



Southwest Iowa Planning Council and Southwest Iowa Transit Agency

ANNUAL REPORT

JOHN MCCURDY

From the Executive Director

Greetings!

Every year at SWIPCO I think to myself, wow, that was a busy year, surely it must slow down at some point! Fortunately, that hasn't happened. We continue to be very active throughout the region and evolve and change, as the needs of our region evolve and change. In the past year we've had our fair share of ups and downs with staff turnover, a settled lawsuit, major transit operating procedure changes, etc. But through it all, the dedicated staff of SWIPCO and SWITA have kept their eye on the ball, which means working hard for the residents of Southwest Iowa.

I am very proud to report that our organization is strong. Our staffing is at a position we have rarely been in the past in that we can handle just about anything you throw at us. We have a dedicated and caring board of directors looking out for the best interests of our member communities. We have new equipment that enables us to spend less time fixing things and more time helping people. Financially, we are on a strong footing. The most important thing right now is for our members to use us. We're here and ready to help.

I know of few organizations with as broad of a scope of work as SWIPCO and SWITA. In any given day, we may be taking someone's child to school, helping someone get their roof fixed, funding a small business, or getting clean drinking water in a community. There are of course things that we can't help with, which is frustrating, but thankfully we have many excellent partners throughout the region and the state that can help if we aren't the right place to go for help. I strongly encourage any individual or community to give us a call or stop in, learn about what we have to offer, and together we can continue to make Southwest Iowa a great place to call home.

John P. McCurdy
Executive Director

Financials

Revenues			Expenses		
SWIPCO/SWITA			SWIPCO/SWITA		
Revenue Source	\$	%	Expense	\$	%
Federal Transit Assistance	964,487	17%	Salaries & Fringe	2,394,693	57%
Transportation Contracts	3,116,788	54%	Maintenance/Depreciation	532,628	13%
State Transit Assistance	716,089	12%	Insurance	190,120	5%
Fuel Tax Refund	50,294	1%	Building Depr/F & E	119,375	3%
Planning Contracts/Admin	341,083	6%	Taxi Support	400,850	10%
Public Fares	269,920	5%	Supplies	40,319	1%
City County Transit Support	76,000	1%	Professional Fees	60,104	1%
Membership Dues	76,044	1%	Travel & Training	39,960	1%
COG Support	11,176	<1%	Advertisement	28,142	1%
Misc	11,147	<1%	Fuel	330,709	8%
Transit Capital Revenues	179,918	3%	Misc	46,589	1%
Total	5,812,948	100%	Total	4,183,490	100%

