



**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
Chairman*
*Margaret Baecker, Independence
Vice Chairman*
*Vicki Burke, Onalaska
Secretary & Treasurer*
*Greg Flogstad, Onalaska
Director*

MINUTES

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

10:30 a.m., October 10, 2012

Best Western Midway Hotel La Crosse, 1835 Rose Street, La Crosse, Wisconsin

Call to Order

Chairman Savage called the meeting to order at 10:30 a.m. and asked for the roll call. Greg Flogstad, Director took the roll and stated a quorum was present. The attendance roster is attached. Guests in attendance: Paul Wydeven, Wisconsin Department of Transportation; Bill Warner, Pierce County Economic Development Corporation; Brian Fukuda, La Crosse County Community Development Specialist; Jim Bowman, Wisconsin Economic Development Corporation; John Medinger representing U.S. Senator Herb Kohl; Kyle Christianson, Keith Langenhahn, and Jon Hochkammer, Wisconsin Counties Association.

Minutes of August 8, 2012 Bimonthly Meeting

Commissioner Leys made a motion, seconded by Commissioner Kuhn to accept the minutes of the August 8, 2012, bimonthly meeting. Director Flogstad said he would like to bring forth an amendment to the August 8, 2012 bimonthly meeting minutes. He referred everyone to Page 4 of the minutes under Old and New Business and explained some information was omitted from Mr. Wydeven's statement regarding DOT funding. Mr. Flogstad said the minutes should have stated that under the new federal transportation bill funding for the Safe Routes to Schools and Transportation Enhancement programs is 1/3 less than the old federal transportation bill and the new federal transportation bill also combine the Safe Routes to Schools and Transportation Enhancement programs into the Transportation Alternatives program. Mr. Wydeven said he wanted to clarify that not all federal programs were reduced. Chairman Savage asked for a motion to approve the August 8, 2012 bimonthly minutes with the proposed amendment as stated by Mr. Flogstad, motion carried unanimously.

Treasurer's Report

Vicki Burke, MRRPC Secretary/Treasurer presented the treasurers reports. Ms. Burke said the July 31, 2012 balance in all MRRPC accounts was \$233,920.98 and the August 31, 2012 ending balance was \$208,628.93. Ms. Burke reported that the beginning balance in September 2012 was \$208,628.93 and the balance in all accounts as of September 30, 2012 was \$176,808.08.

Ms. Burke then presented the financial report for the Business Capital Fund I. The balance in this account as of July 31, 2012 was \$265,998.70. From August 2012 through September 2012 activity in this account included loan repayments of \$15,871.34, account interest of \$104.21, and a transfer of \$34,262.41 to the BCF Sequester Account leaving a September 30, 2012 ending balance of \$247,711.84. The BCF Sequester Account began with a July 31, 2012 balance of \$154,562.90. From August 1, 2012 through September 30, 2012 activity in this account included an interest payment to the U.S. Treasury of \$102.44, account interest of \$98.54, and a \$34,262.41 deposit of sequestered funds from the Business Capital Fund account leaving a September 30, 2012 balance of \$188,821.41.

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*

Sequester Account began with a July 31, 2012 balance of \$54,563.28. From August 1, 2012 through September 30, 2012 activity in the BCF II Sequester Account included account interest of \$34.19, an interest payment to the U.S. Treasury of \$44.96, and a \$4,909.93 deposit of sequestered funds from the Business Capital Fund II RLF leaving a September 30, 2012 balance of \$59,462.44.

The CMV Growth Development Fund began with a July 11, 2012, balance of \$56,003.44. Ms. Burke said from the period of July 12, 2012 through September 12, 2012 interest earned on this account totaled \$14.39, loan payments made totaled \$405.02, and a transfer of \$1,117.03 to the CMV Sequester account leaving a September 12, 2012 balance of \$55,305.82. Ms. Burke said the balance in the CMV-EDA Sequester Fund as of July 11, 2012 was \$161,750.82. During the period of July 11, 2012 through September 12, 2012 activity in this account consisted of interest earned of \$41.90, an interest payment to the U.S. Treasury of \$51.08 and a \$1,117.03 deposit of sequestered funds from the CMV RLF leaving a September 12, 2012 balance of \$162,858.67.

