



**MISSISSIPPI RIVER
REGIONAL PLANNING COMMISSION**

1707 Main Street, Suite 435
La Crosse, WI 54601
Phone: (608) 785-9396
Fax: (608) 785-9394
Email: plan@mrrpc.com
Website: mrrpc.com

*Eugene Savage, Black River Falls, WI
Chairman*
*James Scholmeier, Fountain City, WI
Vice Chairman*
*Vicki Burke, Onalaska, WI
Secretary & Treasurer*
*Greg Flogstad, Onalaska, WI
Director*

MINUTES

**MISSISSIPPI RIVER REGIONAL PLANNING COMMISSION (MRRPC)
BIMONTHLY MEETING**

10:00 a.m., April 13, 2011

Midway Hotel La Crosse "River Jacks", 1835 Rose Street, La Crosse, Wisconsin

Call to Order

Chairman Savage called the meeting to order at 10:00 a.m. and asked for the roll call. Greg Flogstad, Director of the MRRPC took roll and said a quorum was present. The attendance roster is attached.

Guests in attendance: Paul Wydeven, Wisconsin Department of Transportation-SW Region.

Minutes of February 9, 2011 Bimonthly Meeting

Commissioner Ehrsam made a motion, seconded by Commissioner Christenson, to accept the minutes of the February 9, 2011, bimonthly meeting. Approved unanimously.

Treasurer's Report

Chairman Savage asked Mr. Flogstad, Director of the MRRPC, to present the treasurers reports. Mr. Flogstad said the February 1, 2011 balance in all MRRPC accounts was \$280,813.07 and the February 28, 2011 ending balance was \$300,951.85. Mr. Flogstad reported that the beginning balance in March 2011 was \$300,951.85 and the balance in all accounts at month's end was \$296,836.97.

Ms. Flogstad then presented the financial report for the Business Capital Fund. The balance in this account as of January 31, 2011 was \$215,938.37. From February 2011 through March 2011, activity in this account included loan repayments of \$21,829.76, account interest of \$165.38, and a D&O Insurance premium payment of \$1,988 leaving an ending balance in the Business Capital Fund as of March 31, 2011 of \$235,945.51. Mr. Flogstad said that as of January 31, 2011, the Business Capital Fund II RLF had a balance of \$73,522.40. He said that from February 2011 through March 2011, interest on this account totaled \$57.11 and loan repayments of \$9,865.42 were made leaving a March 31, 2011 balance of \$83,444.93.

The CMV Growth Development Fund began with a January 12, 2011, balance of \$56,838.01. Mr. Flogstad said that from the period of January 13, 2011 through March 9, 2011, interest earned on this account totaled \$12.88, loan payments made totaled \$1,205.02, and a transfer of \$1,792.67 was made to the CMV Sequester Account leaving a March 9, 2011, balance of \$56,263.24. Mr. Flogstad said the balance in the CMV-EDA Sequestered Fund as of January 12, 2011, was \$151,849.97. During the period of January 13, 2011 through March 9, 2011, activity in this account consisted of \$35.28 interest earned, a deposit of \$1,796.67 from the CMV-EDA Growth Development Fund, and an interest payment of \$48.53 paid to the Economic Development Administration leaving a balance of \$153,629.39.

A Nine County Economic Development District Providing Assistance to Local Governments

- *Land Use Planning* ▪ *Zoning and Subdivision Ordinances* ▪ *Transportation Planning* ▪ *Economic Development Planning*
- *GIS Mapping* ▪ *Recreation Planning* ▪ *Revolving Loan Fund Administration* ▪ *Grant Writing* ▪ *Socioeconomic Data Dissemination*
- *Assist Local Interests in Responding to State and Federal Programs* ▪ *Advisory Service on Local Planning Issues*
- *Coordinating Agency for Programs and Activities* ▪ *Public Advocacy on Issues Affecting Our Region*

Mr. Flogstad said the La Crosse County Economic Development Fund began with a January 13, 2011 balance of \$56,693.57. During the period of January 14, 2011 through March 13, 2011, loan repayments of \$1,850.00 were made and interest earned totaled \$21.81. The ending account balance as of March 13, 2011 was \$58,575.38. Chairman Savage asked for a motion of approval on the treasurers reports presented. Commissioner Semb made a motion to approve the treasurer's reports as presented. The motion was seconded by Commissioner Leys, and approved unanimously.