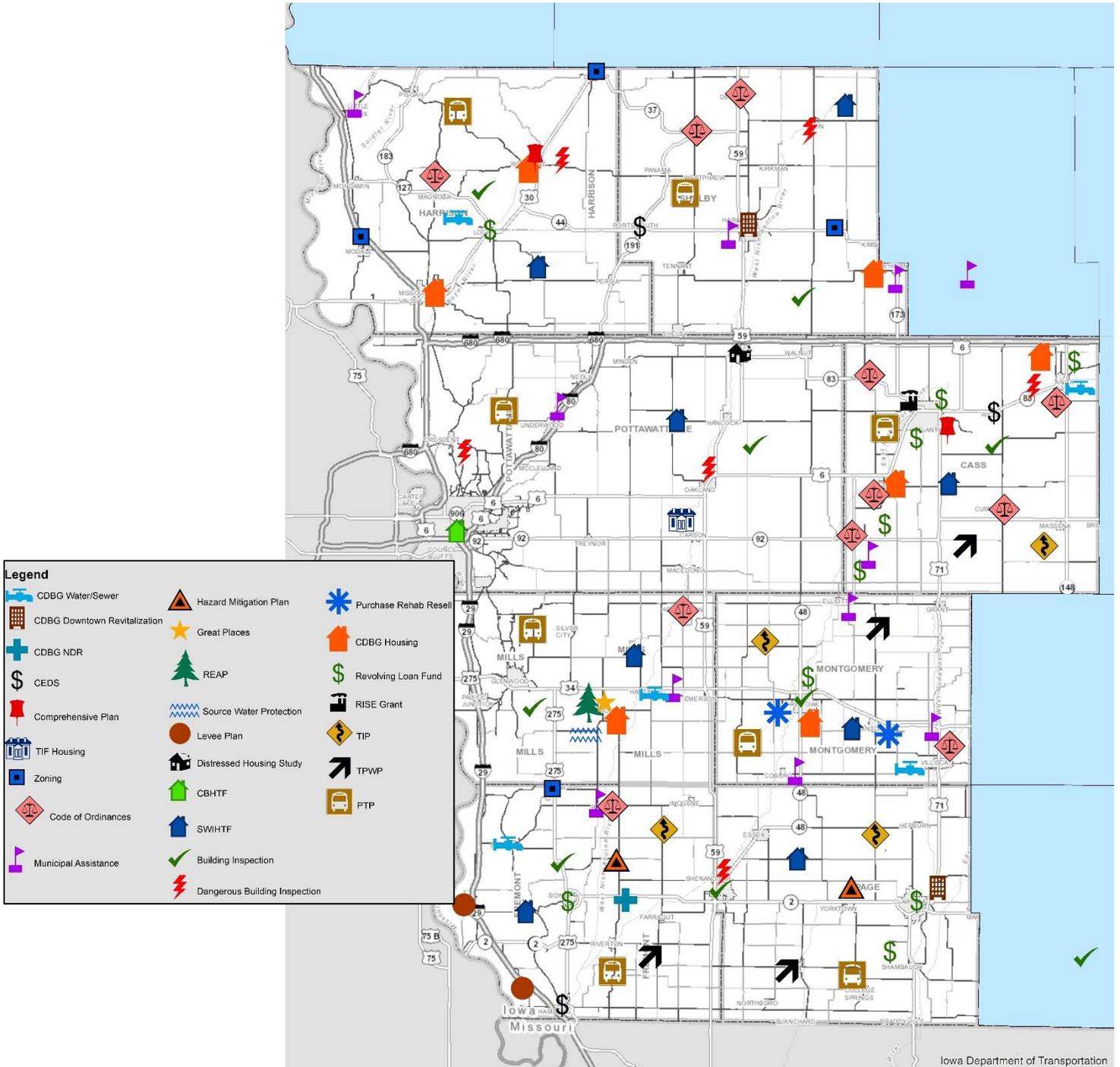
*All figures are pre-audit

SWIPCO/SWITA’s financial position continues to be strong. Our un-audited financials for the year ended June 30, 2017 show healthy revenues and moderate increases in expenses. The largest portion of our revenue is made up of transportation related funds, either contracts or state, federal, or local funds. Also, the lion’s share of our expenses come from operating the transit agency.

We are fortunate that within each funding category, typically, there are also multiple programs or clients that make up that line item. Our revenues are diverse, and we are not overly dependent on one single government program or one single large client. As funding priorities change at the state and federal level, and they always change, we are not nearly as dependent on one government line item or program as some other non-profit agencies, which allows us a degree of both flexibility and stability in our financial planning for the future.

