



CITY OF GRAND RAPIDS

Meeting Agenda Full Detail

City Council Work Session

Monday, October 28, 2013

4:00 PM

Conference Room 2A

CALL TO ORDER: Pursuant to due notice and call thereof a Special Meeting/Worksession of the Grand Rapids City Council will be held on Monday, October 28, 2013 at 4:00 PM in Conference Room 2A 420 North Pokegama Avenue, Grand Rapids, Minnesota.

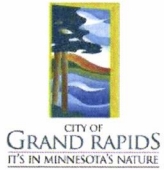
CALL OF ROLL: On a call of roll, the following members were present:

Discussion Items

1. [13-0629](#) Grand Itasca Clinic & Hospital Update ~ Mike Youso
2. [13-0649](#) A review of unemployment rates in the City of Grand Rapids
Attachments: [10-21-13 research memo.pdf](#)
3. [13-0656](#) Review 5:00 PM agenda and other business as noted.

ADJOURN

Attest: Tom Pagel, City Administrator



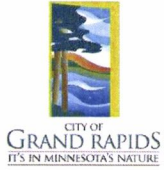
CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 13-0629 **Version:** 1 **Name:**
Type: Agenda Item **Status:** CC Worksession
File created: 10/15/2013 **In control:** City Council Work Session
On agenda: 10/28/2013 **Final action:**
Title: Grand Itasca Clinic & Hospital Update ~ Mike Youso
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Grand Itasca Clinic & Hospital Update ~ Mike Youso



CITY OF GRAND RAPIDS

Legislation Details (With Text)

File #: 13-0649 **Version:** 1 **Name:**
Type: Agenda Item **Status:** CC Worksession
File created: 10/23/2013 **In control:** City Council Work Session
On agenda: 10/28/2013 **Final action:**
Title: A review of unemployment rates in the City of Grand Rapids
Sponsors:
Indexes:
Code sections:
Attachments: [10-21-13 research memo.pdf](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

A review of unemployment rates in the City of Grand Rapids

Background Information:

Council Member Zabinski and Administrator Pagel were directed by the City Council to preliminarily explore the high unemployment rates in the City of Grand Rapids. A memorandum is attached highlighting their findings.

Staff Recommendation:

Review attached memorandum



MEMORANDUM

Date: October 15, 2013

To: City Council

From: Council Member Zabinski and City Administrator Pagel

Re: Update on Unemployment Rate Research

At the June 24, 2013, Council Work Session, the City Council directed Council Member Zabinski and City Administrator, Tom Pagel, to conduct some preliminary research regarding unemployment rates in the Grand Rapids area. Specifically, attempt at a high level, why the unemployment rates in Grand Rapids are typically higher than the State unemployment rate. The following table identifies that latest unemployment rates.

City/County	July Unemployment Rate	August Unemployment Rate
Duluth MN-WI MSA	6.5%	6%
Duluth	5.9%	5.5%
Virginia	7.7%	7.5%
Hibbing	8.9%	7.9%
Grand Rapids	8.7%	8.5%
Koochiching County	7.6%	7.2%
Itasca County	7.2%	6.7%
Aitken County	6.6%	5.9%
St. Louis County	6.6%	5.9%
Carlton County	5.8%	5.5%
Lake County	5%	4.7%
Cook County	4.2%	3.7%

Source: *Local Area Unemployment Statistics (LAUS)*

NOTE: This table was copied from a DEED report; our apologies to the residents of Aitkin County for spelling issues.

Our focus since June 24 has been to meet with various organizations within the City that would either directly or indirectly deal with hiring unemployed people, provide services to unemployed people, or provide funding to organizations who assist the unemployed. Summaries of each of those meetings are included with this memo.

When we filter through the input from the discussion groups, from an extremely high elevation the following items need to be explored further.

Funding

During our discussions with KOOTASCA and the Chamber, both entities explained that they have proven, successful programs to help transition unemployed people to jobs. The issue is inconsistent and inadequate funding to support the training curriculum. The training curriculum includes both the educational piece and the various expenses associated with training (travel to class and child care expenses, primarily).