Bryan Law, MRRPC Economic Development Planner reported there hasn't been any new loan activity in the Business Capital Fund, Business Capital Fund 2, or the CMV Growth Development Fund. Mr. Law said he is continuing outreach to raise awareness of these funds. Mr. Law said the MRRPC would like to utilize these loan RLF funds so if anyone was aware of a business start-up, expansion, please contact him.

Mr. Flogstad reported that no additional loans have been made from the La Crosse County Economic Development Fund. Mr. Flogstad said he has talked to several bankers and they indicated demand for loans is lower than in the past.

Report and Decision on MRRPC 2010 Audit by Mr. Mike Temp, CPA, Tostrud and Temp S.C.

Mr. Flogstad introduced Mike Temp from Tostrud & Temp S.C., the accounting firm that prepared the MRRPC's 2010 audit. Mr. Temp said as part of the Independent Auditor's Report the Commission was given an unqualified opinion. He said this is what every business or organization strives for. He referred everyone to the last paragraph on Page 4 of the audit where the opinion was outlined. Mr. Temp said pages 6.1 through pages 6.7 of the audit are the Management's Discussion and Analysis. He said this section describes in laymen's terms changes in the past year. Mr. Temp continued by reviewing the financial statements included in the audit. Mr. Temp explained the differences between the governmental accounting method and the business accounting method. He said both accounting methods showed the Commission took in more revenue than expenses in 2010, and that depending on the method used the excess revenue totaled between \$12,000 and \$14,000. Mr. Temp continued by reviewing the financial statements for the revolving loan funds administered by the MRRPC. He said there was one loan write off in 2010 for \$57,500. Mr. Temp stressed the MRRPC should be prudent in making sure all bank funds are insured and there are not uninsured deposits. Mr. Temp said right now all funds are insured. Mr. Temp said the Commission has no debt with the exception of a long term obligation for sick and incentive leave days. Mr. Temp then referred everyone to Page 29 to a comparison of the 2010 budget and what actually happened. Mr. Temp reviewed the supplemental information included in the audit. He said the MRRPC is considered a low risk auditee. Mr. Temp then opened the floor for questions. Commissioner Leys commented that the revolving loan funds have a lot of money lying around collecting dust. Mr. Flogstad said RLF loans have to be in coordination with a bank loan and right now banks aren't making a lot of loans. He added another hindrance may be that SBA loans are offering a 90% guarantee. Commissioner Leys said Crawford County needs new business. He said in the last census the County lost 2% of its population and it also has a low per capita income as compared to the State and Nation. Commissioner Johnson asked who is responsible to make sure MRRPC funds are insured, and who monitors the MRRPC's bank accounts. Mr. Flogstad said that was the staff's responsibility. Mr. Temp said that bank accounts should be monitored every 2 or 3 months to make sure all funds are insured. Mr. Temp said in Wisconsin's history he only remembers two bank failures but the MRRPC should still be diligent in making sure all funds are insured. Commissioner Leys said a bank in Cassville, Wisconsin recently failed and there are other banks having difficulties. Chairman Savage asked if there was any more discussion on the audit. Hearing none, he asked for a motion. Commissioner Schroeder made a motion to approve the 2010 Financial Statements and Independent Auditor's Report for the MRRPC as presented. The motion was seconded by Commissioner Leys. Chairman Savage again asked if there was any further discussion, and the motion was approved unanimously.