SWIPCO Projects

July 1, 2016 through June 30, 2017



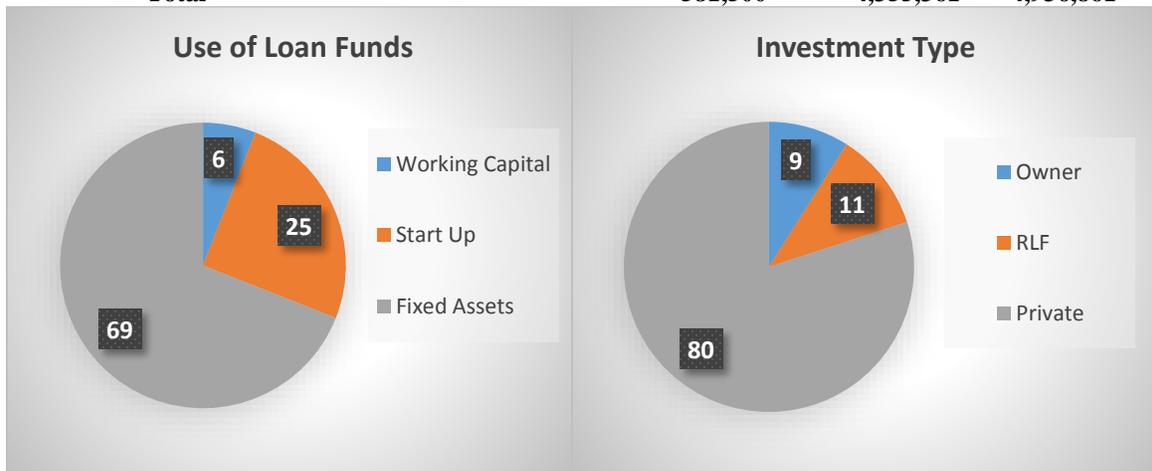
Iowa Department of Transportation

Business Revolving Loan Fund

SWIPCO’s Small Business Revolving Loan Fund started in 2009 with investments from the U.S. Department of Commerce and the U.S. Department of Agriculture. Since its inception, the Fund has loaned \$995,450 to 23 different businesses in Southwest Iowa resulting in the creation or retention of 87 jobs. Six loans have been paid in full, with the most recent payoff of a \$15,000 loan occurring in June 2017. There are 10 active loans in the current Revolving Loan Fund portfolio. SWIPCO loaned a total of \$141,000 to 3 businesses in FY 2017. The Fund has \$118,000 available for future lending.

The program partners well with private lenders leveraging approximately \$3.5 million in owner and private funding since its inception. This is a ratio of approximately \$1.00 RLF funding to \$3.50 private funding. The program requires that owners contribute at least 10% of the total project cost. Private commercial investment covers over 80% of total project costs. These ratios have remained consistent since FY 2013. Funding is used for fixed assets (69%), startup costs (25%) and working capital (6%).

Business Type	City	County	RLF Loan Amounts	Local Leveraged Funds	Total
Storm Shelters	Sidney	Fremont	80,000	156,000	265,000
Restaurant	Logan	Harrison	25,000	70,000	95,000
Lumberyard/Hardware	Anita	Cass	120,000	373,000	493,000
Lawn Care	Red Oak	Mont	115,000	1,325,000	1,395,000
Retail Store	Clarinda	Page	30,000	45,000	105,000
Retail Store	Atlantic	Cass	50,000	110,000	37,946
Car Wash*	Griswold	Cass	30,000	435,013	465,000
Coffee Shop	Atlantic	Cass	11,000	22,700	33,700
Food Truck	Clarinda	Page	20,500	2,500	20,500
Grocery/Restaurant/Retail	Griswold	Cass	100,000	1,386,695	1,486,695
Total			581,500	4,355,361	4,936,861



Community Development - Planning

The SWIPCO Planning Department assisted 31 communities in FY 2017 by writing and submitting new grants, administering grants for previously awarded housing, water and sewer projects and downtown revitalization projects, updating cities' codes of ordinances, and developing various plans and studies.

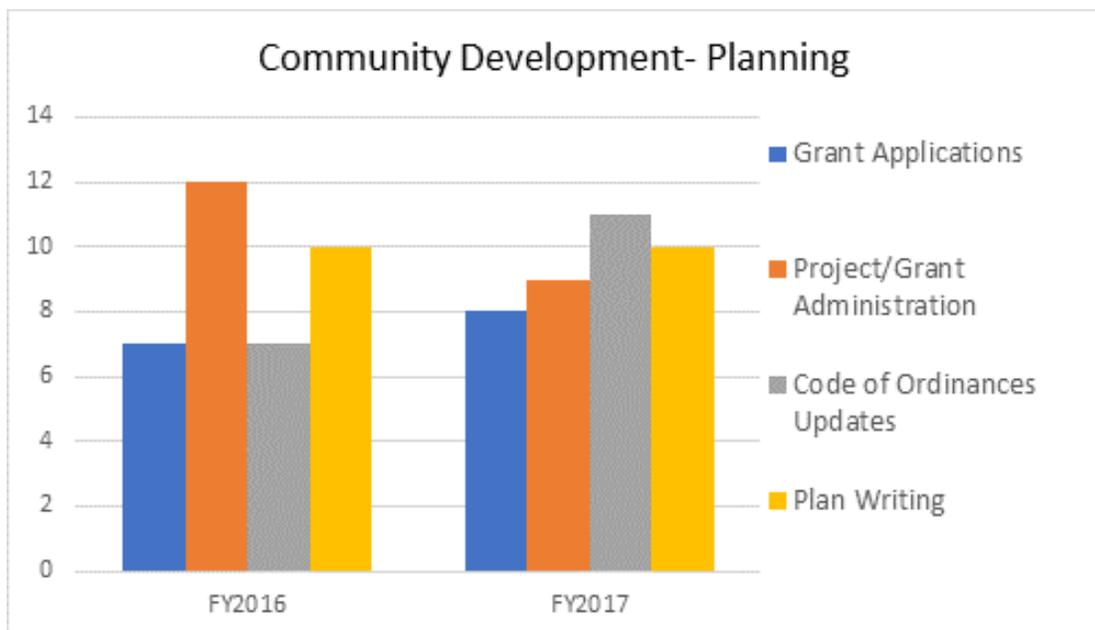
Three new grants were awarded in FY 2017 for:

