

October 2009

Volume 12, Issue 10

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## An Electronic Update on Economic Development Activities in St. Croix County

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Please Distribute to All Interested Persons in Your Organization

## Health Insurance Cooperative Partners with WPS Targets November 1, 2009 as Effective Coverage Date

In mid-September, Cooperative Health Choices of Western Wisconsin (CHC) named WPS Health Insurance as its partner and targeted November 1, 2009, as the effective coverage date for CHC's members. Members who join CHC are expected to realize more stable rates for health insurance. Cooperatives rely on greater bargaining power and economies of scale in the delivery of a product or service that previously was unavailable or cost prohibitive. In the case of CHC, the benefits of group health insurance will be delivered to its members.



CHC and WPS are dedicated to providing cooperative members with affordable health insurance options with a focus on preventive health care and wellness. The wellness program addresses one of the primary principles of the cooperative, to help employees identify risk factors and health issues, educate and help motivate individuals to make healthier choices.

Prospective members of CHC have been contacted by their respective broker/agents or CHC's lead enrollment advisor to discuss plan options. CHC and WPS also scheduled broker meetings to inform brokers/agents of the options to ensure successful enrollment of CHC members.

The Cooperative offers The CHC Health Plan to members in 17 counties in western, west central, and northwest Wisconsin, including: Ashland, Barron, Bayfield, Burnett, Chippewa, Clark Douglas, Dunn, Eau Claire, Pepin, Pierce, Polk, Price, Rusk, St. Croix, Sawyer, and Washburn counties. To learn more about the plan or how to become a Cooperative member, visit [www.cooperativehealthchoices.org](http://www.cooperativehealthchoices.org).

WPS Health Insurance is a not-for-profit corporation that has been providing quality health and benefit plan administration for businesses and individuals for more than 60 years. WPS is one of the state's largest health insurers and was founded by members of the State Medical Society of Wisconsin in order to help state residents who lacked proper medical insurance. Today, WPS continues to address market needs by working closely with customers and health care providers. For more information about WPS Health Insurance, visit [www.wpsic.com](http://www.wpsic.com).

CHC was formed in 2008 through proactive actions of a steering committee that explored solutions to containing the rising cost of health insurance and expanding insurance as a benefit to owners and workers. The creation of the steering committee followed a workshop on health insurance cooperatives that was co-sponsored by State Senator Sheila Harsdorf and St. Croix Economic Development Corporation. Over 100 interested people attended the workshop.

Membership in CHC is open to any for-profit company, non-profit organization, business partnership, self-employed person, trade or labor organization, rural utility cooperative, or local unit of government (town, village, city, county, or school district) in the 17-county region.

CHC's board of directors anticipate new member sign-ups and insurance coverage again in mid-2010.

## Dawn Hukai Elected to St. Croix EDC Board

On September 8, 2009 Dawn Hukai was elected to St. Croix EDC's board of directors. She fills an unexpired term and will be eligible to seek re-election in May 2010.

Hukai is a professor at UW-River Falls, where she has taught accounting courses in the College of Business and Economics for the past eleven years. She also serves as the Associate Dean of the College of Business and Economics. Professor Hukai completed her Ph.D. in accounting at the University of Minnesota in 1998.



*Professor  
Dawn Hukai*

“We look forward to Dawn's contributions to our economic development effort,” said Patti Robertson, president of St. Croix EDC. “There is an integral link between our activities and the role of education and workforce development.”

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## Minnesota Terminates Reciprocity Agreement with Wisconsin *Impacts WI Residents Working in MN & WI Employers With MN Workers*

On September 18, 2009, Minnesota announced it would terminate its income tax reciprocity agreement with Wisconsin, effective after December 31, 2009. The decades-old agreement previously gave Wisconsin residents the ability to file their income tax returns in only one state. Ending the agreement means Minnesota generates an estimated \$131 million over the next two years to help balance its budget.

This announcement affects Wisconsin and Minnesota workers along the border of the two states, from Superior, Hudson, and La Crosse. Because more Wisconsin residents work in Minnesota than Minnesota residents working in Wisconsin, the State of Wisconsin makes payments to Minnesota as compensation for the amount Minnesota would receive if it taxed Wisconsin residents. However, Wisconsin does not make its payments until an estimated 17 months after the taxes are collected.

