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# ANNUAL REPORT

July 1, 1985 — June 30, 1986

MID-MINNESOTA DEVELOPMENT COMMISSION

(Previously known as the Six East Regional Development Commission)

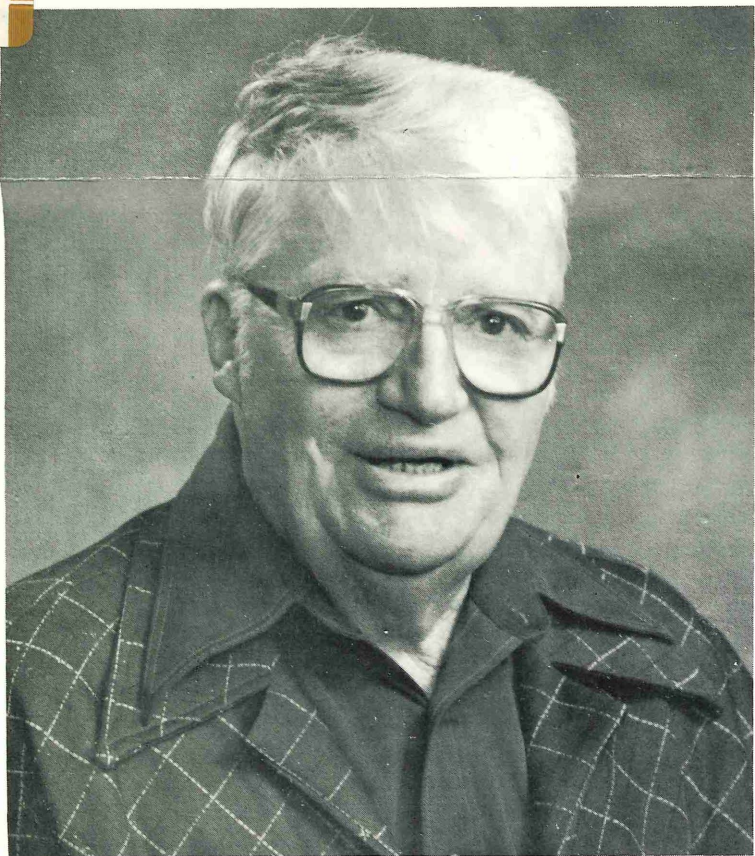


Pursuant to MS 462.363

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## Chairman's Report

Orville Wog  
Meeker County  
Township  
Representative



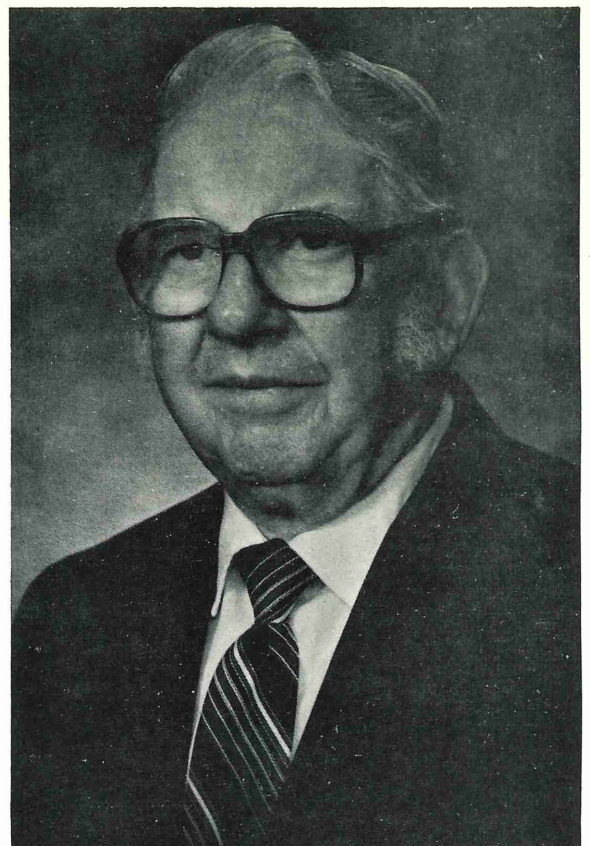
This annual report provides an opportunity to review the past year and reflect on major issues. One permanent change that was deeply felt by all the commissioners and staff was the death of our Chairman, Ed Duesterhoeft. Ed was one of the original members of the commission when it was formed in July, 1983. He served as the commission's chairman from January 1, 1983 until his death on January 17, 1986.