Decision on Executive and Administrative Recommendations

Mr. Flogstad said everyone should have received a copy of the Executive and Administration Committee Meeting Minutes for the March 29, 2011 meeting held in Alma, Wisconsin. Commissioner Schroeder reported on the details of that meeting. Mr. Schroeder then made a motion based on the Executive and Administration Committee recommendation that all staff receive a 2% salary increase effective July 1, 2011 and as an employer covered under the State Group Health Program implement the additional employee withholdings for health insurance (going from 10% to at least 12%) and retirement (going from 2% to 5.8%) beginning as required in the Budget Repair Bill (Wisconsin Act 10). Commissioner Leys seconded the motion. Chairman Savage asked if there was any discussion. Commissioner Johnson asked what the net loss would be to staff. Dave Bonifas stated it would be about a 4% loss. After some discussion Chairman Savage asked for a vote on the motion from Commissioners. The motion was approved 17 to 1 with Commissioner Johnson voting against the motion.

Commission Schroeder then reported on the Executive and Administrative Committee decision on 2012 County Contributions. Commission Schroeder made a motion based on the Executive and Administration Committee decision recommending a county contribution rate of .0006444% for 2012 that would result in every county paying less to the Commission than they did in 2011 resulting in total funds being requested of \$132,770. Commissioner Baecker seconded the motion. Commissioner Baecker commented that counties are having tough budget considerations and commended the MRRPC in keeping this in mind. Motion carried unanimously.

Commissioner Schroeder said the Executive and Administration Committee was also recommending the MRRPC Director undertake the administrative tasks necessary for the for the Commission to review and act on establishing a 125 Cafeteria Plan at a future meeting. Mr. Flogstad said he has talked to Mr. Temp from Tostrud and Temp, S.C. and they are able to set up a cafeteria plan for the MRRPC at a minimal charge. Mr. Flogstad said he will bring this before the Commission at the June annual meeting. Mr. Flogstad said this is a win-win for the Commission because there would be a cost savings due to less employer FICA taxes paid. Chairman Savage explained that a cafeteria plan is a health savings account designed to help both employee and employer save tax dollars.

Director Flogstad said in order for the MRRPC to apply for a U.S. Department of Commerce-Economic Development Administration Planning Grant a Comprehensive Economic Development Strategy (CEDS) committee needs to be appointed. He said this Committee would provide input, review and recommend a new CEDS for adoption by the MRRPC at its February 2012 Bimonthly Meeting. Mr. Flogstad stated the MRRPC has had a current CEDS since 1977 that has resulted in millions of EDA grants being invested in the Region. He said during completion of the last CEDS the Workforce Development Board served as the CEDS Committee but that is no longer practical for several reasons. He explained the CEDS committee should be a compilation of main economic interests of the region and must include private sector representatives as a majority of its membership. Mr. Flogstad said he was recommending the following Commissioners to serve on the CEDS Committee: Nancy Jaekel, Vernon County; Cedric Schnitzler, Monroe County; Gerald Krachey, Crawford County; William Schroeder, Pierce County; James Ross, Pierce County; David Smith, Pepin County; and John Schlesselman, Buffalo County. Mr. Flogstad said he sent out letters to those Commissioners. Chairman Savage asked for a motion regarding designation of a CEDS Committee. Commissioner Murray made a motion to approve the recommendation from the Executive and Administration Committee for the designation of the MRRPC's CEDS Committee. The motion was seconded by Commissioner Ehsam and approved unanimously.

Resolution 4.13.2011 Authorizing Submission of 2011-2014 U.S. Department of Commerce-Economic Development Administration Planning Grant

Bryan Law presented Resolution 4.13.2011. He explained Resolution 4.13.2011 authorizes submission of a planning partnership grant application to the U.S. Department of Commerce-Economic Development Administration. He said the Commission has been receiving these planning grant funds since 1977 to support the economic activities undertaken by the MRRPC. Mr. Law said Resolution 4.13.2011 also certifies the MRRPC has sufficient matching funds. Chairman Savage asked for a motion on Resolution 4.13.2011. Commissioner Schnitzler made a motion to approve Resolution 4.13.2011 as presented. Commissioner Ehsam seconded the motion. Chairman Savage asked if there was any discussion and hearing none the motion was approved unanimously.

