

Northeast Minnesota Office of Job Training
Workforce Development Board Meeting
Wednesday, March 27, 2019
Iron Range Resources, Eveleth, MN

Regularly scheduled meeting called to order by Bud Stone.

WDB Members present: Bud Stone, Paul Carlson, Dave Debevec, Josh Goutermont, Kelly Hertling, Katie Lofquist (for Kelsey Johnson), Wayne Kangas, Bill Maki, Terri Nystrom, Allen Rasmussen, Todd Scaia, Roy Smith, Jeri Werner
Excused: Darik Carlson

Absent: Lynn Krall, Jeff Lee, Stan Paczynski, Jason Quiggin, Kelly Zink, Wade Fauth

Guests: Peter McDermott, President and CEO of Minnesota Diversified Industries (MDI), Jeanne Eglinton, Director of Employment Services at MDI, Shawn Herhusky from DEED, Lorrie Janatopoulos, & Tracy Chase from ABE / AEOA.

Staff: Michelle Ufford, Jolene Goodman

Motion made by Allen Rasmussen, supported by Bill Maki, to approve the March 27, 2019 agenda as written, with no additions or revisions, motion carried unanimously.

Motion made by Todd Scaia, supported by Dave Debevec, to approve the December 19, 2019 minutes as written, motion carried unanimously.

Election of Officers: Bud Stone – Chair, Kelly Zink - Vice Chair, Allen Rasmussen – Secretary. Motion to approve by Roy Smith, seconded by Wayne Kangas, motion carried unanimously.

Disclosure of Conflict(s) Interest form – Each member to complete and return to Jolene or Michelle.

Speakers:

Peter McDermott, President and CEO at MDI. Gave background on work at MDI and talked about how Economic Development affects his role at MDI. He talked about how people with disabilities are usually wonderful employees because they show up every day and are happy to have the job. He also told a story about a past employee who left to be a truck driver but that didn't work out so he went on to college and was taking computer science classes and getting straight A's.

Power Point presentation: Covered the history of MDI and MDI hired hands and talked about their different locations. They hire people with disabilities and teach classes that help people learn how to show up for work, respect co-workers, and do a good job. MDI targets employment at 50/50 people with and without disabilities.

MDI Mission: Serve people with disabilities by offering inclusive employment opportunities and services.

Brief history of MDI –

1964: Company was founded by John DuRand and his sister Anna Marie Meyers in the Twin Cities.

1973: Began relationship with USPS (95 million totes and counting)

1978: Social Enterprise model was established

1992: Facility opened in Hibbing, MN

1993: Facility opened in Grand Rapids, MN. This facility expanded in 2005.

2013: MDI and hired Hands combined

2014: They moved to a new leased facility in Minneapolis, MN

2016: Purchased building in Cohasset, MN

2017 /18: Constructed the new facility in Hibbing, MN

As MDI evolved they moved from the Twin Cities to the Iron Range. IRRRB and Blandin were a funding factor for this expansion. MDI creates plastic totes that are used by the USPS and have made 95 million totes since 1973. In 2008, a new management team was brought in.

About 42% of MDI employees have disabilities. Their employment numbers have increased since 2009 -2010. Fluctuation in employees is driven by the demand of the postal service. All of their boxes are reusable. Frito Lay uses boxes that are collapsible and can be reused many times. They had to use polypropylene because of hinges and it didn't break down. They also do medical packaging and assembly, sorting, and labeling. They have the ability to shrink wrap products as well.

Deer River Hired Hands is a day training and habilitation model that merged with MDI on Oct 1, 2013. Deer River hired hands was started by Mel Gullickson who was a former Blandin employee. MDI collects recycling in grocery store parking lots and does 3400 tons of recycling each year. The majority of current employees in Cohasset are working in the assembly department but there are a few who prefer to work with the recycling.

The cost of new facility in Hibbing came in under budget. The Minneapolis building has been expanded but that building is not owned by MDI, they rent it.

USPS Volume Volatility fluctuates greatly from one year to the next. All of the USPS totes are provided by MDI by contract as long as MDI is able to produce them when they are needed. They are given preference in this because of hiring people with disabilities. Revenue fluctuates greatly as well due to the USPS needing these totes. MDI focuses on growing non-postal business so that they have revenue while the USPS does not need their totes produced.

MDI has employees that want to work for an organization that has a purpose. About 5% of revenue is from grants and the community. ROI is \$4.87 to \$1.

MDI requires background check for hiring process due to the fact that they have vulnerable adults with disabilities working for their company.

MDI recently completed their strategic plan for 2019-2021. In three years they want to have 600 employees, 50% being people with disabilities.

MDI reported a very good lost time rate. They had a serious accident last year in November but that is the first serious accident in 15 years in Cohasset facility. It has been about 5 years since a lost time accident in the twin cities location.

