

Northeast Minnesota Office of Job Training
Workforce Development Board Meeting
Virginia CareerForce
Wednesday, September 25, 2019

Regularly scheduled meeting called to order by Chair Stone at 1:35 p.m.

WDB members present:

Bud Stone, Paul Carlson, Dave Debevec, Kelsey Johnson, Wayne Kangas, Art Larsen, Mike Raich, Terri Nystrom, Stan Paczynski, Todd Scaia

Excused: Darik Carlson, Josh Goutermont, Kelly Hertling, Jason Quiggin, Allen Rasmussen, Jeri Werner, Roy Smith

Absent: Wade Fauth, Lynn Krall, Jeff Lee, Kelly Zink

Guests: Shawn Herhusky, DEED; Erik White, DEED; David Ulrich, Twin Metals; Tracy Chase, AEOA

Staff: Michelle Ufford, Heath Boe, Renee' Marconett

Motion made by Debevec, supported by Nystrom to approve the September 25, 2019 agenda as written, with no additions or revisions; motion carried unanimously.

Motion made by Nystrom, supported by Paul Carlson to approve the May 22, 2019 minutes as written; motion carried unanimously.

Chair Stone began meeting by introducing Dr. Mike Raich, the new President of the NE Higher Education District, replacing Bill Maki.

Twin Metals Minnesota – Dave Ulrich

Twin Metals Minnesota (TMM) is a Minnesota mining company committed to developing and operating a safe, 21st century underground copper, nickel, platinum group metals and cobalt mining project in the Iron Range of northeast Minnesota.

TMM offers an extraordinary opportunity for long-term, environmentally sound economic growth and significant family-supporting job creation in northeastern Minnesota. The TMM project will also support the growing demand for responsibly sourced copper, nickel, platinum group metals and cobalt in a worldwide green economy.

Twin Metals Minnesota is a subsidiary of Antofagasta plc, one of the top 10 copper producers in the world. Twin Metals Minnesota maintains offices in Ely and St. Paul, Minnesota.

As demand for strategic metals like copper, nickel, platinum, palladium and gold continues to grow domestically and globally, the Twin Metals Project has the potential to bring great economic opportunity to Minnesota through minerals present in our own backyard.

In 1977, the Minnesota Department of Natural Resources estimated that the Duluth Complex contained 4.4 billion tons of ore containing copper, nickel and PGM resources.

Information from Twin Metals, PolyMet Mining and other companies exploring in the area suggests that mineral resources in the Duluth Complex are much greater.

From the highly skilled and hard-working workforce to the presence of numerous natural resources, Minnesota has many assets that have built and sustained the state's economy over time. Included among Minnesota's assets is the iron mining industry that has played a vital role in the state's economy for more than 130 years.

A new era of mining brings the promise of significant long-term jobs and environmentally responsible economic development that will revitalize the region. The TMM Project alone will support approximately 700 direct mining jobs and an additional 1,400 spinoff jobs. To date \$450 million has been invested in the project, along with \$420,000 in community support.

Ulrich outlined the important roles that copper plays in this project: power generation and transmission, electric motors, electronic devices, air conditioning units, appliances, and telecommunications infrastructure. The project is also a unique geology of Maturi Deposit, an underground mine with no subsidence above the mine, no waste rock piles with only ore brought to the surface, tailings are non-acid generating with up to 50% of tailings returned underground as cemented tailing backfill, and dry stack technology.

Dry stacking is the most sustainable method used to store filtered tailings—silty, sandy material— produced from the mine processing plant after the 4% of the ore that is copper, nickel and other metals is extracted. Tailings stored in dry stacks are piles of sand topped by native soil and vegetation. There is no need for a dam to hold them in place, no possibility of dam failure, and no long-term storage issues. Due to the deposit's geology, tailings will be non-acid generating. These tailings can be safely exposed to air and water because all but trace amounts of sulfides will be removed from them during processing.

The process begins with large rocks crushed, ground and mixed into a slurry of water and fine rock particles. The sulfides contained in the rocks are separated and recovered into concentrates through a flotation process and prepared for shipment to customers. The residual crushed rock, or tailings, and water are then filtered and separated. The water is recycled back into the processing plant.

At Twin Metals' underground mine, the filtered tailings, by now the consistency of sand castle sand, will be transported to the dry stack area near the processing plant. That area will include a gravity drainage system to collect whatever moisture remains in the tailings into reclaim ponds, which will be recycled back into the processing plant. The dry stack material will be compacted to ensure stability, and the stack will average around 130 feet, consistent with the topography of the area.

Board members will be updated as the Twin Metals Minnesota project moves forward.

NORTHFORCE Proposal

Board members received copies of the \$10,000 Northspan partnership proposal for talent attraction efforts. Northspan will organize and drive this marketing effort under the NORTHFORCE program. Some of the goals of this investment strategy will be to increase the number of qualified candidates applying to current and future open positions, increase intro- and extra-regional candidate in the NORTHFORCE system with experience specific to identified top areas of need, and allow for both the Twin Ports and Greater NE MN Development Consultants to conduct greater outreach and alignment with businesses, organizations, and community groups in their territories.