Ms. Burke said the La Crosse County Economic Development Fund began with a July 15, 2012 balance of \$85,859.21. During the period of July 16, 2012 through September 13, 2012, loan repayments of \$1,420.00 were made, account interest earned totaled \$23.98, and a transfer of \$39,490.59 to the La Crosse County Business Fund leaving a September 13, 2012 account balance of \$47,812.60. The La Crosse County Business Sequester Account began with a July 31, 2012 balance of \$14,180.19. From August 1, 2012 through September 30, 2012 activity in this account included account interest of \$17.74, an interest payment to the U.S. Treasury of \$4.47, and a \$39,490.59 deposit of sequestered funds from the La Crosse County Business Fund leaving a September 30, 2012 balance of \$53,684.05.

Chairman Savage asked for a motion of approval on the treasurers reports presented. Commissioner Ross made a motion to approve the treasurer's reports as presented. The motion was seconded by Commissioner Ehrsam. The motion was approved unanimously.

Mr. Law reported there have been no new loans since last bimonthly meeting. He said outreach continues trying to attract new borrowers. He said in September he attended an EDA sponsored conference in Naperville, Illinois and one of the topics was revolving loan fund management. Mr. Law said he learned how RLFs are operating in other areas and he also garnered a better understanding of the types of regulations banks are under right now. He explained that federal examiners are being more restrictive now and these are the types the loans the RLFs are designed to help foster. Mr. Law said this causes banks to be reluctant to take on higher risk loans. Mr. Law said this is one of the challenges we are facing in the current economy but on the flip side we should be able to communicate to banks more effectively that having the RLFs involved reduces the risk. Commissioner Vinehout asked about geography and what counties had access to the RLF funds. Mr. Law said all counties in the region have access to a revolving loan fund.

Wisconsin Counties Association Legislative Initiatives and Proposed Regional Planning Commission Consolidation of Services Proposal for the Department of Administration Budget Consideration – Presentation by Jon Hochkammer, Legislative Director, WCA

Director Flogstad introduced Jon Hochkammer, Legislative Director, of the Wisconsin Counties Association (WCA). Mr. Hochkammer introduced two of his colleagues: Kyle Christianson, Legislative and Research Associate of the WCA; and Keith Langenhahn, Field Services Representative, WCA. Mr. Christianson, Mr. Langenhahn, and Mr. Hochkammer provided a synopsis of their professional backgrounds and their current positions at the WCA. Mr. Hochkammer said he also serves as Mayor for the City of Verona located about 12 miles from Capital. Mr. Hochkammer said the City of Verona was successful in recruiting "Epic Systems", a growing software company to locate in Verona. Mr. Hochkammer said he is also president of the Dane County Cities and Villages a group that sits on the budget and personnel panel for the Capital Area Regional Planning Commission (CARPC).

Mr. Hochkammer said the WCA was formed in 1935 and represents not only County Board members but the entire County family. He said the WCA is a member driven organization with seven different districts around the State. He provided a background of the organizational structure of the WCA and reviewed the current leadership. Mr. Hochkammer said WCA Inc. is the for profit arm of WCA with the purpose of helping counties and local units of government including school districts provide or render services or bring in endorsed products etc. WCA Inc. also handles the corporate management of the insurance companies and some revenue sharing with others.

Mr. Hochkammer said membership dues only represent about 17% of the total WCA budget. He said the WCA legislative process is member driven with seven different steering committees: Agriculture; County Organization and Personnel; Environment and Land Use; Health and Human Services; Judicial and Public Safety; Taxation and Finance; and Transportation and Public Works. He explained that nomination forms are sent out to the county family and as long as a county executive signs off, you can serve on these committees. He said the steering committees help the WCA establish policy. The Board of Directors will refer resolutions or other items or issues under consideration to the steering committees for input and suggestions and at the annual conference the WCA platform is developed. He said sometimes people will ask why the WCA took such a position on this bill or the amendment. Mr. Hochkammer said everything is traced back to the WCA platform and if it's not in the platform we cannot lobby on it. Mr. Hochkammer said some of the committees meet on an annual basis and some meet on an as needed basis. Mr. Hochkammer then displayed a slide listing county family members. He said the WCA reaches out to each of the groups listed. He asked that if anyone knew of a group that should be listed to please let him know.

