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Annual Report FY 2004

September 1, 2004

Volume 1, Issue 1

"The JOB Zones have exceeded our expectations," said Governor Tim Pawlenty. "The most exciting part is that these numbers -- more than 1,000 jobs and \$100 million in new investment -- represent the extreme low end of what those 60 businesses will actually contribute to local economies as a result of their participation in the JOB Zone initiative."

JOBZ Comes to Southwest Minnesota

Job Opportunity Building Zones (JOBZ) were created by the 2003 Legislature at the request of Gov. Tim Pawlenty to improve the climate for business in distressed rural areas of the state by providing tax free development for new businesses or businesses looking to expand or relocate from out of state or the Twin Cities metro area. The Southwest JOBZone covers the counties of Lincoln, Lyon, Murray, Pipestone, Redwood, Rock, Nobles, Kandiyohi, Meeker, McLeod, Renville, Sibley and portions of Jackson.

During the first year of JOBZ, there have been

several success stories within the Region, starting with the relocation/expansion of Total Card Inc. (TCI) to Luverne. TCI is a Sioux Falls Company that contracts to manage credit card operations for financial institutions. TCI plans to employ over 200 people in Luverne over the next 12 years.

The City of Marshall has also taken advantage of the new JOBZ program and used it to assist the City in the reopening of the vacant Heartland Foods processing

facility under the ownership of Iowa Turkey Processors. In Lake Wilson, the JOBZ program has been used, thanks to a generous donation of acres from the City of Chandler, to assist in the rebuilding of the elevator following the explosion that damaged the existing elevator this spring.

Thanks to the work of many local, regional and state officials, JOBZ should continue to provide needed economic benefits to Southwest Minnesota.



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Purchasing Alliance Signs First Businesses

The Prairie Health Purchasing Alliance, formed to provide for health insurance coverage for small businesses that otherwise might not be able to provide coverage, began enrollment on August 1, 2003.

During the first year roll-

out, four businesses were enrolled with a total of eighteen employees. One of the businesses is a business of one.

Purchasing Alliance staff continues to reach out to the communities in the region through farm and home

shows, and local service organization meetings.

Information about Prairie Health products can be obtained by contacting Great Plains Brokerage at 1-866-870-0712.

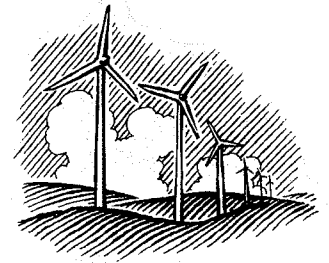
Southwest Minnesota CERT is Formed

The SRDC, through a grant from the United States Department of Energy and the Minnesota Department of Commerce, is working with the Minnesota Project and the University of Minnesota Sustainable Regional Development Partnerships to implement a Clean Energy Resource Team (CERT) in Southwest Minnesota.

The purpose of the CERT is to give citizens a voice in energy planning by connecting them with the technical resources necessary to identify

and implement community scale, energy efficiency and renewable energy projects.

CERT supports and encourages community energy. The Minnesota Department of Commerce estimates that Minnesotans spend \$3.5 billion annually for electricity. Nearly all of that leaves the state since our state's electricity comes, primarily, from coal and nuclear power (75% coal and 17% nuclear). Less than 5% of our electricity comes from the wind and biomass that are plentiful in Minnesota.



Wind Energy is just one of the alternative energies being

Renewable energy projects create local jobs, pay local property taxes and are a new source of income for farmers.

“From January thru July 2004, the SLL handled 6,612 calls, of which 31% were from callers within Region 8.”

RxConnect Implemented

In October of 2003, RxConnect was implemented. RxConnect connects Medicare beneficiaries with no drug coverage to free or discounted programs through pharmaceutical drug companies. Staff began using a software program through the Internet called Indicare to assist with computer generated patient assistance application

forms.

Also in October of 2003, Region 8 became the call center for the 27 counties in SW MN covering the regions of 6E, 6W, 8 and 9. Currently the call center is staffed at 4.5 FTE. Two staff primarily answer the Senior Linkage Line® (SLL) Monday-Friday from 8-4:30. A collaborative SLL brochure has been developed. From

January thru July 2004, the SLL handled 6,612 calls, of which 31% were from callers within Region 8.