Motion made by Johnson, supported by Raich, to approve the \$10,000 proposal as written by Northspan; motion carried unanimously.

218 Trades and Healthcare sector initiatives – Heath Boe and Shawn Herhusky

Boe updated the board on the 218 Trades moving forward with the website and developing materials for employers and school options. Art Unlimited has six resource handouts/posters printed and linked to the website. 15,000 postcards will be sent out to a targeted audience to help drive traffic towards the website. Youth counselors from the NE MN Office of Job Training will be visiting schools and giving a presentation on why students should get into the trades and training options. Mesabi Range will be creating some videos showing individuals working at various job sites.

The 218 Trades Careers Expo will be held on October 8th at the Range Recreational Civic Center in Eveleth. Area high school students will be bused to the event from 9:00 a.m. – 3:00 p.m. to learn about what classes to take, what training is needed, and how to prepare for careers in the building and construction trades. The Careers Expo will be open to the public from 4:00- 7:00 p.m. This will give parents and students an opportunity to talk with professionals and learn about what they do on the job along with asking questions regarding the trades. Boe will email the event flier to board members so they can circulate to their colleagues.

The fourth healthcare summit took place at the Aad Shrine Meeting and Event Center in Duluth on August 21st. Herhusky explained to board members that the summit focused on benefits of hiring people with disabilities. This event was very well attended and attendees heard from a panel of employers and successful employees with disabilities who shared their expertise.

The healthcare Advisory Council met on July 19th. This council is made up of employers from across NE Minnesota who have volunteered to meet and make sure what we are doing aligns with the best needs to the employers.

One of the most requested items from the summits and the Advisory Council has been “hands on” events for students. A committee has been formed to begin developing a healthcare focused event similar to EPIC (Exploring Potential Interests and Careers) which was held in St Cloud. The goal is to have the event in the fall of 2020.

Labor Market Information – Erik White

Northeast Minnesota has consistently reported higher unemployment rates than Minnesota, typically hovering at least 2.0% above the state rate. The region’s unemployment rate reached its peak

in 2009 at 9.9%, then steadily declined to an annual rate of 5.9% in 2014 but increased to 7.1% in 2016, due in part to mining layoffs. Since then, the unemployment rate has dropped to 4.6% as the mines began to hire back laid off employees and the labor market tightens.

As the number of available workers has declined and the economy continues to recover, the region's labor market has tightened. One clear demonstration of this is the ratio of unemployed job seekers per vacancy, which now stands at 0.7 to 1 in NE Minnesota. According to the recent job vacancy survey results, there are 8,110 openings reported by employers compared to 6,017 unemployed jobseekers in the region. The ratio climbed as high as 10.% during the recession in 2009.

NE Minnesota is projected to see population declines in the next 20 years. The area is expected to lose just over 6,080 residents from 2020 to 2040, a -2.5% decline. In comparison, the state of Minnesota is projected to grow 8.8% from 2020 to 2040, closing in on 6.2 million residents.

However, NE MN is expected to add nearly 19,339 people aged 75 years and over, a 78% jump. The region is also projected to see a small but notable gain in the 25 to 44 year-old age group, as well as a corresponding bump in children under 5. In contrast, the region is expected to lose school-aged children and young adults, as well as a huge number of people (-19,682 people) from 55 to 74 years as the current Baby Boom generation moves through the population pyramid.

St Louis County, not including the City of Duluth, is the largest employment center in the region with 39,351 jobs at 2,903 firms; followed by Itasca county and Carlton county with 16,207 and 13,367 jobs, respectively. Five of the seven counties in the region added jobs since 2013, led by St. Louis, which gained 2,800 jobs. Itasca and Aitkin counties had faster growth rates, while Koochiching county had lost 10% of its employment with a loss of 500 jobs in the past five years.

With 15,486 jobs at 617 firms, health care and social assistance is the largest employing industry in NE MN, accounting for 18.3% of total jobs in the region. That is a similar percentage to the state's concentration of employment in the health care industry. The amount of jobs in this industry has increased, with 349 jobs added since 2013, including 43 jobs in the previous year. At \$40,569 in 2018, average annual wages were \$2,000 lower in health care than all industries.

The next largest industries were retail trade and accommodation and food services as these two industries made up nearly 24% of all the jobs in the region. However, the average annual wages were low in these industries, with retail trade at \$26,698 and accommodation and food services at \$16,307.

Employer Pothole of new CareerForce platform

Board members were given two handouts outlining the new CareerForce platform. CareerForceMN.com offers new tools to private, public, tribal and non-profit Minnesota employers. Employers can sign up for a no-fee CareerForceMN.com account and create a profile page for their organization. Potential employment candidates can search employers and visit the profile page to find out what makes your organization a great place to work. With access to Minnesota's largest online labor pool and connections to candidates with experience from entry level to management, CareerForce can help employers find the talent they need to succeed.

Meeting adjourned at 3:33 p.m.