Mr. Hochkammer said the WCA is a quasi-governmental public private partnership. He said within the circle is the group held trust, the health insurance trust that was formed in 1991 and in 2004 expanded its authority to cities, towns, villages and schools. He said the company is doing extremely well and growing. We also have the Wisconsin County Mutual Insurance Corporation that insures 53 of the 72 counties. Community Insurance Corporation was established as a wholly owned subsidiary to provide insurance coverage for school districts, as well as cities, towns and villages in the State of Wisconsin. The coverage includes general liability, auto liability, school board legal liability, and public officials' errors and omissions. He said WCA services is the for profit company. Mr. Hochkammer said the WCA also has a monthly magazine. Mr. Hochkammer said Mark O'Connell has been the WCA Executive Director since 2001.

Mr. Hochkammer said the WCA has six full time lobbyists and works closely with National Association of Counties (NACO). WCA's federal lobbying team is Waterman and Associates. Mr. Hochkammer continued by describing the lobbying process. He said County official involvement occurs through the WCA steering committees. He mentioned the County Ambassador Program (CAP) where CAP members will work the capitol one day on one issue. Mr. Hochkammer said the WCA realizes they have to work very closely with their membership if they want to get something done. Mr. Hochkammer provided some websites providing information on what's going on in the legislature: www.legis.wisconsin.gov, www.wiseye.org, and www.wicounties.org.

Mr. Hochkammer said in March the WCA started developing its priorities. He explained the WCA contacts each one of the associations in the family membership and asks them for their priorities. Those priorities are brought before the steering committees and worked on very closely. The WCA also meets with the other county lobbyists to get their thoughts. Mr. Hochkammer said at the August board meeting the WCA Board of Directors reviewed the recommended list of priorities and took action.

Mr. Hochkammer said resolutions are submitted by counties and considered at the WCA conference. Mr. Hochkammer said the WCA has not taken any position on frac sand mining. He said frac sand is very controversial with a lot of issues to consider. He indicated that Mr. Wirth, WCA President wants to create a task force to take a look at frac sand issues upon the Board's approval which should occur at the October 26th board meeting.

Mr. Hochkammer said the entire lobby team met yesterday with some of the Governor's staff on the WCA's top 10 key priorities. He said the next step is scheduling meetings with legislators and their staff. He outlined the timeline for the Governor's 2013-2015 budget. Commissioner Borreson asked where the rest of the WCA's budget comes from aside from the 17% that comes from membership dues. Mr. Hochkammer said a lot of it comes from WCA's services and from the oversight of the insurance companies.

Mr. Hochkammer asked why the State budget matters to local governments? He said there is a direct relationship between state and local governments as Wisconsin's counties actually do the maintenance and snow removal on the highways. He said Wisconsin counties also do a lot more in human services type programs than most other states do also. Mr. Hochkammer said only seven states provide a higher share of local government revenues than Wisconsin. He said tax and spending decisions made at the state level significantly impact county finances. Mr. Christianson stated a majority of the services are performed locally so you have this disconnect between whose collecting the money and who is spending or providing the services. He added that when the state has budget problems they are passed on to county and local governments. Commission Leys commented that he doesn't like the word aid that is often used; He said this is not charity money. Mr. Leys said he would rather call it shared revenue as this is money the State collects for us, but it's our money; "it's the local governments money". Some

discussion occurred on shared revenue, state aid, state highway aids, and taxes. Commissioner Johnson concurred with Commissioner Ley's point.