The other piece of funding identified is the gap between various social welfare income and what the potential job salary provides. The Chamber provided data that a worker in Minnesota needs to earn an hourly wage of \$14.11/hour to match what they can earn what can be earned on welfare. This provide little incentive for an unemployed person to accept a minimum wage job or position that pays less than this wage. KOOTASCA provided information that indicates a family of 2 adults/2 children in order to meet basic needs must have an annual income of \$52,416, or a job earning \$25.20/hour.

Jobs

All groups indicated that unemployment is affected by the number of available jobs. What is interesting from our perspective is there appears to be many jobs available, and the need for employees will only grow, according to the Chamber. MN DEED data shows in the second quarter of 2013 there were 5,206 job vacancies in northeast Minnesota. Of those vacancies, the wages of only 163 fell below the welfare equivalent wage of \$14.11/hours. A table from the MN DEED Job Vacancy Survey is attached for reference below.

Selected Occupations with High Vacancy Rates

Occupation	Vacancies	Vacancy Rate	Median Wage
Total, All Occupations	5206	3.8	\$9.49
Network and Computer Systems Administrators	82	30.5	\$19.64
Licensed Practical and Licensed Vocational Nurses	110	8.5	\$15.54
Computer Occupations	140	7.4	\$20.58
Engineers	77	7.2	\$23.74
Computer and Mathematical Occupations	140	7	\$20.58
Customer Service Representatives	57	6.2	\$11.38
Architecture and Engineering Occupations	95	5	\$23.54
Health Technologists and Technicians	199	4.9	\$15.49
Other Management Occupations	116	4.7	\$25.68
Social and Human Service Assistants	106	4.4	\$11.53
Preschool, Primary, Secondary, and Special Education Teachers	165	4.4	\$19.88

Source: MN Job Vacancy Survey



Bud Stone, Grand Rapids Area Chamber, also stated that MN DEED has indicated that there will be in excess of 50,000 jobs that will need to be filled within the next five to seven years as baby-boomers retire.

A Leader

When meeting with the Blandin Foundation executives, they reinforced that resolving an issue like this needs commitment of resources, time and talent. The consensus was that the community needs some entity or person to champion the issue of unemployment. We believe that there are several groups in the community who may be potentially able to fill that role. We also believe that convening a discussion among people representing groups whose mission relates to addressing this challenge could be helpful in identifying a plan to help align the efforts of those various groups. The community—businesses, education, and the social service system—must agree the problem is worth solving and that a united, coordinated plan is worth formulating. A convergence of efforts could make a difference in our community. The participants must be willing to stay the course, to allocate resources to the problem, and to work together.

The City's role

We aren't in the business of job training and education, and we don't provide the social net to support families and individuals in need. Most of the people we interviewed believed the City's most appropriate role is cultivating and maintaining an environment supportive of business growth and job creation. These folks believe we should continue to help when businesses want to build or expand, and to continue to do what the City can do to maintain a superior infrastructure upon which the community can grow. We can also be helpful by participating in the discussions that may emerge if the community chooses to grapple with this issue in a concerted way.

INTERVIEW SUMMARIES

Blandin Foundation (Kathy Annette and Wade Fauth)

On Monday, July 1, Ed Zabinski and Tom Pagel met with Wade Fauth and Kathy Annette of the Blandin Foundation to discuss the City's potential role in addressing the persistent problem of high unemployment in Grand Rapids. The Foundation recognizes there is an issue with high unemployment rates, and they described the inter-relationship among the issues of high unemployment, workforce development, and creating an environment conducive to job creation. They discussed several initiatives aimed at parts of these inter-related problems. They also stressed they are not the organization to lead a response or study of the issue, but rather a resource and partner for organizations that choose to address the issue. They believe there needs to be a focus on "growing our own businesses," and that there is no "silver bullet" to solve the unemployment issue. They will support any group(s) who will work toward solving the problem. The Foundation has also developed the Academy for Community Engagement (ACE). The goal of this program is to build the capacity of communities to have a broad-based discussion about their economic future. They recommended meeting with Jim Woehrle of KOOTASCA and Peter McDermott (former IEDC president) for more insight, and they recommended engaging leaders in the business community to help solve the problem.