Anyone who crosses the border for employment must file tax returns in both states. A published report indicated 33,500 Wisconsin residents and 13,000 Minnesotans would be impacted. For Wisconsin residents working in Minnesota, no changes are necessary for their 2009 tax return because the reciprocity agreement ends on December 31, 2009 and the effective date is January 1, 2010. On January 1, 2010, Minnesota employers with Wisconsin workers will begin withholding Minnesota income taxes from personal service income, such as salaries, wages, commissions, and fees. Wisconsin income taxes will not be withheld from that income. In 2011, Wisconsin residents working in Minnesota will file 2010 Minnesota nonresident income tax returns.

Wisconsin Department of Revenue (DOR) Secretary Roger M. Ervin said that terminating the reciprocity agreement would not change tax liabilities for Wisconsin residents that commute to Minnesota. Minnesota Revenue Commission Ward Einess said Minnesota workers employed in Wisconsin will face a tax increase, attributable to Wisconsin. He estimated the average tax increase at \$300 per year.

Wisconsin businesses that employ Minnesota workers will also be impacted by the terminated agreement. On January 1, 2010 Wisconsin businesses will begin withholding Wisconsin income taxes on personal service income of Minnesota residents working in Wisconsin. Employers should ask these employees to complete a Wisconsin Withholding Exemption Certificate, Form WT-4. Form WT-4 is used to determine the amount of Wisconsin income tax to be withheld from employee paychecks.

Earlier this year, numerous state senators and representatives, including Senator Sheila Harsdorf, and Representatives Kitty Rhoades, John Murtha, and Ann Hraychuck, wrote to Governor Jim Doyle about preserving the reciprocity agreement.

The Wisconsin DOR established a Frequently Asked Questions page about the Wisconsin–Minnesota reciprocity agreement on its website, at [www.revenue.wi.gov/faqs/ise/mnrecipro.html](http://www.revenue.wi.gov/faqs/ise/mnrecipro.html).

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## Minnesota and Wisconsin DOTs Seek Major Grant for River Crossing Project

### *TIGER Discretionary Grant Represents Federal Portion*

On September 15th, the Minnesota and Wisconsin Departments of Transportation submitted a \$300 million grant request to the U.S. Department of Transportation for the federal portion of the funding needed to construct a modern bridge over the St. Croix River between St. Croix County, Wisconsin and Washington County, Minnesota. The modern bridge is designed to replace an aging Lift Bridge in Stillwater, Minnesota that currently spans the St. Croix River, a federally-protected resource under the Wild and Scenic Rivers Act. The Lift Bridge opened in 1931 and is 78 years old.

The federal funds would come from a program announced by U.S. Transportation Secretary Ray LaHood in mid-May 2009 called Transportation Investment Generating Economic Recovery (TIGER) discretionary grants. Title XII of the American Recovery and Reinvestment Act appropriated \$1.5 billion for TIGER grants that will be awarded on a competitive basis for capital investments in surface transportation projects that have a significant impact on the nation, a metro area, or a region.

If approved, the TIGER grant may accelerate construction of the river crossing project, from its current schedule of 2013 to 2010. This would lower the cost from \$668.4 million (in 2013 dollars) to \$582.3 million. Starting the river crossing in 2010 results in substantial completion by early 2012 and an opening estimated for 2013.

Approval and funding of TIGER grants will be announced as soon as possible, but no later than February 17, 2010.

Critics of the new river crossing have said the project is too costly. In reality, the project addresses five significant project segments rolled into one: Truck Highway 36/Truck Highway 5 to Osgood Avenue (in Minnesota); the Minnesota bridge approach; the river bridge; the Wisconsin bridge approach; and environmental mitigation. Of the estimated \$582.3 million costs, about \$287.6 million is attributable to the new river bridge.

Both states have addressed how to fund their portion of the project's costs, estimated at 41% of the costs. Wisconsin's 2009–2011 budget created a new appropriations process for major interstate bridge projects. It includes up to \$225 million in state bonding authority, but it cannot be utilized unless Wisconsin first receives designated federal funds to cover at least \$75 million of the state's share of the costs. Back in 2008, Minnesota's transportation bill provided new funding to replace all Tier 1 & 2 bridges, containing safety and structural ratings below "50", in the state. The Lift Bridge once had a rating of only 2.8, but a more recent rating places the score at 32.8. Minnesota's transportation bill moved construction of the new river crossing to 2013, compared to a previously-announced date of 2024 found in the federal Record of Decision, issued November 2006.