Discussion continued on levy limits, state aid, and taxes. Mr. Hochkammer said funds to maintain county highway systems and to help with maintenance and snow removal are critical. He said our highway system needs to be maintained in an adequate manner. Mr. Hochkammer said a key point is that aids for local governments have been going down. Senator Vinehout added that were cutting state government but we're cutting it disproportionately at the state government operations level. Senator Vinehout said it's about how you structure state government. She said we could be talking about eliminating programs that aren't working. Mr. Hochkammer said everything he has heard from county government is they want to be part of the solution but they want to be recognized as a partner with the state. Senator Vinehout said another state local issue is solving the Medicaid problem.

Mr. Hochkammer stated that local shared revenue is declining and he reviewed some charts showing that fact. He said counties took a 19.2% cut in shared revenue in 2012 and were hit harder than cities, villages and towns. Mr. Hochkammer said counties are subject to two different property tax limits, a levy limit and a tax rate limit. He said that like other local governments counties now operate under permanent levy limits but unlike other local governments counties have also been subject to tax rate limits barring them from exceeding their December 1992 property tax rate limit. He said some counties are getting very close to the tax rate limit. Mr. Hochkammer discussed the impacts of the levy limits and tax rate limits. He said for the most part counties that were disciplined and did the best job of budgeting are now being hurt by this limit. Mr. Christianson said you have three groups of counties approaching their limits: counties without the sales tax; counties most negatively affected by the economy and declining property values; and counties like La Crosse County who adopted the sales tax in the late 90's and took a bunch of spending off the levy and essentially had an artificially low tax rate. He referred to La Crosse County because it has one of the lowest tax rates in the state. Mr. Christianson said the rate limit was suspended in the last budget for two years but it is scheduled to return in property tax year 2013-2014 unless legislative action is taken. Mr. Hochkammer said this tax issue is one of the top ten priorities for the WCA.

Mr. Hochkammer said counties cannot continue to see these types of cuts year after year. Over the years counties have done a good job of budgeting and the state needs to recognize the counties as partners. Mr. Hochkammer briefly discussed transportation funding. He explained there is a Wisconsin Commission on Transportation and Finance and Policy created last year in the budget that is required by March 31, 2013 to look at all different sources of revenue and how transportation is being handled around the state. Mr. Hochkammer said \$250 million came out of the general fund last year to put towards transportation and all indications are the state will receive less money from the federal government for transportation in years to come. He said property taxes are limited to growth and new construction and new construction was .7% statewide last year. He said Medicaid spending has increased and is a problem for the State. There was some discussion on these shortfalls and where the dollars would come from. Mr. Hochkammer said that WCA was going to be as proactive as they could with their legislative agenda. He said collaboration is extremely important. He mentioned the Local Government Institute of Wisconsin who does tremendous work representing all citizens at the local level.

Mr. Hochkammer explained he has been working on a collaborative project with Wisconsin's regional planning commissions to develop more cost efficiencies in public services. He said a presentation was made to DOA Secretary Huebsch on the proposed project and right now the proposal is being refined and will be resubmitted in the coming weeks. Mr. Christianson outlined the project and discussed funding needs. He said the project sponsor would be the State working with three selected RPCs in the State. He said each of the three RPCs would conduct a competitive project selection process encouraging local governments to propose a consolidation or sharing of services that would create cost savings and benefits. The highest rated projects would then be selected to move forward and each of the three RPCs would then work with local governments on the selected projects. He said there would be essentially three pilot projects showing that collaboration works and in turn save money for the local governments. He said the project will hopefully incentivize local governments to work together even more.

Mr. Hochkammer reviewed some survey results showing how the State of Wisconsin ranks. He said one disconcerting thing the survey shows is that people are leaving Wisconsin for other jobs. He said demographics in counties show that over the next 20-30 years the state will have an aging population and some counties are going to be hit extremely hard. Mr. Hochkammer said agriculture is very important in the State. He said that venture capital is something the state needs to work on. He stressed again the importance of transportation and how the funding of transportation is handled. Mr. Hochkammer concluded by saying the WCA is a partner with the State. He said the WCA wants to help the regional planning commissions as

much as they can and are thankful for the close working relationship with the RPCs. He said we all support collaboration and working together. It makes sense. Mr. Flogstad briefly discussed the proposed project recently submitted to Secretary Huebsch at the Department of Administration. He said three ideas will be selected from across the State that show to be the most cost beneficial.