- A housing rehabilitation project in Lewis (\$238,242)
- A water improvement project in Villisca (\$500,000); and
- A downtown revitalization project in Clarinda (\$500,000)

A total of 8 new grants were applied for in FY 2017, 3 of which have been awarded totaling \$1,293,000. Award of the other 5 grants will generate \$1,570,000 in additional grant funding for FY 2018/2019. At the end of FY 2017, SWIPCO was administering \$4,103,308 in grant funds for ongoing projects throughout the region.

The Planning Department completed 2 multi-jurisdictional hazard mitigation plans for Fremont and Page Counties, a distressed housing study for the Workforce Housing Tax Incentive Program for Avoca, and a Water Protection Plan for Malvern. The Department completed one Comprehensive City Plan for Woodbine and is currently working on a comprehensive plan for Atlantic. In addition, SWIPCO assisted 11 communities update their Code of Ordinances and 4 communities update zoning ordinances or resolve zoning issues.

SWIPCO played an influential role in reviving the construction of an ethanol plant outside Atlantic that will bring 49 jobs to the area when the plant becomes operational in 2019. SWIPCO assisted Cass County to create a TIF district that will generate funds to pay down a \$4 million bond to install roads and a "gray water" line from the ethanol plant to Atlantic's wastewater treatment plant.

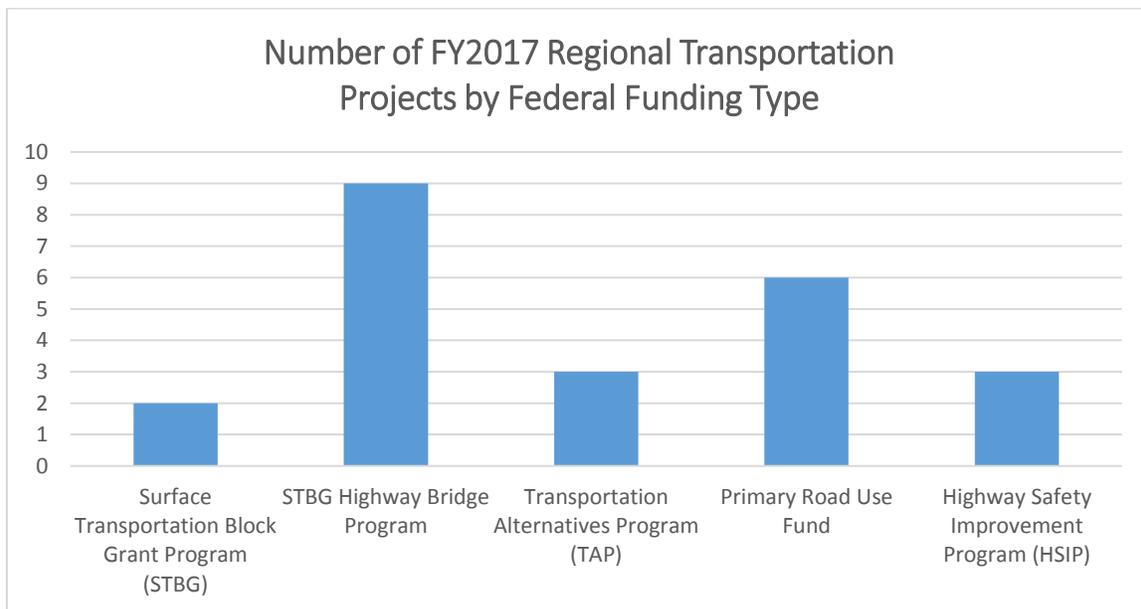


Transportation Planning

Regional Planning Affiliate (RPA 13)