A change of temporary consequences is the economic plight of rural areas. Farmland has been de-valued and many farmers have experienced problems in obtaining operating loans. Certain types of small town businesses have closed their doors because farmers are having financial problems. Unemployment rates continue to be high.

Our commission and staff changed also with a few new faces on both the commission and staff. Our work program continues to demonstrate the importance of the delivery of the Older Americans Act program funds. Economic and community development activities dominated the time of the bulk of the staff and considerable emphasis was placed on working with businesses and communities in a combined effort to create jobs. The commission entered into an economic development marketing program that saw it advertising the advantages of "Mid-Minnesota" in one state and two national economic development magazines. This is a long range venture and the success can not be measured at this time. It is the commission's philosophy that the area has to aggressively market its assets and must try to make economic development happen rather than just wait to see if anything will happen by itself.

Obviously, the year has had its sad and depressing moments for the commission. However, we prefer to look ahead rather than dwell on the past and I truly believe the future for our area will be brighter during the second half of 1986 and the first half of 1987.

## —In Remembrance—



EDWIN DUESTERHOEFT

Ed was born January 3, 1906 and died January 17, 1986. Ed and his wife, Ruth, lived on a farm in Lynn Township in McLeod County. He was a township supervisor for 32 years and was town board chairman for the last 25 of those years. He was a charter member of the Six East RDC in 1973 and served as the commission's chairman from January, 1983 until his death.



## Executive Director's Message

**H. Eugene Hippe**



There should be little argument about the fact that the rural economy in Minnesota is hurting. There is little consolation in saying things are worse in most of the rest of rural Minnesota than they are in the west central part of the state. It is almost as hard to accept that the Twin Cities metro area unemployment rate is so much lower and the family and individual income levels are so much higher -- although I am glad it's not the reverse situation because it does give us some hope.

Most of the Six East area is a transition area. We feel some of the influence of the metro area but we don't

reap all the benefits. We are agriculturally dominated yet diverse enough to be better off than many other rural areas of the state.

Our area is still a good place to work, live, enjoy and raise a family. It can continue to offer these amenities if the local units of government and the citizens of the area will work together to keep it that way. Change is inevitable. We will either go forward or go backward but our economy and way of life will change. By working together we can make the change positive.

## COMMISSION STAFF

H. Eugene Hippe, Executive Director  
Pam Wiegmann, Secretary/Receptionist  
Kay Ruhl, Secretary/Bookkeeper  
Lorraine Patton, Financial Officer  
Robert Otto, Aging Program Director  
Lee Larson, Community/Economic Development Specialist  
Gerald Grinde, Community/Economic Development Specialist  
Robert Overby, Community/Economic Development Specialist (July - September)  
Arlen Kangas, Community/Economic Development Specialist (July - March)  
Robert Swanberg, Community/Economic Development Specialist (November - March)  
Denise Erickson, Community/Economic Development Specialist (April - May)  
Donn Winckler, Community/Economic Development Specialist (April - Present)  
Craig Molstad, Community/Economic Development Specialist (June - Present)  
Steve Woolridge, Parttime Student Draftsperson (July - September)  
Matthew Peick, Parttime Student Draftsperson (September - May)  
Amy LaPatka, Parttime Student Draftsperson (May - Present)  
Robert Swanberg, Intern (July - November)  
Denise Erickson, Intern (January - April)  
Michael Hansen, Intern (January - June)

## COMMISSION PURPOSE

The legislation which authorized the creation of regional development commissions was passed in 1969. The purpose of the commission is to facilitate intergovernmental cooperation and ensure orderly and harmonious coordination of state, federal and local comprehensive planning and development programs for the solution of economic, social, physical and governmental problems.

The purpose of the commission is broad which allows the commission to provide the following services: conduct special analytical studies, promote economic development, research funding sources, write and administer grants, support job creation projects, economic development plans, draft special maps, prepare tax increment finance district plans, codify and write ordinances, and administer multi-county programs.