Discussion on the Region's Solid Biofuel Potential and Kickapoo Valley Biofuel and Wood Product Feasibility Study

Mr. Flogstad said Paul Bader was unable to be at the meeting today to speak on biofuels. He provided an update on the biofuel and wood product feasibility study. He said the goal of the study is to find out if a bio-fuel pellet plant would be successful in the Kickapoo Valley. He briefly discussed the scope of the study. He reviewed the funding sources totaling \$53,000 and said the Village of LaFarge received a \$25,000 grant award that will be used as the match for the \$25,000 grant from the U.S. Department of Commerce-Economic Development Administration. He said this project was funded because of the high economic distress in the Kickapoo Valley. Mr. Flogstad said he was hopeful Paul Bader could speak on this subject in December.

Report on Three Route Bus Service Project to Serve Crawford, Vernon, and La Crosse Counties

Peter Fletcher gave an update on the three route bus service to serve Crawford, Vernon and La Crosse Counties. He said the service connects the three counties connecting Prairie du Chien, Viroqua, La Crosse and 12 cities and villages in between. He said the project was rebid in August and ultimately was awarded to Running Inc. The service is scheduled to start in November, however there is not a firm date yet as we are awaiting the delivery of three "20" passenger buses. He said once the buses arrive, it will take around 4-5 days for the service to start. Mr. Fletcher said there will be three routes making four round trips per day, with weekday service providing transportation for people to and from work; and the mid-day route should help seniors and disabled population get out for personal needs and medical appointments etc. Mr. Fletcher said the contract for this service is being administered through the City of Prairie du Chien. A dedicated website is also being established for the service. He said a meeting will be held next week to establish a bus schedule and bus stop locations. He said once there is a firm start date we can nail down the schedule and firm up bus stop locations. Mr. Fletcher said the buses will be handicapped accessible, have Internet access; and bike racks will also be available. The fares will be \$3.00 one way. Commissioner Leys asked about bike rack capability. Mr. Fletcher said buses would carry between 2-4 bikes. Mr. Fletcher said he has been working on getting the local match for the commuter bus service and recently Gundersen Lutheran hosted a meeting with area businesses where he was able to make a presentation on the service. Mr. Fletcher said the bus service should be up and running by the next bimonthly meeting. There will be kickoffs for the start of the service in Prairie du Chien, Viroqua and La Crosse to publicize the service and get the word out. Some more discussion occurred on the routes and how they would connect.

Decision on Economic Modeling Services Inc (EMSI) Economic Development Data Servicing Contract and Agreement

Bryan Law presented a partnership agreement between the Wisconsin Economic Development Corporation and the Mississippi River Regional Planning Commission where the RPC would obtain a one year license for the Economic Modeling Specialists, Inc. (EMSI) Analysis program. The WEDC would provide the funding for this license. Mr. Law said WEDC wants to provide every planning commission throughout the state with a license for EMSI. He said EMSI is a company that crunches a lot of data making good information available through statistical analysis to its users very quickly. He said to get access to EMSI's information you have to pay a user's fee so WEDC is proposing to pay those fees for each RPC in the state and in exchange for that license the RPCs are expected to provide EMSI data to economic development organizations, municipalities, local governments, county governments, and others who request it. Mr. Law provided several scenarios how the data could be used. Mr. Law said the data through EMSI is very extensive and very useful.