The SLL is used by many agencies as a place to call for information, for example, Social Security, Medicare, MN Department of Human Services, etc.

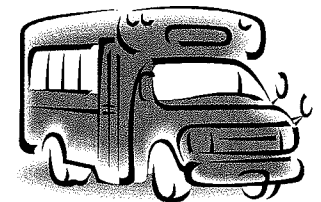
Transit Survey Completed

The Southwest Regional Development Commission completed a 2002 trip data survey for the public transit systems that identifies the origin and destination of both bus trips and volunteer driver trips that are coordinated through the transit systems. The survey was compared to the 2001 and 2000 surveys to establish a trend of public transit system trips served and was designed to be used as a

tool for local units of government to determine where people are going when using or being coordinated through Public Transit Systems.

The SRDC also assisted with Regional Transit Coordinators meetings and worked with the SRDC Aging Program Director, MNDOT and local transit systems to facilitate transit coordination efforts in the region, reviewed

Section 5310 grant applications



in MNDOT District 7 and provide information to agencies within the region.

Prairie Expo Sold

On February 3, 2004, the SRDC officially sold the former Prairie Expo facility to Prairie Holdings Group, Inc. Prairie Holdings Group Inc., is a holding group for several companies doing business in Worthington, including Newport Laboratories, Propig.com and the Worthington Veterinary Medical Center. Prairie Holdings intends to use the facility as a corporate campus, bringing a number of their employees who are now spread out together under one roof.

The deal, which was reached through the hard work of local, state and regional officials and with the facilitation of the Worthington Regional Economic Development Corporation, involved the SRDC, Prairie Holdings, the City of Worthington, Nobles County, Independent School District #518 and the State of Minnesota.

It is hoped that the facility will become the centerpiece of a growing bio-sciences industry in and around the City of Worthington that will

contribute to the economic well being of the southwest region for many years to come.



Did you know:
There are 80 Municipalities within Region 8.

Revolving Loan Funds Available

Funds are currently available from the SRDC Revolving Loan Fund (RLF) to assist local businesses with gap financing for fixed assets and working capital. Loans range in size from \$5,000 to \$100,000 and must be matched by private capital.

In FY 2004 seven new loans were closed, with four more having been approved but not

yet closed.

Since its inception in 1994, the SRDC's RLF has made sixty-nine loans for a total of \$4,107,839. There are currently thirty-nine active loans. Of the remaining loans, twenty-six have been fully repaid, and four written off.

The SRDC RLF has been very effective as an economic

development tool, with 1,130 jobs either being created or retained in the Region as a result of loan activities.

If you are interested in finding out more about how the SRDC RLF can assist your business, please contact Deputy Director Nan Larson at 507-836-8547 x108 or email nanlarson@swrdc.org.

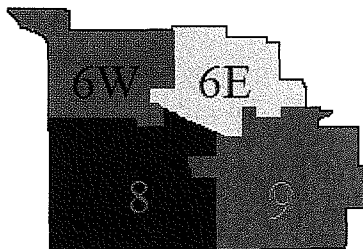
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Minnesota River Area Agency on Aging

During the last year, in response to a request from the Minnesota Board on Aging, the SRDC has been working with Regions 6E, 6W and 9 to develop a multi-region agreement to provide aging services within the twenty-seven counties that make up the Southwest Planning and Service Area.