Regional Economic Report by Bryan Law

Bryan Law, MRRPC Economic Development Planner provided a PowerPoint presentation on trends in the regional economy relating to the Comprehensive Economic Development Strategy 2011 Update. Mr. Law said the state and Region have grown since 2000, but at a slower rate than the nation. He explained that Pierce County grew at the fastest rate, even exceeding the national rate, while Crawford County lost population. Commissioner Schlesselman said the 2010 Census shows that Buffalo County actually lost population. Mr. Law said since 2000 the Region added housing at a rate faster than the state and nation with Monroe County recording the fastest growth and Crawford County the slowest growth. Mr. Law said the recession slowed housing growth in the region especially since 2004. Mr. Law said the Region lags behind the state and the nation in per capita income. He said in 2008 La Crosse County had the highest per capita income (\$35,040), and Vernon County had the lowest per capita income (\$28,045) as compared to the State (\$37,770) and the Nation (\$40,166). Mr. Law stated the Region has consistently had unemployment rates lower than the state and the nation and that after rising significantly in 2009, unemployment in the Region declined in 2010. He said that in 2010 Crawford County had the highest unemployment rate in

the Region at 9.1% and La Crosse County had the lowest unemployment rate (6.1%) as compared to the State and Nation who recorded unemployment rates of 8.1% and 9.6%.

Mr. Law said a bright spot in the Region is its manufacturing sector. He explained that from 2004 to 2008, manufacturing employment in the Region grew by 4.3%, while it shrunk by 1.4% in the state and 4.7% in the nation. Mr. Law then reviewed the top employment sectors region wide by number of employees. Employment sectors ranked as follows: 1) Government and government enterprises; 2) Manufacturing*; 3) Retail trade; 4) Health care and social assistance*; 5) Farm employment; 6) Accommodation and food services; 7) Construction*; 8) Other services, except public administration; 9) Finance and insurance*; and 10) Real estate and rental and leasing. He said five of these employment sectors which are shown with an “**” are among the top-10 in wages per employee Region-wide. Mr. Law then outlined the top employment sector in each County: Buffalo County (Farming); Crawford County (Retail); Jackson County (Government*); La Crosse County (Health Care*); Monroe County (Government*); Pepin County (Farming); Pierce County (Government*); Trempealeau County (Manufacturing*); and Vernon County (Farming).

Mr. Law stated La Crosse County has the highest equalized value in the Region while Pepin County has the lowest equalized value. He said that from 2006 to 2010, Jackson County had the highest percentage increase in equalized value (20.4%) while Pierce County lost equalized value (-5.3%). He maintained that overall the Region saw a 10.9% increase in equalized value from 2006 to 2010. This increase was higher than the state's increase (5.7%) during the same period. Mr. Law said La Crosse County has had the highest sales tax distribution for the last five years and Pepin County has had the lowest sales tax distribution for the last five years. He said that from 2006 to 2010, Vernon County had the highest percentage increase in sales tax distribution (3.6%) and Crawford County had the greatest loss of sales tax distribution (-9.8%). He said overall from 2006 to 2010, the Region lost sales tax revenue of \$379,000, or 1.9% while the state gained 1.4%.

Mr. Law concluded his presentation by summarizing the economic trends in the Region. He said population is increasing faster than the state but slower than the nation while housing is increasing in the region faster than the state and nation. He said per capita income is also increasing but slower than the state and nation. He said unemployment is decreasing modestly and that manufacturing employment is increasing which is a contrast to the declining state and nation manufacturing employment trends. Mr. Law said equalized values are increasing in the Region while sales tax revenue has been decreasing, especially since the 2007 recession. Chairman Savage thanked Mr. Law for his presentation.

Commissioner Leys asked Mr. Law how he felt the current high prices for such commodities as corn and beef cattle would affect the region. Commissioner Leys also mentioned that President Obama is looking a tripling the amount of Ethanol produced in the U.S. Mr. Law said getting more money for those commodities is typically good for the economy and especially the owners producing those commodities because it will import capital into the Region which could in turn stimulate supporting markets. The imported capital could also stimulate the Region's manufacturing sector. Commissioner Leys agreed that manufacturing is important to the Region's economy. Mr. Law said that we have a strong manufacturing sector in the Region to build on.