Mr. Law said everyone should have received a sample of the data that's available. He said two different reports were ran for each of the nine counties; one report showed suggested industries for each county and the other report showed the hypothetical impacts of adding the suggested industries and the ripple effects. He said you can run this same report showing the impacts if a certain industry left the county. Mr. Law said this is just one of dozens if not hundreds of reports available. Commissioner Purdy questioned the report for Pierce County because it indicated a need for a University in the county. Mr. Purdy said UW-River Falls is located in Pierce County so this is a concern about the model. Mr. Law said he would look into this. Mr. Flogstad stated it may mean a lot of Pierce County's income is leaving the county to other universities in addition to U.W. River Falls. Senator Vinehout asked for more information about EMSI. Mr. Law said EMSI's headquarters are in Idaho and they have contracts nationwide. He said their data is becoming more well respected because most of the sources for this data are public like the U.S. Census etc. He said there are some statistical models they use that are proprietary. More discussion occurred on the validity of the data from EMSI. Commissioner Johnson asked if the MRRPC would run reports for the counties and Mr. Law said yes. Mr. Law said we can obtain some of this information in seconds from EMSI that it might

take us days to get. Senator Vinehout said that assumes the information is reliable but how do we know that. Mr. Law said you could look at data source you are familiar with to test its validity. More discussion occurred on the sample reports and the assumptions made. Mr. Law said the EMSI reports are just a tool to use in making decisions. He used the example of Buffalo County with petroleum refineries at the top of the list. He said petroleum refineries are at the top of the list because that is an area where money from the region is leaking out. Commissioner Leys said there's a lot more oil coming out of the ground in the Dakotas that they could ever fit in a pipeline and trainload after trainload is coming down on the Burlington Northern and going to oil refineries in northern Indiana. Commissioner Kuhn said the information on the reports is hard to identify or understand because you don't know the questions asked of the model. Director Flogstad asked that the partnership agreement between the WEDC and the MRRPC be approved subject to some stipulations which he outlined. There was discussion on whether or not the agreement had to be approved at today's meeting. Director Flogstad said we could approve the agreement under the assumption we wouldn't disseminate any reports until a process was approved by the Commission. Commissioner Johnson said she didn't want the Commission to be in a position where they would have to look at all the reports generated. She said she wanted to have confidence in the contract and there seems to be some concern among commissioners on the modeling used. Director Flogstad indicated WEDC would like the agreement approved. More discussion occurred on whether or not the agreement should be approved today. Commissioner Schroeder made a motion to approve the contract between the MRRPC and WEDC with the stipulation the data is reviewed and we are comfortable with the modeling. The motion was seconded by Chairman Savage. Some more discussion occurred on approving the contract. Commissioner Johnson asked the motion be restated. Director Flogstad said the motion is to approve the contract between the MRRPC and WEDC with the stipulation not to issue reports until questions are answered on modeling and disclaimers to meet the Commission's satisfaction. The motion was approved with one no vote.

Commissioners Questions and Comments on Written Staff Report

Commissioner Vinehout asked about two projects, the Pepin County Comprehensive Plan and the Town of Arcadia Comprehensive Plan. She questioned how they are dealing with the frac sand issues. Mr. Bonifas said the Pepin County Planning Committee is discussing this issue frequently and the County has taken the position they want the Towns to deal with it. Mr. Bonifas said the Towns are developing agreements regarding licensing etc. At this point the County does not have an ordinance and has not talked about any specific goals for frac sand mining. Mr. Fletcher said the Town of Arcadia is updating their comprehensive plan. Mr. Fletcher said Trempealeau County is zoned so they do have regulations. They have the ability to say yes or no. The Town of Arcadia is under county zoning and in their town plan update they are potentially looking at considering a licensing ordinance. More discussion occurred on frac sand mining in the region and the issues involved. Commissioner Christenson said unzoned towns are magnets for frac sand mining. Commissioner Krachey said if you put a moratorium in place you have six months to get your house in order.

Old Business and New Business

Director Flogstad mentioned the upcoming manufacturing Expo hosted and sponsored by the Equipment and Metal Manufacturing Association on December 6, 2012. He said he also wanted to make Commissioners aware on the upcoming WEDC informational sessions scheduled throughout the state. He said everyone should have a copy of the schedule for those informational sessions in their meeting packets.

This is to certify that the foregoing is a true and correct copy of the October 10, 2012, bimonthly meeting minutes approved on the 12th day of December 2012.

Vicki Burke, Secretary-Treasurer