

**WASHINGTON COUNTY
WORKFORCE INVESTMENT BOARD MEETING
Oakdale City Hall
Oakdale, MN
January 21, 2009**

WIB Members and Partners Present

Nigel Bath	Lori Brink	Brenda Carlson
Jim Finley	Duane Gatzske	Marie Gadway
Jeralyn Jargo	Lou Johnson	Stacy Kennedy
Peg Killen	Jane Klein	Kim Luchsinger
Chris McVey	Dave Schaps	Janelle Schmitz
Cherylee Sherry	Jeanine Swanson	Corrine Watson

Workforce Center Staff Present

Nina Arneson	Robert Crawford	Beth Jameston
Rachel O'Connell		

Guest

Rachel Vilsack, Labor Market Analyst, DEED

WIB Members and Partners Not Present

Ernie Pines	Lowell Reiks, Jr.	Pat Singel
David Videen		

1. Call to Order and Introductions – Brenda Carlson, Chair

Brenda Carlson called the meeting to order and members and guests introduced themselves. Chris McVey announced that she will be leaving her position and transferring to Blaine in Anoka County. She introduced Peg Killen as her replacement on the WIB.

2. Adopt Agenda – Brenda Carlson

Brenda requested a change to the Agenda, adding Jim Finley's PowerPoint presentation, "Welcome to the Workforce Center." A Motion was made to adopt the Agenda as amended, it was seconded, and the Motion carried.

3. Approve December 2008 minutes – Brenda Carlson

A Motion was made to adopt the December minutes, it was seconded, and the Motion carried.

4. Labor Market Information, Washington County – Rachel Vilsack, Labor Market Analyst, DEED

Rachel said there are three ways DEED measures what's happening in the economy each month. *Current Employment Statistics* (CES) is a national survey that reports how many jobs are added or lost by industry sector. It comes out the first Friday of the month and causes immediate reaction in the stock and bond market. *Unemployment Rates* measure employment and unemployment by where people live. *Unemployment Insurance Claim Data* shows how

many residents have filed for unemployment by county level and adds information on gender, age, ethnicity and other information. The unemployment rate is a sub section of those actually unemployed because not all workers apply or are eligible for benefits.

December unemployment statistics for the state have not yet been released. Over 10,000 jobs were cut in November; over the year 30,000 jobs have been lost (22,000 in the metro area) a decline of 1.1% compared to a national decline of 1.5%. Gains in employment in Minnesota have been made in the financial, educational and healthcare sectors. In Washington County, the second quarter of 2008 showed job growth in transportation, warehousing, wholesale trade, information and healthcare. Job losses were in real estate, manufacturing, and construction. In Washington County in the past 2 years, there were 1,500 fewer jobs, or a 2% employment decline.

Large industry sectors may have large losses, but some companies within that sector gain jobs. For example, within manufacturing there has been steady job growth in fabricated metal manufacturing in Washington County. Companies doing smaller job orders are more receptive to what is happening with their customers.

The unemployment rate in December nationally was 7.2%; in Minnesota, 6.4%, some of the highest rates since 2000. Washington County's unemployment rate was 5.6% in November, the highest since March 1991. The number of unemployed people in November, 2008 was 7,200; while in March, 1991, there were 4,800 unemployed indicating good population and employment growth. The lowest unemployment rate was in 1998 at 1.4%.

Nationally, the unemployment rate is calculated through a national household population survey of 60,000 households across the country and Minnesota uses part of that survey. Nationally, six unemployment rates are used. The official national unemployment rate is 7.2%. If discouraged workers who have given up looking for work are added, the rate rises to 7.6%. If marginally attached workers are added, the rate rises to 8.3%. (Marginally attached workers have a temporary barrier to looking for work, such as illness or transportation.) If part-time workers who are looking for full time are added, the rate goes up to 13.5% nationally.

Nationally, it is predicted the unemployment rate will increase to 8.7% by early 2010. Historically, Minnesota had a lower rate and stronger employment growth than the nation, but now is close to the national rate. Potentially, the number of people out of work in the state will rise from 189,000 to approximately 260,000 people. There were 33,000 new applications for unemployment in the month of December, the highest since 2001, and an 83% increase over December 2007. There has been a 50% increase in people exhausting their benefits. The job vacancy report for the 4th quarter of 2008 will come out the end of February which shows job seekers and counselors where job vacancies are.

Questions: *What kind of jobs are in the category of Information?* Software publishers and telecommunications are the two biggest sectors.

When a company leaves Minnesota does someone from DEED ask the company why they are moving? Layoffs in smaller companies are not reported unlike large layoffs where the state is

notified through WARN notices or other methods. Rachel said to her knowledge, there is no one from the state who goes to a firm to see why it's leaving. Small businesses with 1 to 4 employees account for 40% of businesses in the state. There are 1,200 large businesses in Minnesota, defined as 250 or more employees.

Is there any way this Board could get data on why businesses are leaving? This information would be valuable for MnSCU to determine training for future jobs. Brenda thought the Secretary of State's office which registers businesses may have that data. Also, Business Services Specialists may have a personal relationship with business owners. She said, "If we had that information we'd know how to support and attract businesses to our county."

