												

TABLE 4
Time Phasing of Planning Activities
by Major Work Task

Planning Activity: Transportation Element of Overall Program Design

Work Task	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	
Inventory Traffic and Travel Data*						,							
Prepare Composite Plan Maps													
Evaluate Plans*									1			*	
Determine Additional Data Needs													
Develop Transportation Study Design*													35
Incorporate in Preliminary O.P.D.*							×	1					,
Final O.P.D.													
Prepare Preliminary		,											
Regional Trans- portation Goals													
Conduct Additional Studies								<u></u>					
							-	*					
*Assistance from Highway Dept. Transportation Planner.							A						

Planning Activity: Economic Element of Overall Program Design*

												_	
Work Task	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	
Review Available Studies			=										
Outline Methodology	_												
Determine Costs, Techniques, etc.													
Preliminary Study Design		_		-									36
Final Study Design													
Incorporate In Preliminary O.D.P.													
Final O.D.P.												(a)	
Conduct Economic Study									×				
*To be done by UMD Faculty.													

Planning Activity: Technical Assistance

V V	T _	Τ	T	Γ	T	· -	Ι	1	T		T >1	D
Work Task	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
HUD Area-Wide Planning Community Resolutions Naming ARDC as APO												
Determine Additional Work Needed		-										
Develop Work Programs												45
Develop Consultant Contracts								-				
Secure Funding						,						
Solid Waste Mgmt. Plan												
Complete Preliminary Proposal	_					,						
Review With Counties And Get Resolutions Naming ARDC												
Submit Proposal to E.P.A.										,	*	- 7
Develop Consultant Contract			_		-							
Revise as Needed and Secure Funds											, wi	
Let Contracts								· - 1				

3

Time Phase of Planning Activities by Major Work Task

Funding Source : EDA

Planning Activity:
OEDP Update

												1
Work Task	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
Population & Economic Study (FHA)					v						Į	-14
Supplementary Economic Data											•	- <u>.</u>
Goal Formulation												iWi
First Draft OEDP					-						1	\$
Revise Draft							_					
Final OEDP											*	% 1
Funding Source: LEA		-										g Activity: ate Profile
Population & Economic Study (FHA)												
Supplementary Population Data												įΩ.
Supplementary Study Data			_									
First Draft						_						\$ 84
CJP Update							=		=			
Final CJP												

33

RESEARCH

The Commission Research Division has several methods and facilities at its disposal to carry on the research process. The research library is designed with material pertinent to the geographical and political divisions of the district. The natural resources of the district, the manufacturing processes existing and potential for the district, population characteristics of the district and economic and social development aspects. This material is filed according to functional committee interests, counties, major municipalities, agencies of government and private sector agencies.

<u>Project Files.</u> Project files contained in this set of files is a profile of each project operating within the Arrowhead Region. All material pertaining to the project is cross filed with the project.

<u>Category Files</u>. These general files contain information, correspondence and data which is categorized according to the general nature of the subject.

Research Process. In its simplest form, research is conducted in the following:

- 1. Observe and define the research problem by determining in specific terms the purposes or objectives of the research. It must state why the research is being done, what is its supposed to accomplish, how a certain task may be performed, and what alternative courses of action should be pursued.
- 2. Formulation of a research plan. This consists of a detailed plan for a valid explanation.
- 3. Gathering of general and specific information concerning the research problem.
- 4. Preparation of a preliminary outline of documented research data which should be reviewed by the staff.
- 5. Relate all information gathered and evaluate for its impact on the research project.
- 6. Final preparation of study or report.

1970 RESEARCH ACTIVITIES

Research for General Administration

This area covers a multitude of activities intricate to the administrative functions of the Commission. Financial and budgetary study produced factual information on potential tax levy sources and details of specific budget category proposed expenses. General administrative research also involves a significant amount of time devoted to discussions and consultations with research firms and private consultants regarding a host of matters related to planning, including environment, information systems development and coordination and socio-economic development.

Basic Research as Related to Statutory Requirements

Statutory requirements provide specific areas in which the Commission may engage in a continuous program of research and study. Some of the areas where major activity occurred are enumerated here:

- 1. Request from local units of government have been made for assistance in acquiring financing for a variety of projects. Included among these requests have been needs for parks and open spaces. Assistance has been provided in securing applications for State Natural Resources Act and Federal LAWCON funds.
- 2. Research has included analysis of the tax structure of county governments in the Region. Future analysis will be made in a continuing program of research and study.
- 3. Several reports have been prepared and disseminated identifying economic problems and opportunities in the Region. These reports cover the subjects of business, trade, services and manufacturing. A list and description appears elsewhere in this report.
- 4. A file has been initiated concerning housing facts in the Region. This will be pertinent in the development of a housing element program for the Region.

Directories, Studies and Reports

Several aids and tools have been developed for economic development. A directory of over 300 manufacturers in the Region lists the products and employment size by county and community. Several market studies and business studies have also been prepared. Included among these are census comparison reports for wholesale, retail and selected services. These reports are available upon request for those interested in factual information on the economic development of the Region.

Research for Local Units of Government

Regional data has been compiled and disseminated from time to time to the local units of government; much of this data has been available at Commission meetings for general distribution. Preliminary 1970 population counts have been compiled and disseminated as soon as this information was received.

Other data such as taxes, work force estimates, land and lake area, local government structure, and population and business census data have been compiled, published and distributed from the Commission office.