The St. Croix River Crossing project has national significance. The project was one of only seven nationwide addressed in a 2002 Presidential Executive Order to enhance environmental stewardship and streamline federal environmental reviews.

A new Minnesota law prohibits trucks measuring more than 55 feet in length from using the existing Lift Bridge.

The river crossing project continues to be delayed as a result of a lawsuit filed by the Sierra Club. The Sierra Club claims the river crossing violates the Wild and Scenic River Act. Chief Judge Michael David, a federal district judge, heard oral arguments from the opposing sides on September 14th, but gave no indication on a timeline for his ruling.



*This photo simulation (with the Wisconsin shore on the right) illustrates the proposed St. Croix River Crossing between Oak Park Heights, Minnesota and St. Joseph (St. Croix County) WI.*

*The Lift Bridge connecting St. Joseph, Wisconsin in St. Croix County with Stillwater, Minnesota was built in 1931. Traffic congestion, safety problems, and delays caused by the operation of the lift mechanism have spurred the discussion of a new river crossing. The estimated (congestion free) vehicle capacity of the Lift Bridge is 11,200 vehicles a day. A 2002 traffic study estimated 16,300 vehicles a day cross the bridge and this volume can exceed 19,000 on a summer weekend.*



*Photo: Wikimedia*

## St. Croix EDC Thanks 2009 Members-Supporters

St. Croix EDC is pleased to announce its members-supporters for 2009. As an IRS 501(c)(6) nonprofit business league, the EDC is comprised of public sector members (towns, villages, cities, and the county) and private sector members like banks, utility companies, general contractors, manufacturers, individuals, and service companies. This diverse set of member share a common goal: to improve the business climate within St. Croix County, Wisconsin. Core activities to accomplish this include business retention, expansion, recruitment, start-ups, marketing and communications, and legislative advocacy.

### 2009 Private Sector Members

#### **Gold Level (\$2,500 to \$4,999)**

Associated Bank  
Xcel Energy Corporation

#### **Silver Level (\$1,000 to \$2,499)**

Bremer Bank NA  
First Bank of Baldwin  
First National Community Bank  
Hudson Hospital  
River Falls EDC  
St. Croix Electric Cooperative  
Trient Technologies, Inc.  
WBD Finance Corporation  
WESTconsin Credit Union

#### **Bronze Level (\$250 to \$999)**

Amery Telcom  
Anchor Bank - Woodbury  
Andersen Corporation  
Ascent Companies\*  
AT&T Wisconsin  
Badger State, Inc.  
Bakke Norman SC  
Baldwin Telecom, Inc.  
Bernick Companies  
BioDiagnostics, Inc.  
Brigham Group Staffing  
Butler & Eichstaedt CPAs  
CenturyTel  
Chippewa Valley Technical College  
Citizens State Bank  
Derrick Companies  
Designer Doors, Inc.  
Durand Builders Service, Inc.  
Eckberg Lammers Law Firm\*  
Edina Realty, Inc.  
First National Bank of River Falls-Prescott  
Frisbie Architects, Inc.  
Gavic Construction Corporation  
Greystone Real Estate Group  
Heywood Cari & Anderson  
Hiawatha National Bank  
Hubbard Broadcasting, Inc.  
Hudson Physicians  
Keller Construction Company  
Liquid Waste Technology LLC  
Lommen Abdo Law Firm  
M&I Bank  
Mainstreet Bank  
Market & Johnson, Inc.  
Monarch Paving  
New Richmond Utilities  
OEM Fabricators  
Phillips Plastics Corp. - Hudson

Phillips Plastics Corp. - New Richmond  
Redmon Law Chartered  
RESCO Company  
River Bluffs Business Center  
River Falls Municipal Utilities  
River Falls State Bank  
Ross & Associates, Ltd.  
Royal Credit Union  
Sandeem Agency, Inc.  
Security Financial Bank  
Shefchik Builders, Inc.  
SPEDCO\*  
St. Croix Business Park Corp.  
St. Croix Gas  
St. Croix Ventures  
Stevens Engineers, Inc.  
The RiverBank  
UW River Falls  
We Energies  
Wells Fargo Bank NA  
Westfields Hospital  
Wipfli LLP  
Wisconsin Indianhead Technical College