With the designation of the Southwest Area Agency on

Aging as the twenty-seven county Call Center in October, the



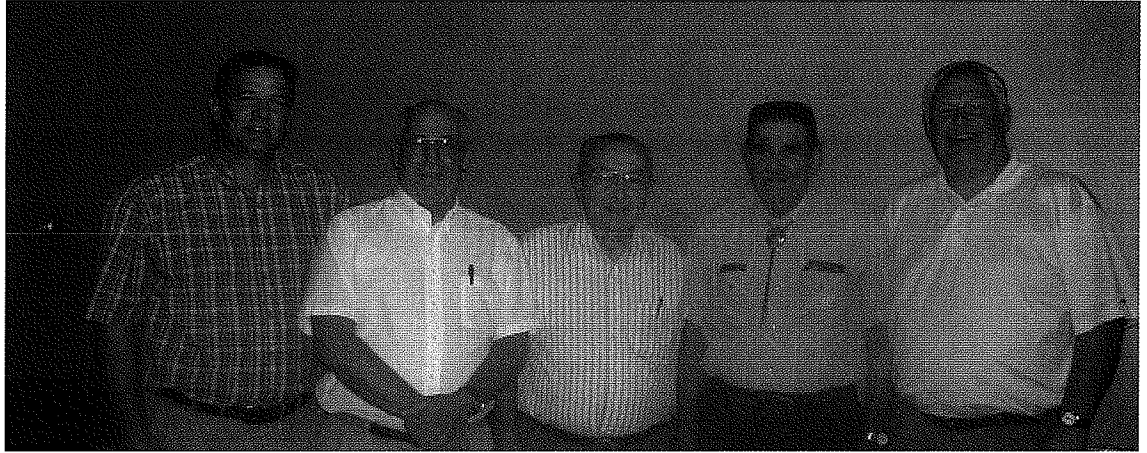
four regions officially began jointly providing services.

The four regions have put

much time and energy into coming up with a joint system for the delivery of services that would allow us to continue to provide much needed services to the senior citizens in our region while optimizing administrative capacities. The result is the Minnesota River Area Agency on Aging.

Executive

Thank You to the following SRDC Commissioners whose terms expired in FY2004: John Gochenouer, Rafael Gonzalez, Heinz Janning, Cal Wurpts.



From left, Craig Rubis, Immediate Past Chair, Gene Short, Chair, Larry Hansen, Vice-Chair, Bill Sauer, Treasurer, Bob Jarchow, Secretary

FY 2004 Commission Members

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

** Indicates Current & FY2004 Executive Comm. Members

*Indicates Current SRDC Board Members

CURRENT SRDC STAFF MEMBERS

Jay Trusty ----- Executive Director
Nan Larson ----- Deputy Director
Maddy Forsberg ----- Aging Program Director
Annette Bair ----- Physical Development Director
Dianne Crowley ----- Finance Director
Robin Weis ----- Program Development Specialist
Kym Christiansen ----- Planning Generalist
Rhonda Wynia ----- Office Manager
Helen Brinks ----- Financial/Grants Specialist
Linda Tobias ----- Senior LinkAge Line Specialist II
Kathy Schreiber ----- Administrative Assistant II
Gail Radke ----- Senior LinkAge Line Specialist I
Donna Ford ----- Information & Assist. Specialist I
Lori Sternborg ----- Administrative Assistant I
Donna Clarke ----- Program Assistant

Mission Statement

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

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



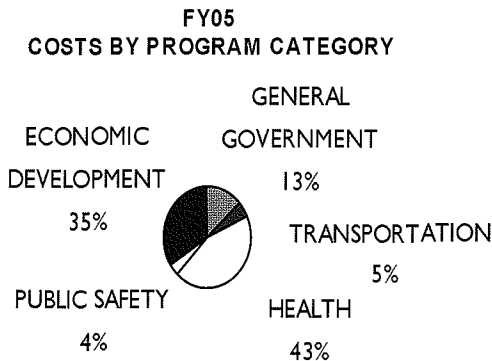
Annual Report

FY 2004 Revenues
v. Expenditures

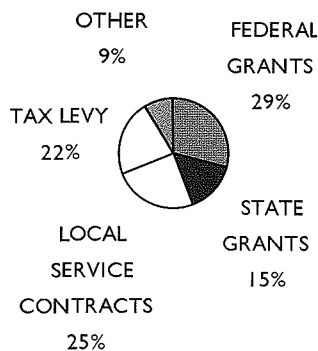
Did you know: "The base for a 900 kilowatt wind turbine must be able to support approximately 42 tons. The rotor and tower weigh approximately 24.5 tons and each of the blades weighs 4.2 tons. The blades are constructed of fiberglass reinforced polyester with a fiberglass supporting spar. Each blade contains a lightning protection system."