## COMMISSION MEMBERS

### KANDIYOHI COUNTY

Dean Aarvig, Townships  
Charles Hauptert, Municipalities  
Earl Larson, County  
Steve Enockson, City of Willmar  
Dennis McGaughy, Public Interest

### McLEOD COUNTY

Ed Duesterhoeft, Townships  
Harold Sanken, Townships  
Joe Miller, Municipalities  
Grant Knutson, County  
Charles Warner, Public Interest

### MEEKER COUNTY

Orville Wog, Townships  
Marlin Lietzau, Municipalities  
George Rice, County  
Andrew Walters, Public Interest

### RENVILLE COUNTY

Wes Kuske, Townships  
Roger Cooper, Municipalities  
Pat Kubesh, County  
Virginia Draheim, School Districts  
Rich Wehking, School Districts  
Richard Loftness, Public Interest  
James Schafer, Public Interest

### OFFICERS

Ed Duesterhoeft, Chairman  
(July - January)  
Orville Wog, Chairman  
(January - June)  
Orville Wog, Vice Chairman  
(July - January)  
Steve Enockson, Vice Chairman  
(January - June)  
Virginia Draheim, Secretary/Treasurer  
(July - June)

### EXECUTIVE COMMITTEE

Orville Wog, Chairman  
Steve Enockson  
Virginia Draheim  
Joe Miller  
Wesley Kuske

## ECONOMIC DEVELOPMENT

The Six East Regional Development Commission received a \$50,000 grant during FY 1986 from the U.S. Department of Commerce, Economic Development Administration. This is the sixth year the commission has received this grant which is for the purpose of providing for staff assistance on economic development projects. During the year, staff identified and collected information on nearly 60 vacant buildings that can be used for manufacturing purposes. The commission then used local tax levy funds to place advertisements in national economic development magazines to encourage manufacturers to use these buildings.

Other projects included the financial packaging for two manufacturers that helped retain 29 jobs and create 18 new jobs. The financial package included two grants that totaled \$205,000 and leveraged an additional \$270,000.

Another project that was finalized and funded was a public works grant from EDA in the amount of \$560,000. This grant will help create an industrial park in Eden Valley which will initially accommodate five different manufacturers, creating a total of 37 new jobs.

Additional projects include preparation of business plans for businesses in Eden Valley and Cosmos and preparation of an EDA profile for a public works grant in Olivia, preparation of a \$165,000 SBA guarantee for an Eden Valley firm, assisted Dr. Lee Munnich with Mn DEED office to hold a meeting with economic development leaders.

The commission utilizes a nine-person advisory committee to assist in determining goals and objectives in the annually updated Overall Economic Development Plan (OEDP). Committee members for FY 1986 were:

Charles Warner, Chairman - Brownton  
Richard Loftness, Vice Chairman - Hector  
Ken Franke - Plato  
Nick Kleinhuizen - Renville  
Don Hultgren - Raymond  
Bob Johnson - Spicer  
John Seehausen - Morton  
Howard Page - Dassel  
Richard Hoglund - Willmar

# CLEARINGHOUSE

## REVIEW



The Six East Regional Development Commission is responsible for review and coordination of applications submitted requesting state and federal grant and loan assistance. The intent of the review is to reduce duplication and avoid waste of public expenditures through encouraging communication and cooperation between applicants providing similiar services and the respective funding agencies. During Fiscal Year 1986, the commission processed 72 applications, 70 of which were requesting funding assistance and two were comprehensive plans which must be reviewed by the commission also. The 70 applications for funding assistance were to the following agencies:

U.S. Department of Education	1
U.S. and Minnesota Department of Transportation	15
ACTION	3
Minnesota Department of Health	6
U.S. Department of Agriculture	2
U.S. Department of Commerce	4
U.S. Health and Human Services	18
Governor's Rural Development Council	1
MN Department of Energy and Economic Development (SCDG)	6
MN Department of Energy and Economic Development (LCMR)	7
U.S. Department of Justice	1
U.S. Department of Labor	3
MN Pollution Control Agency	3

# SOLID WASTE

All four counties in Region Six East plus six others engaged in meetings to discuss options to disposal of solid waste in landfills. Three of the four counties (Kandiyohi, Meeker and Renville) entered into an agreement with five other counties (Redwood, Swift, Chippewa, Lac Qui Parle and Yellow Medicine) and hired the engineering firm of Hickok and Associates to develop a solid waste management plan for each county as required by the Minnesota Pollution Control Agency. The counties intend to look at refuse volumes, sources of volumes and time/ distance factors of disposal and explore alternate and coordinated methods of disposal.



# AG LAND PRESERVATION

Kandiyohi County received a pilot state grant on ag land preservation through the Department of Agriculture. This grant was written by the Six East RDC at the county's request. The county has contracted most of the grant work program with the commission.

Five of the 87 counties in the state received similar grants to develop information, policies and ordinances regarding protection of agricultural land. The State of Minnesota has a program which allows farmers with land located in qualified counties to place their land in a program that offers a tax break for agreeing to use the land only for agricultural purposes for a specific period of time.