#### **Associate Level (\$100 to \$249)**

Anderson Passe & Associates  
Applegate Properties  
Armstrong Process Group, Inc.  
Baldwin Area Medical Center  
Bauman Associates, Ltd.  
BigBadToyStore, Inc.  
Cedar Corporation  
Contour Plastics, Inc.  
County Market  
Dunn Brothers Coffee  
E-Science, Inc.  
Eagle Valley Bank  
Elliot Architects  
Empire Bucket, Inc.  
Erickson Oil Products  
FiberStar, Inc.  
Gartner Studios, Inc.  
Hudson Area Chamber of Commerce  
Humphrey Engineering  
iMARK Molding  
Interfacial Solutions  
Investment Centers of America  
JA Counter & Associates  
Konrad Corporation  
LarsonAllen  
McMillan Electric Company\*  
Mills Fleet Farm  
Mississippi Welders Supply Company  
NEI-Northern Electricians, Inc.  
New Richmond Area Chamber

Nor-Lake, Inc.  
PCM Global Solutions  
Pierce Pepin Cooperative Services  
Preco, Inc.  
Prism Plastics, Inc.  
Quality Design Industries  
Red Rock Radio WXCE\*  
Resultants For Business, Inc.  
Ristow Trucking, Inc.  
River Falls Area Chamber of Commerce  
Riverland Laser, Inc.  
Shafer Financial Services  
SSG Corporation  
St. Croix Press, Inc.  
St. Croix Valley Insurance Service, Inc.  
StarTech Computing, Inc.  
Stout Technology Transfer Institute  
The Orchard Bar & Banquet Center  
Valley Cartage & Warehousing  
William Rubin  
Woodville Warehousing & Distributing

### 2009 Public Sector Members

St Croix County  
City of Hudson  
City of New Richmond  
City of River Falls  
Village of Baldwin  
Village of Hammond  
Village of Roberts  
Village of Somerset  
Village of Woodville  
Town of Baldwin  
Town of Hammond  
Town of Hudson  
Town of Kinnickinnic  
Town of Pleasant Valley  
Town of St. Joseph  
Town of Troy  
Town of Warren

### 2009 In Kind Members

Baldwin Bulletin (*1-year subscription*)  
Central St. Croix News (*1-year subscription*)  
Hudson Star-Observer (*1-year subscription*)  
Keith Swiggum CPA (*discount on services*)  
New Richmond News (*1-year subscription*)  
PressEnter! (*internet access & web hosting*)  
RESCO Company (*newsletter shells*)  
River Falls Journal (*1-year subscription*)  
Riverland Laser (*award plaques*)  
St. Croix County (*office space and phone*)  
Tribune Press Reporter (*1-year subscription*)  
Woodville Leader (*1-year subscription*)

*\*indicates new member in 2009*

## Sajan Named to *Inc. Magazine's* List of Fastest Growing Companies *River Falls Company Makes Elite List For Second Consecutive Year*

Sajan, Inc., the leading on-demand language technology and services provider, has been named to *Inc. Magazine's* annual list of the 500 fastest-growing companies in the U.S. for the second consecutive year. The list, also referred to as the Inc. 500, was unveiled in the September edition of *Inc. Magazine*.

“The language translation market is undergoing a transformation,” said Shannon Zimmerman, the chief executive officer of Sajan. “The profile and composition of tomorrow’s leading companies in this sector may not necessarily look like those of today. For Sajan to again be recognized as an Inc. 500 fastest-growing company is testament to our team’s innovative approach, and the market resonating with our technology and services.”



Angel and Shannon Zimmerman

Sajan started as a software development company, but the emphasis on language translation technology began in 1997. An initial version of its translation management technology followed. The Sajan sales staff has grown substantially, and has added new locations in North Carolina, Boston, Connecticut, California, New York and Portland. Today, Sajan has patents pending on various translation and language technologies and offers its on-demand services to global companies throughout the world.