Also in the files are data on taxes and other miscellaneous fiscal data by county and local units of government. This includes the annual notices of taxes payable published by each county treasurer and auditors office.

Research for Public and Private Agencies

The task of regional development cannot be accomplished by one single group of individuals alone. It must be a combined effort utilizing the widest possible range of resources within the region. For this reason, research services are provided to the interested public and private agencies.

Several organizations have banded together to attack similar problems on a regional basis. These regional organizations include health, industrial development, education, and recreation and tourism. The Commission has cooperated with each of these groups to bring about the task of regional development. Since the staff is limited in size and in technical expertise, the above mentioned organizations, being technically and financially geared to solve problems in their specific areas, are encouraged and assisted in continuing their programs. If left to the Commission to solve, the process could become more expensive and time consuming.

In addition to the existing regional groups, the Commission has worked with single groups and agencies which have often resulted in bringing together similar groups from wide geographic areas to work together on a single project.

ACTION PROGRAMS

Methodology and Definition

An action program is an activity of the Commission where implementation of previous planning is accomplished through programming or through activity that changes the social, cultural, environmental or economic structure of the region. A change no matter how small is considered a change for these purposes. If one person is hired to a new occupation, a change has occurred and action has been taken.

The Commission does not wish to be engaged in action programs except in those cases where they are of such a regional nature that only a regionally based agency can conduct them, or where there is a residual benefit to the Commission from the action program.

List of Applications for Grants or Loans

The Act requires that a complete list of all applications for federal and state grants and loans be part of the annual report. Such a requirement can be easily met when the Commission has developed review authority and will receive all applications for review and comment. During the past year, it has not been possible to gather such a list and to do so would have been an exercise which would have little significance.

The Project Notification and Review System will be the practical method to gather data concerning the number and amounts of applications for federal and state funding. Such data will be further supported by the action requiring federal agencies to notify the Commission of any grants which have been made in the Region. The correlation of this data will indicate the need and success of the Region to bring federal and state funds into the area.

Division of Economic Development

The activity of the Division of Economic Development centers primarily around assisting in application preparation. Project development is encouraged by the Commission through the offer of assistance in preparing the appropriate documents that accompany applications for grants and loans. Often local agencies or units of government do not have the expertise required to process applications and are reluctant to apply because of the need to seek assistance from private consultants or agencies. The knowledge that assistance will be given by the Commission overcomes this reluctance and results in more successful grant programs through EDA.

A secondary activity of the Commission is to assist through the use of techinical assistance grants which allow the study of the potential of need in a specific area or endeavor. Technical assistance grants have been received by several communities or agencies helping them to determine if their plans can be feasibly implemented.

Public Service Careers Program

The Public Service Careers Program, presently being administered by the ARDC in the seven-county area, is a manpower endeavor aimed at providing employment in public agencies for persons certified as being "disadvantaged."

Essentially, what the program offers to a public agency should they consent to hire from the disadvantaged group is to provide a month's salary reimbursement to the agency while a person is receiving training and to pay the training cost necessary to bring the individual up to the skill level desired for a particular position.

Results

In the seven-county Arrowhead area of Northeastern Minnesota, there is an estimated (according to the 1969 statistics) work force of 134,155 persons. Of this number, 5.1 percent or 6,835 persons are unemployed on an average annual basis.

Through contact with administrators of various public agencies, it has been discovered that there are not a significant number of vacant public job openings.

It is a known and expressed fact that more public services are needed and will continue to increase in demand. The main obstacle to increasing public services and, therefore, the hiring of additional personnel to perform these services is the lack of revenue among the public agencies.

To date, twenty individuals have been identified for entry and upgrade training. It is felt by the PSC director that recruitment or enrollees will not be a problem and that until the details of the job slots have been firmed up to a greater extent that it is best not to "dangle the proverbial carrot."

Division of Criminal Justice System

Region "B" Block Grant Applications and Grants

The primary activity of the Commission in working with Region "B" of the Governor's Crime Commission has been assistance in processing grant applications. The degree of activity is indicated by the number of grants processed. Applications were made for a total of \$333,039. Of these, Region "B" received \$223,907 in grants.

Citizens Action Councils

Because of a national climate of growing awareness and concern over the affairs of youth, the opportunity exists where citizens are receptive to the idea of taking an active role rather than merely expressing passive sympathy or interest. The time is long overdue for the development of Citizens Action Councils (or Youth Environment Councils) to stimulate and guide activity in a coordinated and cooperative manner, on a community level, to alleviate the problems defined therein.

The Citizens Action concept is a comprehensive program involving all sectors of the local community in an effort to coordinate and promote opportunities for youth. The idea is premised on the assumption that Minnesota's greatest resource is its people, and thus, a "Citizens Action" program should be a locally implemented "grass roots" approach to local problems.

This program has met with good success. The majority of the original 37 target communities have ongoing CAC's. The degree of development of the local CAC varies from well advanced programs to those yet in the organizational stage.

CONCLUSION

This summary statement has pointed out the success of the Commission as it is reported in the annual report. We have not singled out any failures or shortcomings except to mention that indeed we have had failures. We believe the road that leads an agency to become a great servant of the public is one upon which mishaps take place. The Arrowhead Region will never reap the benefits that are to be had through regionalism unless we travel that road and are willing to face setbacks. Each success and each setback or failure will clearly say one thing—we have tried and we will try again until the Commission brings to its region and to the state a method of harmonious and cooperative development. "Pro Bono Publico." (For the Good of the People.)