# FISCAL • FISCAL • FISCAL • FISCAL

## REVENUE AND EXPENDITURE SUMMARY

Fiscal Year 1986

REVENUES		
FEDERAL	\$	598,267
Economic Development Administration	\$	59,301
HHS - Area Agency on Aging		538,966
STATE		256,197
Legislative Appropriation		44,041
Homestead Taxes		25,081
Department of Transportation		30,615
Governor's Rural Development Council		33,143
Agricultural Land Preservation		6,906
State Nutrition		76,782
McKnight Foundation		39,629
LOCAL		152,198
Property Taxes		103,350
Interest Earnings		32,163
In-Kind Contributions		9,987
Miscellaneous		6,698
TOTAL REVENUES		\$1,006,662

EXPENDITURES		
PERSONAL SERVICES	\$250,139	
SUPPLIES AND PRINTING	8,378	
OTHER SERVICES: Communications, Postage, Conferences, Subscriptions	24,827	
CONTRACTED SERVICES	630,876	
OTHER CHARGES: Rent, Insurance, Professional Services	21,114	
CAPITAL OUTLAY	10,943	
DEBT SERVICE: Xerox Copy Machine	803	
TRAVEL: Staff and Advisory Councils	11,267	
COMMISSIONERS: Travel and Per Diems	8,124	
IN-KIND SERVICES	9,987	
TOTAL EXPENDITURES	\$976,458	

## PROPOSED BUDGET SUMMARY

Fiscal Year 1987

REVENUES		
FEDERAL	\$	501,026
Economic Development Administration	\$	13,923
HHS - Area Agency on Aging		487,103
STATE		211,567
Legislative Appropriation		41,278
Homestead Taxes		28,055
Department of Transportation		27,000
Governor's Rural Development Council		28,159
Agricultural Land Preservation		11,075
State Nutrition		76,000
LOCAL		188,407
Property Taxes		94,165
Interest Earnings		25,000
In-Kind Contributions		21,000
Miscellaneous		16,687
Reserve from Prior Years		31,555
TOTAL REVENUES		\$901,000

EXPENDITURES		
PERSONAL SERVICES	\$254,402	
SUPPLIES AND PRINTING	10,689	
OTHER SERVICES: Communications, Postage, Conferences, Subscriptions	23,320	
CONTRACTED SERVICES	544,504	
OTHER CHARGES: Rent, Insurance, Professional Services	22,564	
CAPITAL OUTLAY	975	
DEBT SERVICE: Xerox Copy Machine	446	
TRAVEL: Staff and Advisory Councils	13,600	
COMMISSIONERS: Travel and Per Diems	9,500	
IN-KIND SERVICES	21,000	
TOTAL EXPENDITURES	\$901,000	

The State Auditor audits the commission annually and identified no significant problems during the most recent audit.

# AGING PROGRAM

Bob Otto is the Aging Program Director and is assisted by Lorraine Patton, the commission's financial officer. A group of 13 persons makes up the advisory committee which advises the regional development commission

regarding the aging programs and the \$655,377 of funds that were administered in FY 1986 on behalf of older Americans in the region. The advisory committee members for FY 1986 were:

Andrew Walters, Chr., Watkins  
Paula Brandt, Willmar  
Agnes Draheim, Olivia  
Carola Frank, Fairfax  
Elna Peterson, Glencoe  
Clarence Klein, Watkins  
Brandon Pietsch, Litchfield

Jo DeBruycker, Willmar  
Lucille Ehmke, Willmar  
Ray Johnson, Sacred Heart  
Ancher Nelsen, Hutchinson  
Stemple Johnson, Stewart  
Florence Casey, Litchfield

Currently there are 18 congregate meal sites located in the four-county area. One new site was added this year based on criteria that, among other things, considers number of potential persons to be served and distance from an existing meal site. The congregate meal sites are located in the cities of Atwater, Bird Island, Brownton, Cosmos, Dassel, Eden Valley, Fairfax, Franklin, Glencoe, Hector, Hutchinson, Litchfield, Morton, New London, Raymond, Renville, Spicer, and Willmar. In addition, home delivered meals are served in the cities of Atwater, Bird Island, Brownton, Buffalo Lake, Cosmos, Dassel, Eden Valley, Fairfax, Franklin, Glencoe, Grove

City, Hector, Morton, New London, Prinsburg, Raymond, Renville, Spicer and Stewart. The entire meal program is contracted for delivery on an annual basis to the Community Action Agency.