For additional information on Sajan, go to [www.sajan.com](http://www.sajan.com).

## St. Croix County’s Unemployment Rate Falls in August *Unemployment Drops in 69 of 72 Counties*

On September 23rd, the Wisconsin Department of Workforce Development (DWD) released the August unemployment rates for Wisconsin’s 72 counties. St. Croix’s rate was estimated at 7.5% which is down compared to the July rate of 7.8% and June’s rate of 8.4%. A year ago, the county’s unemployment rate was estimated at 3.8%.

Twenty-one counties had unemployment rates lower than St. Croix in July.

Unemployment rates from July to August decreased in 69 of Wisconsin’s 72 counties, increased in two, and remained the same in one. Dane County recorded the lowest rate at 5.8%, followed by Pepin County at 6.0%. Menominee County had the highest rate in August at 17.8% and Rock County was at 12.0%.

The adjusted unemployment rate for Wisconsin in August was estimated at 8.8% which is lower than the July and June rate of 9.0%. The state’s rate was 4.7% one year ago.

The U.S. unemployment rate was estimated at 9.7% which is up from the July rate of 9.4% and June’s rate of 9.5%. One year ago the U.S. rate was estimated at 6.2%.

County	August 2009 Unemployment Rate	Rank	Rate One Year Ago	County	August 2009 Unemployment Rate	Rank	Rate One Year Ago
Barron	7.6%	47	4.6%	Pepin	6.0%	71	3.8%
Chippewa	7.4%	54	4.2%	Pierce	6.9%	61	3.4%
Clark	8.3%	37	4.7%	Polk	8.8%	27	4.7%
Dunn	6.7%	66	3.9%	Rusk	11.1%	5	5.6%
Eau Claire	6.7%	67	3.9%	St. Croix	7.5%	51	3.8%

Source: Wisconsin Department of Workforce Development; St. Croix Economic Development Corp.

Note: The 10 counties of western, west central, & northwest Wisconsin comprise Momentum West, a regional economic development & marketing organization

## Adversity Index: U.S. Still in Recession

As mentioned in past issues of the St. Croix Business Facts, a new tool is available to track the relative vitality of metro areas and states. The tool is called the Adversity Index, and it was developed by msnbc.com and Moody's Economy.com. The index gauges relative changes in employment, housing starts, industrial production, and housing prices.

Statistics for July 2009 have been posted on the Adversity Index. All 50 states continue to be in a recession.

More details on the real time index can be found via an Internet search engine and typing the words, Adversity Index.

With each month, there are promising signs. New machinery and equipment is being purchased, and, consumers are gaining confidence.

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## UW-River Falls Hosts Executive-in-Residence Event

Margaret Keating, an executive for Hallmark Cards, Inc. and an alumna of the University of Wisconsin-River Falls, will present her perspective on solving challenging business problems at a lecture on Thursday, October 8th from 2 to 3 p.m. in the Kinnickinnic Theater of the University Center at UW-River Falls.

Keating's visit is part of the UWRF College of Business and Economics Executive-in-Residence program. Her speech, titled, "When You Care Enough," will outline how Keating implements solutions that are consistent with Hallmark Cards' corporate beliefs and values.

As group vice president of operations for Hallmark Cards, Keating oversees all U.S. manufacturing, distribution and graphic arts functions, including Hallmark's lithographic printing subsidiary in Columbus, Ga.

Keating also is responsible for global procurement and global supply chain activities that span the Hallmark family of companies. She joined Hallmark in 1979 as a process controller and has held various positions within Hallmark, including Hallmark vice president of graphic arts, Hallmark vice president of North American production and vice president of global shared services. She assumed her current position in July 2003.

Keating earned a B.S. in business/economics from the UWRF and an MBA in operations management from the University of Missouri-Kansas City. She serves on the boards of directors for the UMKC Bloch School Advisory Council, the University of Michigan MSCM-Stephen Ross School of Business and the Diocese of Kansas City-St. Joseph Priest's Pension Board. She and her husband reside in Raymore, Mo. Hallmark Cards, Inc. is headquartered in Kansas City, Mo.

For more information call the College of Business and Economics at (715) 425-3335.

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*Margaret Keating,  
Executive-in-  
Residence*