Regional Planning Affiliate 13 (RPA 13), the transportation planning region designated through the Iowa Department of Transportation (IDOT), is managed and administered by SWIPCO’s Community Development Department. The four counties that constitute RPA 13 are Cass, Fremont, Montgomery, and Page. SWIPCO is responsible for coordinating and developing plans and programs necessary for continued federal-aid transportation investment in the four-county area covered by RPA 13, to include:

- Transportation Planning Work Program (TPWP) that outlines transportation planning activities to be completed for any given fiscal year.
- Transportation Improvement Program (TIP)--a fiscally constrained, four-year listing of all federal-aid transportation projects programmed within RPA 13.
- Public Participation Plan (PPP) that outlines the procedures for public notification, review, and comment regarding transportation planning and project decisions in RPA 13.
- Long-Range Transportation Plan (LRTP) that lays out the vision, goals and objectives for transportation in RPA 13 over the next 20 years.
- Passenger Transportation Plan (PTP)--a coordinated plan for public transit and human services transportation providers produced in conjunction with RPA 18 (Pottawattamie, Mills, Shelby, and Harrison counties).
- Transportation Alternatives Program (TAP) provides funding for projects related to bicycling and walking such as sidewalk improvements and construction of paved multi-use paths. When federal TAP funds are made available through IDOT, SWIPCO oversees the competitive project selection process. Two TAP projects in RPA 13 were awarded in FY17: \$100,000 for a new paved multi-use trail in Atlantic (\$125,000 total project cost); and \$48,000 for pedestrian improvements in Tabor (\$90,000 total project cost).



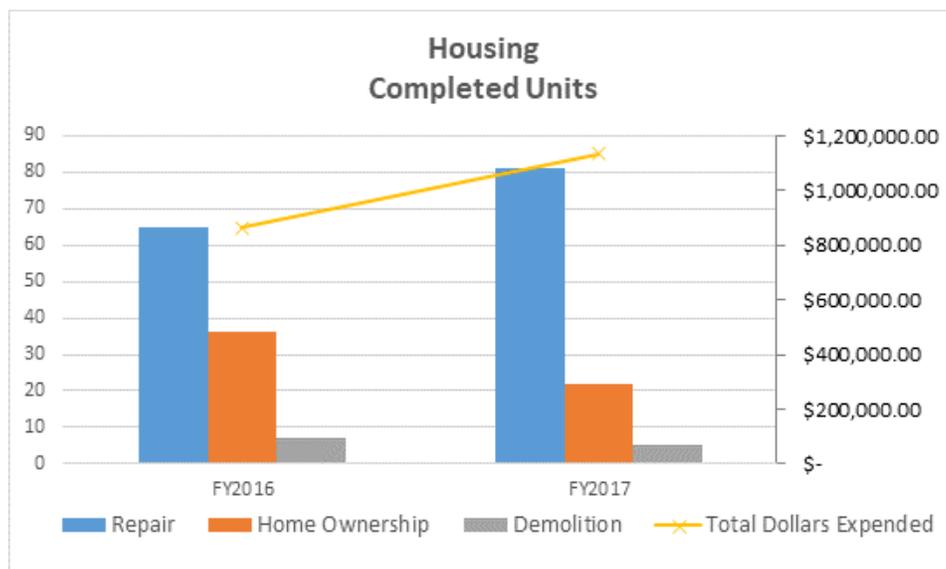
Housing & Southwest Iowa Housing Trust Fund

In FY 2017, SWIPCO and the Southwest Iowa Housing Trust Fund (SWIHTF) completed 101 housing projects, distributing \$1,070,000 in home repair, demolition, and home ownership assistance dollars (a 23% increase over FY 2016). Funding for the various housing programs comes from several sources to include Community Development Block Grants (CDBG), the State Housing Trust Fund, Federal Home Loan Bank (FHLB), and SWIHTF Revolving Loan Funds.