Jeanne Eglinton, Director of Employment Services at MDI

Jeanne has worked with people with disabilities for more than 30 years. She spent 20 years working for another company prior to working at MDI, which she's been at for five years. A lot of her employees help guide people with what they need to be successful (job coaches, etc.). She provides services to three types of people: People who have disabilities but have been unable to get and maintain a job, Hired Hands group who can't work independently, and people who are interested in getting a job elsewhere in the community. She works with a team to market MDI jobs to people with disabilities. They have a hard time finding employees because of the fluctuation of work needed due to demands of the postal service, which creates job but they may not be for a long period of time.

Some things that can qualify someone as disabled include severe asthma, mental health issues, developmental disabilities, blindness, auditory disability, and brain injuries.

Often times people are unable to get a job in the community due to a disability. MDI evaluates the individual and then will send them to a doctor to get the approval to work for MDI. They do use temp agencies in order to get employees. They can work up to 500 hours thru the temp agency and then they can get hired on full time with

MDI. It is very hard for them to commit to having work for people due to fluctuating demand. A lot of employees work only 4 hours a day, 5 days a week due to disability. They also allow some people to sit throughout their day if needed or they can be given more breaks throughout the day.

MDI has to meet their contract with USPS so they are able to hire people without disabilities if needed in order to meet the contracts. All employees get paid the same amount. Currently 42% of the people hired by MDI have disabilities.

MDI does the opposite of most employers: they are looking for people with disabilities to employ. They are able to ask if the person is disabled when they do a pre-employment screening due to the fact that they are looking to hire people with disabilities. Millennials look at disability differently. They have no problem saying that they have a disability to try to help them get work; whereas older people have a hard time admitting to having a disability.

MDI continues to pay employees minimum wage. Some places pay less to people who have disabilities.

MDI works with referrals from the county or vocational rehab to help get people to work.

MDI focuses greatly on development of employees and trying to develop their professional skills (Soft skills training). Some companies are looking for soft skills such as showing up for work and on time and working all day, attitude, respect, team building, and communication. They are willing to train the employees once they are there, "You are your own CEO." Everyone who participates in soft skills training is included in a celebration (graduation) once the class is completed.

11 Career skills courses have been offered since 2017. 93 participants have completed the course. 10 of these were non-MDI employees. 12 individuals have advanced and taken jobs elsewhere. Additional classes include interviewing skills and resume writing. MDI did receive funding from IRRRB and other grants to fund process of training.

Success at work offers \$1000 scholarships to ten students with disabilities in communities served by MDI. They are partnered with the Grand Rapids Area Community Foundation

Quest Transition program offers course teaching living skills to people age 18-21 to prepare them to live on their own. Life Skills Academy is a 4 week residential program for people with disabilities in the summer of 2018.

MDI started a temp agency in Minneapolis that opened in October of 2018. They then discovered that DePaul already provided this service so they combined with De Paul to provide this service.

Percentage of company income is 95% from sales of products, 5% grants and they get some funding from the State of MN.

Regional Planning Implementation Funds (Workplan in packet)

Michelle stated that there are additional funds. Total of \$43,071 is available. There was a regional leadership meeting and it was decided to use funds for:

1. Support and expand skilled trades sector initiative; increase marketing efforts to ensure awareness of skilled trades career opportunities.
2. Support ongoing development of regional health care sector strategies lead by employers; develop initiatives around the 5 collaborative action areas' identified through 2018 summits. 3rd summit is April 10th. About 50 people registered to attend. Expecting 60-70 people total at summit.
3. Continue the workforce Solutions series for employers and work with additional regional partners to design events.
4. CareerForce Location improvements

5. Workforce Attraction Strategies; work with area partners such as Chambers of Commerce, Tourism Bureaus, economic developments, Northforce (locally owned a developed job bank) and other relevant partners to devise a coordinated attraction strategy.

We need to figure out how to attract people to this area that are still in the workforce. There are more people retiring from the workforce than there are people moving into the area and looking for work. This is not just a local problem. All of the U.S. is looking for the same people. We need to find something to get people to move back to the area. People need to be made aware of opportunity in order to come to the area. Northforce is a communication mechanism that can help with this. How do we make the general public aware that we need to be more welcoming to people moving into the area? This is a major issue.

Prison and indigenous populations also need to be considered when trying to figure out how to get more people into the workforce. The next meeting will focus on opportunities to attract workers to the region.

Member Updates

Arrowhead Human Resource Association will have annual conference in May with key note speakers. This will be held at MRCTC. Michelle will be sent information in order to maybe help promote this.

Kelly Hertling introduction – L&M Radiation in Hibbing. She is head of HR department and works a lot with recruitment and staffing.

Meeting adjourned at 11:57