Revenues	Annual Report-SRDC Administrative Only
Tax Levy	239293
MN Board on Aging	121875
Senior Link/Health Ins	42625
Title III-E-Senior Linkage	30000
State LTC I&A Initiative	12266
Operation Restore Trust (ORT)	3406
CMS-Health Insurance Counsel	5684
State RxConnect	68567
Dept. of Human Services	1635
Dept. of Safety-Hazard Mitigation	45783
State Dept. of Commerce-CERTS	22290
Economic Dev. Adm.	54362
MN/DOT	50000
Current Contracts	240025
Interest Earned & Miscellaneous	16073
Car Receipts	16294
Reserves used for Building	0
Reserves used for Equipment Purchases	23366
Total Revenues	993544
Expenditures	Annual Report-SRDC Administrative Only
Committee Expense	42622
Salaries & Fringe	626087
Staff Travel	55874
Office Space & Utilities/Upkeep	23547
Postage	13194
Communications	11471
Print/Publication & Advertising	2210
Supplies	9676
Insurance	19417
Depreciation (Non-building)	9239
Audits	5300
Computer	11521
Equipment	23366
Other	22055
Consultant/Contracted Services/Legal	47500
Office Building Principal Payment	18336
Total Expenditures	941415
Balance	52129
	0
Incr/(Decr) in Equipment Reserve	-14127
Incr/(Decr) in Building Reserve	12298
Incr/(Decr) in Unrestricted Reserve	53958
Passthrough amount for MBA/AAA subgrantees	\$ 438,515
AGENCY BALANCE	\$52,129

FY 2005 Budget



FY05 REVENUE SOURCES



FY 2004 Project Reviews

During Fiscal Year 2004 the Southwest Regional Development Commission reviewed 55 projects from within the Region to avoid duplication and insure wise use of public funds. If you are interested in receiving a complete listing of the project reviews for FY04, please contact the SRDC office.

FY 2003 Audit

Revenues:

Local & County	\$ 937,565
State	276,160
Federal	906,212
<i>Total Revenues</i>	<i>2,119,937</i>

Expenditures:

General govt.	139,958
Transportation	59,018
Health	1,085,665
Econ. Devel.	729,325
<i>Total Expenditures</i>	<i>2,013,966</i>

Excess (deficiency) of revenues over expenditures 105,971

Other financing sources (uses):

Bond proceeds received	1,645,000
Debt Serv.-principal paid	(131,669)
Debt Serv.-interest paid	(3,861)
Bond issuance costs	24,115
Bond discount	(13,300)
Transfer out	(1,096,019)
Net other financing sources (uses)	376,036

Excess (deficiency) of revenues and other sources over expenditures and other uses 482,007

Fund Balance - July 1, 2002 \$ 500,343

Fund Balance - June 30, 2003 \$ 982,350



Southwest Regional
Development Commission

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Focused on Southwest
Minnesota

Message from the Chair

As I complete my first year as Chair of the SRDC, I look back and see many of the things started under my predecessor Craig Rubis coming to fruition. The Prairie Expo building has been sold, effectively closing one chapter in the SRDC story. As one chapter closes, another opens, and I have spent much of my first year working on the collaborative efforts between Regions 6E, 6W, 8 and 9 to form a collaboration to administer aging programs through-out the twenty-seven counties in Southwest and South-central Minnesota. These facilitated meetings have resulted in an agreement that benefits all the regions and provides for a more centralized administration while maintaining local delivery of services. I look forward to continuing to work within the Region and at the State and Federal level to assist local units of government and the residents of Region 8 in promoting the success of southwest Minnesota.

Eugene Short, Redwood County Commissioner

Chair

Message from the Executive Director

Looking back over the last year, I see many changes from when I first began this job. As Gene mentions, the Prairie Expo building has been sold, and, I think, will become an asset to the community of Worthington as it becomes a center for agricultural bio-science. I also have spent much time and effort working on the collaborative efforts between Regions 6E, 6W, 8 and 9. While it hasn't always been smooth, I think the collaborative process will ultimately prove successful.

During this past summer, I have been working with an AMC workgroup as it develops policy goals to improve economic development in rural Minnesota. In talking about economic development, I think that it is important that we all realize that rural economic development is more than just one thing. It includes such diverse topics as entrepreneurship and infrastructure, transportation and amenities. As we go into the next year, I look forward to continuing to bring the best possible service to the Region, while keeping in mind the big picture of rural economic development and working to keep Region 8 a great place to live and work.

Jay Trusty

Executive Director