Commissioner Johnson asked about the unemployment numbers presented. She said Mr. Law captured the raw numbers but she wanted to find out information on how long people have been unemployed etc. Mr. Law concurred there are probably discouraged workers who are marginally attached to the labor force who have lost a job and haven't been able to find a new one. Commissioner Johnson also asked about the distribution of the Comprehensive Economic Development Strategy Report (CEDS). She said the staff should take the show on the road and make this same presentation to county boards etc. Mr. Law said the report is sent to the U.S. Department of Commerce-Economic Development Administration and it will be posted on the MRRPC's website. Commissioner Leys said the press should also be notified. There was some more discussion about distribution.

Some discussion then occurred on sales tax numbers and why the region's numbers declined. The question was raised if this was a reflection of actual spending or if more dollars were being spent out of the area. Mr. Law said that capturing sales use tax could help explain the data. He said on line sales could also have an effect and that buying power has possibly been shifted to more non-tax items such as food. Commissioner Schroeder brought up the issue of higher land use values and increased property taxes.

Update on Regional Comprehensive Plan Random Sample Survey to 4,000 Household in the Region

Mr. Flogstad said as of yesterday there was a 32% return on the surveys mailed. He said that 1,293 surveys have been returned and that at the June meeting he hoped he could have someone at the meeting from UW-River Falls to report on the regional comprehensive plan survey.

Questions and Comments on the Following Projects Listed in the Written Staff Report

Commissioner Savage asked if there were any comments or questions on the written staff reports.

Mr. Fletcher said the Gays Mills Comprehensive Plan has been recently completed by MRRPC staff and he was passing around two copies of the plan. Commissioner Nickelatti asked about the Safe Routes to School (SRTS) planning efforts. Mr. Fletcher said kick-off meetings have been held for both projects, and task force committees have been formed. The next step is to gather community and school information, and conducting school facility, walking and biking audits in each community. A survey will also be conducted at each school facility in the Westby-Viroqua Districts and Spring Valley District to help identify SRTS needs.

Commissioner Johnson asked about the proposed commuter bus route project between Crawford, Vernon, and La Crosse counties. Mr. Fletcher explained the project is on hold. The Department of Transportation has frozen money for any new transit projects. He said the project is not dead but it's not moving forward. He said transit was hit hard in the Governor's Budget Bill. Mr. Fletcher went on to describe a possible limited route in Crawford and Vernon Counties that may be implemented. There was also some discussion on the 33 express that's currently running Friday and Monday. Mr. Fletcher said ridership has increased on that route.

Some discussion then occurred on the use of bio-fuels. Chairman Savage indicated the bio-fuel facility in Cassville has some issues. Mr. Leys said some of these facilities have caused air pollution problems. Commissioner John Schlesselman asked about LINK Wisconsin and if the region was represented. Mr. Flogstad named some representatives from the Region that included public libraries, hospitals, Western Technical College, power companies, CenturyLink etc. Mr. Flogstad said a meeting has been held in La Crosse and there have been two teleconferences. Commissioner Schlesselman said there are still areas in Buffalo County that are dial-up. Mr. Flogstad said that a focus may be for libraries and other public buildings that are easily accessible to have top notch capabilities. This would make quality Internet services available to all. Mr. Flogstad stated that he personally was trying to stress that the rural Driftless Region needed special attention regarding Internet and other communications because of the rugged topography. Commissioner Christenson asked if commercial companies were being pursued to fill the gaps.

Old Business and New Business

Chairman Savage asked if there was any old business. He then asked if there was any new business. Hearing none, he asked for a motion to adjourn. Commissioner Schnitzler made a motion to adjourn the meeting, and Commissioner Ehram seconded the motion.

This is to certify that the foregoing is a true and correct copy of the April 13, 2011, bimonthly meeting minutes approved on the 8th day of June 2011.

Vicki Burke, Secretary-Treasurer