The commission has a limited amount of funds in this program that it can use to make grants. In FY 86 this amounted to \$124,897. Grants have been made to support legal services, transportation programs and to renovate senior centers. A program called the Ombudsman Program is run in conjunction with another region and addresses needs and advocacy regarding nursing homes.

# TRANSPORTATION

During FY 86 the commission was involved with three transportation projects. All three projects were supported with grants from the Minnesota Department of Transportation.

One of the projects involved the continuation of a special projects grant to formulate alternative methods of recording road rights-of-way. This was an out-growth of a previous special project that analyzed in detail, twelve of the 82 townships in the region. Based on the fact that the sample study showed very few township road rights-of-way are legally recorded, an alternate recording process was proposed. A bill for an alternate recording process has been drafted and is expected to be introduced in both the House and Senate early in the 1987 legislative session.

Another special project funded by MnDOT was to work with townships to help them implement the new minimum maintenance law. This law allows road jurisdictions to legally declare and post certain roads as being maintained at minimum standards.

Township maps were prepared showing candidate roads and meetings were held in interested townships. Most contact with townships was made in early 1986. The project will be completed in the fall of 1986.

Each year the RDC receives a grant from MnDOT that can be used for general planning and technical assistance. This year a large portion of those funds were used to study and provide technical assistance on the Willmar to Hawick railroad abandonment. A staff person was assigned to work with a task force which was established to make recommendations regarding future use of the railroad. Considerations for future use of the line included a short line recreation train as well as utilization for hiking, biking, horseback riding and snowmobiling. The current recommendation is for utilization of the line as a trail. Staff also assisted and gave some guidance on the Hutchinson to Wayzata rail line and devoted time to MnDOT's market artery study.

The Transportation Advisory Committee members for FY 1986 were:

Ed Duesterhoeft, Chr., - Stewart  
Dean Aarvig, Chr., - Willmar  
LeRoy Olson - Hutchinson  
John O'Neill - Olivia  
Reuben Barka - Litchfield  
Marlow Priebe - Hutchinson  
Gary Danielson - Willmar  
Gordon Regenscheid - Litchfield  
Dennis Stoeckman - Olivia  
Richard Hoglund - Willmar  
John Dropik - Glencoe

# TECHNICAL ASSISTANCE

Technical assistance is a broad category that involves staff in many activities. Following are examples of assistance and where it was given:

## ZONING AND PLANNING

Dovre Township  
Morton  
Franklin  
Spicer  
Olivia

## PREPARATION OF MAPS

Sewer and Water Maps  
Olivia  
Hector  
Renville  
City Maps  
Silver Lake  
Business Site Plan  
Cosmos  
Fire District Maps  
Watkins

## MEETINGS WITH LOCAL DEVELOPMENT CORPORATIONS AND COMMITTEES

Grove City  
Fairfax  
Cosmos  
Pennock

## PREPARATION OF LAND USE, CENSUS AND ECONOMIC DEVELOPMENT INFORMATION

Pennock  
Silver Lake  
Olivia  
Winsted  
Lake Lillian  
Willmar  
Eden Valley  
Glencoe

## CODIFICATION OF ORDINANCES

Grove City  
Renville  
Cosmos

## PREPARATION OF GRANT AND LOAN APPLICATIONS

Brownton  
Spicer  
Eden Valley  
Willmar AVTI  
Renville  
Atwater  
Lake Lillian  
Prinsburg  
Franklin  
Meeker County  
Hutchinson

## STAR CITY ASSISTANCE

Fairfax

## TAX INCREMENT FINANCE DISTRICTS

Eden Valley (3)  
Brownton

Assistance to Businesses Located in or Wanting to Locate in the Following Cities (In some cities more than one business was given assistance):

Cosmos  
New London  
Eden Valley  
Dassel  
Litchfield  
Hutchinson  
Grove City  
Olivia  
Lester Prairie  
Buffalo Lake  
Lake Lillian  
Brownton  
Glencoe  
Franklin  
Fairfax  
Hector  
Atwater  
Stewart  
Prinsburg



## MINIMUM TILLAGE

The Regional Development Commission wrote and currently is the administrative agent for a grant from the Governor's Rural Development Council. This grant coordinates certain activities in the area of minimum tillage for the four soil and water conservation districts located in the counties of Kandiyohi, McLeod, Meeker and Renville. The grant has five focus areas which are: 1) Demonstration plots and identification signs; 2) Computer technology for farmers and students; 3) Poster contests, placemats and billboard signs, 4) Demonstration models and parade floats; and 5) Conservation project handbook for youth groups. The grant is for 30 months and terminates in June of 1987.