KOOTASCA (Jim Woehrle)

On Tuesday, July 2, Ed and I met with Jim Woehrle, Executive Director of KOOTASCA Community Action. Jim has a wealth of knowledge related to unemployed people who utilize their programs and success stories of people who have been supported by their programing and became employed in living wage jobs. Samples of programs are Circles of Support, Wheels to Work, PC's For People, Head Start, Homeownership Program, Weatherization, and Energy Assistance. The main points gained from this conversation are:

- "It's all about jobs."
- KOOTASCA needs to be better connected to the business community, and they need to have a better understanding of the needed jobs;
- there needs to be consistent funding for their programs;
- transportation is an issue for unemployed;
- there needs to be a job at the end of unemployed training (i.e. a light at the end of the tunnel);
- they need affordable child care;
- in addition, certain unemployed need to be provided a second chance (criminal record issues).

Blandin Community Leadership Program (Valerie Shangreaux, Becky Adams, Malissa Bahr)

On Monday, July 8, Ed and Tom met with Valerie Shangreaux, Becky Adams, and Malissa Bahr of the Blandin Foundation's Community Leadership Program. We learned that the ACE program described earlier would include an opportunity for the Grand Rapids community, perhaps as soon as the fall of 2014. The group, composed of BCLP graduates, would focus on an "issue" in the Grand Rapids community. They were noncommittal but open to further consideration of the possibility of providing resources to assist if Grand Rapids—including people who had not completed the BCLP—chose to convene working groups around solving unemployment issues.

MDI (Peter McDermott)

On Thursday, July 25, Ed and Tom met with Peter McDermott, President/CEO of MDI. Peter is the former President/CEO of IEDC. Peter suggested that we need to have a measurement for employment but did not necessarily think it should be based on the traditional unemployment calculation (use the “employment rate” vs. the “unemployment rate”). He indicated that MDI recently had a short-term need for employees to fulfill an order from the US Postal Service. To fill the need they utilized a temporary hiring agency with success. He provided statistics on this project. Over about a 16-month period, they received 1113 applicants. Of those, 674 started the job. Of the 674, many of the new hires left MDI for various reasons, including the completion of the US Postal project. However, 208 are still working at MDI either as a temporary worker or as an MDI employee as of March 31, 2013. To continue our research, Peter suggested we meet with Mike Youso, Grand Itasca, and Mark Zimmerman, IEDC.

Grand Rapids Area Foundation

Council Member Zabinski met with Chris Fulton, Keith Anderson, Daryl Erdman and Dennis Anderson of the Community Foundation on Thursday, September 19. They are setting strategic goals and have concluded that Itasca County’s poverty levels are an overriding concern for the area. During discussions, several conclusions were reached:

- No one organization seems to be leading a community effort to deal with this issue.
- There seems to be a heightened sense of entitlement in this area.
- There are little available data to identify the profile/demographics of unemployed people in Grand Rapids and Itasca County.
- More should be done to provide budding entrepreneurs with resources to start or expand their own businesses.
- They are unsure what GRACF’s role should be with regard to job creation or training (workforce development).
- We don’t need another report that sits on a shelf.
- There have been a couple initiatives over the years to address parts of this problem (Rapids 2000 in 1989) and Itasca County economic summit in 2001.
- There are other area agencies (KOOTASCA, Blandin Foundation) that have resources to assist in helping solve this problem.
- Short-timeline technical training for available jobs is not available.

Grand Rapids Area Chamber of Commerce (Bud Stone)

On Monday, September 30, we met with Bud Stone, president of the Grand Rapids Area Chamber of Commerce. We learned that the Chamber plays an active role in providing programs like Grand Works and Teen Works that provide tools for getting unemployed people back to work. Bud reiterated a common theme from others we interviewed: there is no “bridge” between welfare and getting to work. There is also a lack of funding to conduct the training on a regular basis.