Robert pointed out that some small businesses don't want the public to know why they left. He gave the following statistics on layoffs in the County: 3-M 100+; Imation 45; Modernistic 30+; Denny Hecker 121; Blue Cross 80+; Tenere 80; Super Valu 10; Hartford is laying off small numbers at a time; Inteck Plastics 59, Stillwater Motors 4; CLC Loan processing 35; Real Estate associates 30+; Allina Clinics, no estimate; Linens and Things 30+; Northstar Foods 90; Northwest Airlines, some layoffs because of merger with Delta; Home Depot 108 relocated, 46 laid off; DSW Shoes 60; Gerdau Ameristeel 60; Ad Graphics 70; North Memorial 125-130; Office Depot in Woodbury is closing; Andersen Windows 396 temporary lat-off, 50 permanent; World Market in Woodbury is closing; Circuit City will be closing all stores.

Janelle said as a city, it's difficult to track companies as businesses are not licensed. With large companies such as State Farm, the city does an exit interview. Jane thought another way of getting that information may be through state quarterly taxes or federal tax I.D. She felt it was important to know why businesses are leaving.

Brenda said the Small Business Development Centers try to grow businesses rather than start them; small businesses have a 35% higher chance of success if they work with them.

Robert said the American Recovery and Reinvestment stimulus package will create small business opportunities such as: direct lending and loan guarantees, \$430 million; Rural Business Cooperative, \$100 million; Industrial Technology Services, \$100 million; Manufacturing Extension Partnership, \$100 million; training and employment services, \$4 billion; training formula grants for adults, dislocated workers and youth services; \$1.2 billion to create 1 million summer jobs for youth; Vocational Rehabilitation Services, \$500 million; Employment Service Grants, \$500 million; Community Services Employment for older workers, \$120 million.

Janelle stated the challenge for cities is to meet the 120 day shovel-ready timeline. Projects needing environmental reviews and property right of way would not be ready. Robert reported that the Secretary of Labor wants to restructure the Workforce Development System. She has a background in employment and training services. Beth added that Positively Minnesota Marketing has a checklist for certifying that a parcel of land is shovel ready.

5. Workforce Center PowerPoint: “Welcome to the Workforce Center” – Jim Finley

Jim Finley is now working directly with veterans at workforce centers after Bonnie Elsey, Division Director, instructed staff to focus on helping customers. People working in unemployment are asked to volunteer on Sundays to help process claims. UI is receiving 30,000 calls a week and processing 130-140,000 continuing claims monthly with 40% of the staff they had during the last recession. To assist first time visitors to workforce centers, a PowerPoint orientation to the workforce center and dislocated worker services has been developed. It can be customized to each workforce center and includes information on partner services. The Unemployment Insurance office is going to release a DVD on how to file for unemployment for use at workforce centers. There are plans to add 15 staff at workforce centers around the state. Two extensions to unemployment for 20 and 13 weeks are available.

6. Committee Reports

Business and Marketing – Marie Gadway: Marie said the Committee discussed the proposed stimulus package and the meeting with the DOT and Army Corps of Engineers. They felt education should be a part of the job fair the end of February.

Robert responded that the proposed meeting with the DOT and Army Corps has been put on hold until more details on funding are available. Janelle said they have been meeting with area EPA's and plan to put together an agenda. Robert, Janelle and Dave will discuss this when they meet today.

Youth Committee – Jeanine Swanson: Jeanine said Carrie Gatzke is waiting on bids for Youth Services for the summer program. Robert added that other vendors are given the opportunity to bid on the program but Tree Trust will likely be the provider. Through Tree Trust, youth have built the fishing pier and amphitheater at Lake Elmo Park Reserve and other trails and structures at city and county parks. They employ many special needs kids and County Commissioners are supportive of the program.

Jeanine said Stacy attended the Council Advisory meeting and will report at a later meeting. Nick needs volunteers to help with interviewing for a Career Day February 19.

Policy and Law – Jane Klein: Jane attended the Metro Alliance of Customized and Continuing Education meeting January 7 at the Ford plant. They discussed the challenges of jobs in the future and using partnerships for customized training. They want to communicate with manufacturers about future needs to get people ready when the economy recovers. She attended a meeting of the Greater Metro Workforce Council where they discussed the Prosperity Grant to help ensure that the Twin Cities stays a prosperous region. Another program is called Need Back, an emergency jobs program from the 1980's where part of a person's wages are subsidized if they are employed a certain number of months. She asked if Century College will offer reduced tuition for the unemployed. Jeralyn answered that Century will not be offering reduced or free tuition. Normandale's program had some challenges and sounded better than reality because the only classes available were those that couldn't be filled. Century's enrollment is up 6% but no additional staff can be hired because of the state freeze.

7. Tri-WIB Taskforce – Brenda Carlson:

She will report on the taskforce after she hears from Mark Jacobs.

8. Job Fair and Business Services Update – Beth Jameston:

Beth has been contacted by individuals who want to start a business, one in construction relating to green products and a former 3-M employee who is interested in consulting. She met with BRS which wants to contact businesses to supply reflective vests for airline and construction workers. She talked to Dakota County and North St. Paul about a job fair, but they weren't enthusiastic. She wants to do a mass contact e-mail with businesses to get information. She would like to do an "Educator of the Day" much like Business of the Day. The U.S. Census is hiring. She has been learning Salesforce.com, a tool that tracks business leads and is also used to report back to DEED.

9. Motion to adjourn:

A Motion was made to adjourn. It was seconded and the Motion carried.