SWIPCO was awarded a new Community Development Block Grant in the amount of \$238,242 to repair at least 6 homes in Lewis. Ongoing CDBG repair projects are in progress in Anita (\$230,900 for 6 homes); Woodbine (\$225,650 for 6 homes); Elk Horn (\$304,000 for 8 homes); and Red Oak (\$368,500 for 10 homes). SWIPCO completed 2 CDBG housing projects in FY 2017 in Missouri Valley (\$231,000 expended on 7 homes) and Malvern (\$375,000 expended on 12 homes). SWIHTF also works with the Federal Home Loan Bank to repair low-income, owner-occupied homes. In FY 2017, 58 homes throughout the region were repaired receiving \$423,362 in FHLB funds. Another source of funding for home repair projects is through the State Housing Trust Fund administered by the Iowa Finance Authority (IFA). For FY 2017, SWIHTF made \$115,003 in home repairs to 19 homes in 12 communities. \$59,636 of the total expenditure was for extremely low-income, owner-occupied housing. Under these programs the Housing Department assists with the application process, performs income verifications, bid specifications, awards contracts, and conducts inspections to ensure satisfactory completion of the work.

Homeownership Assistance is another important housing program SWIHTF offers. Under the program qualified homebuyers can receive up to \$7,000 to apply to a down payment and closing costs. The first \$4,000 is a five-year forgivable loan, forgiven at 20% per year. The loan is forgiven if the buyer lives in the home for at least 5 years from closing. Any amount over \$4,000 up to \$7,000 is optional and repayable at a 1% interest rate over a five year period. In FY 2017, 22 homebuyers received \$90,075 in financial assistance to purchase new homes.

SWIHTF also administers a demolition program for communities to remove dilapidated housing. In FY 2017, 5 communities received a total of \$39,599 in IFA funding to apply toward the demolition of 6 buildings.



Housing & Southwest Iowa Housing Trust Fund

SWIHTF also maintains various revolving funds to assist low to moderate income home owners to purchase and repair their homes through a 1% interest loan. Since 2010, SWIHTF has loaned over \$140,000 to 25 homeowners. Two (2) loans were repaid in full and 1 new loan was made in FY 2017.

The purchase/rehabilitate/sell fund allows SWIHTF to purchase vacant, foreclosed homes, rehabilitate the home, and then sell the home to low to moderate income homebuyers. Once the funds are paid back, SWIHTF can repeat the process with another home creating an ongoing resource for local housing rehabilitation. SWIHTF recently sold a home it had purchased and rehabilitated in Red Oak. With the proceeds, SWIHTF will continue to look for viable vacant homes to purchase and rehabilitate.

SWIHTF also provides inspection services for member communities, to include inspection of new construction to ensure compliance with building codes, inspection of dilapidated buildings, and health, safety, and energy efficiency inspections of rental properties. The Red Oak property maintenance code and building code inspection program continued throughout FY 2017. Under the program, all rental units must satisfactorily meet maintenance and building code standards before the City will issue a Certificate of Occupancy. Phase 1 of a 3 Phase project is complete and about ½ of all Phase 2 rental units were inspected in FY 2017 (155 units). SWIHTF expects that demand for inspection services will increase in FY 2018 as at least 2 other cities are considering starting similar inspection programs.

Finally, SWIPCO and SWIHTF thank the members of the Housing Department for their service and dedication to improving the quality of life for hundreds of people and families in Southwest Iowa. Over the past 10 years, Dave Riedeman, Housing Program Administrator, and Sandy Hansen, Housing Coordinator, have been directly responsible for 1,279 housing units impacted, and over \$19,000,000 funding for housing improvements in our area. Tammy DeBord also celebrates 10 years of service with SWIPCO, and her recent addition to the Community Development Department as Grant Specialist will ensure that the department's past successes will continue for years to come.

Southwest Iowa Transit Agency (SWITA)

SWITA continued to provide an invaluable service to the region. Our clients are our top priority, and our drivers are our most valuable assets and ambassadors for SWITA. Transportation for our elderly and disabled neighbors continues to be the largest service that we provide, but SWITA is open to all the public and over a third of our rides were to the general public, including trips to school, work, and doctor's appointments.

In March, 2017 SWITA implemented Routematch tablets in almost all of the vehicles. Routematch is a software that SWITA has used for many years to track rides, miles, and hours. The tablets in the vehicles are standard tablets that you may have in your home, but by being connected to the Routematch software, it allows the central office to follow in real time pick ups and drop offs, as well as many other functions that were previously done on paper and then mailed or faxed back to the office. Like any new system, there has been a learning curve and some bumps along the road, but it is an important investment in the future as the SWITA services grows and changes.

In June 2017 SWITA contracted to run transit operations for the City of Council Bluffs' para-transit service (STS). The City had used various private contractors over the years but was not particularly interested in going down that path again. Also, SWITA and STS vehicles were often passing each other in Council Bluffs as they carried out their separate services. STS is still solely focused on Council Bluffs, but by SWITA operating and managing the system, we are able to create a more streamlined and efficient organizational structure. By having the two system operating in close concert, SWITA is also able to get a better picture of the transportation needs of the citizens of Council Bluffs and to better identify underserved areas and individuals.

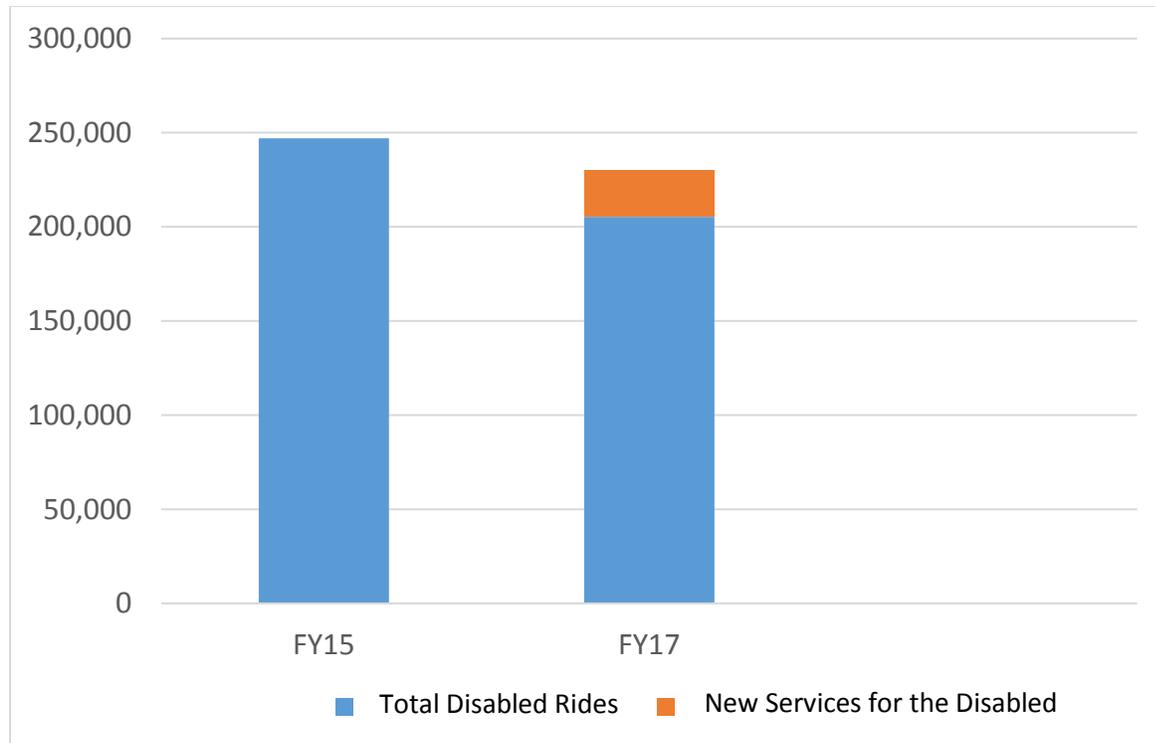
We have made several staffing changes to better service our region's needs. Audra Steffens joined the staff as a dispatcher. Her primary role is STS dispatch and support. We've also added Ray Ostrus to the team as a full time mechanic assistant.

In September 2016 SWITA was honored to be selected by the Iowa DOT, Office of Public Transit, to host a first of its kind Transportation Summit. Over 70 stakeholders attended, including many human services organizations. This one day event brought several different organizations together to discuss transportation wants and needs in southwest Iowa. This meeting has led to the creation of a Transportation Advisory Group (TAG) that meets quarterly in Atlantic.

Total rides for FY17 were 362,365, slightly down from FY16, but still a significant number for a rural transit system. The driving factor in decreasing rides continues to be changes made by human service providers to come into compliance with the new settings rules created by the Olmsted Act. This law, which goes into full force on March 17, 2019, aims to move as many persons with disabilities out of workshop environments and into community based employment. This is often good for the individual, but can be a transportation challenge when you consider that under previous models, we were often taking many clients to one centralized location at set times of the day. Now, under the new model, we may be taking those clients to jobs out in the community that are at varied locations and on a wide variety of schedules.

One way that SWITA is working to manage this change and to continue to meet the needs of the community is to work with area employers to increase the number of transportation options for workers. This has led to a number of new services that are less focused on persons with disabilities but meet the needs of the general public going to school or work. This is introducing a whole new group to rural public transit, it makes employers happy to have workers at work consistently, and it diversifies the types of services that SWITA provides so that no single rule change or legal interpretation would cause undue harm to the whole system.

The chart below compares total FY15 disabled rides to FY17 disabled rides. As can be seen our total disabled rides have gone down. However, without the new services that have been added, the decrease would have been much more dramatic.



Total revenues were \$4,956,124. Expenses were \$3,364,908. Total profit was \$1,591,216 or about 32% of revenues. Although SWITA is a not-for-profit entity, it is vital that we operate under sound business practices and our goal is to have at least a 5% profit margin so that we are able to support operations and capital improvements in the future. The total vehicle fleet of over 85 vehicles includes buses, vans, and cars. A large portion of SWITA’s operating profit has come from reimbursements under Medicaid. These funds are being reinvested in our system by purchasing new vehicles, investing in the tablet transition, and tackling any deferred maintenance issues we may have. In FY17 we were able to purchase 10 vehicles.

SWITA employs 65 drivers who are located throughout the eight county region. Total payroll is over \$1,000,000 annually, which is an important investment in our local communities. All drivers are part time and many have previously had careers in the transportation field. Roger Matson of Shelby County was recognized as our driver of the year. Chris Newman (Mills County), Steve Wallingford (Cass County), Richard Haigwood (Page County), James Handley (Mills County), and Jim Matejka (Pottawattamie County) were also recognized for outstanding service to SWITA and the region. At the June 2017 Annual Conference of the Iowa Public Transit Association, SWITA Transit Director Mark Lander was recognized as the Iowa Public Transit Manager of the Year.

Celebrating 10 Years of Service



Tammy Debord, Grant Specialist



Sandy Hansen, Housing Coordinator



Christy Pedersen, Transit Assistant



Dave Reidemann, Housing Programs Administrator

SWIPCO/SWITA Staff

John McCurdy	Executive Director
Mark Lander	Transit Director
Daniel Lee	Community Development Director
Rhonda Oliphant	Finance Manager
Karen Mauer	Human Resources Manager
Dave Riedemann	Housing Programs Administrator
Sandy Hansen	Housing Coordinator
Tammy DeBord	Grant Specialist
Alexsis Fleener	Community Planner
Aaron Detter	Community Planner
Kelly Davis	Transit Coordinator
Teresa Wright	Transit Assistant
Christy Pedersen	Transit Assistant
Daurine Petersen	Transit Assistant
Kristin Templeton	Transit Assistant
Audra Steffens	Transit Dispatcher
Mark Hansen	Fleet Mechanic
Raymond Ostrus	Assistant Mechanic
Fred Berge	Shop Assistant
George Teachout	Shop Assistant

SWIPCO Board of Directors

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Montgomery County Supervisor

Matt Smith (at large)
Crossroads of Western Iowa

Charlie Parkhurst, Vice Chair
Shelby County Supervisor

Todd Valline (at large)
Shelby County Chamber of Commerce

Dave Jones, Treasurer
Mayor of Atlantic

Sherman Struble, Secretary
Missouri Valley City Council

Frank Waters, Past Chair
Cass County Supervisor

John Straight
Harrison County Supervisor

Terry Arentson
Mid-States Bank (Shelby County)

Marilyn Jo Drake/Scott Belt
Pottawattamie County Supervisor

Richard Crouch
Mills County Supervisor

Brad Wright
Red Oak City Administrator

Terry Graham
Fremont County Supervisor

Brian Kingsolver
Fremont County Economic Development

Jim Richardson
Page County Supervisor

Pam Herzberg
Clarinda Foundation