

Social, Economic, and Labor Opportunities
Draft Meeting Minutes
April 8, 2021
10:00 a.m.

Roll Call

Chad Korpi – present
Matt Johnson – present
Richard Becker – present
Evelyn Ravindran – absent
Adam Wygant – absent
Amanda Bright-McClanahan – present
Dana Dumont – present
Mike Sweat – present
Sharon Schafer – present

Guests

Dave Behrend, O'Connell County, Wisconsin
Horst Schmidt
Aram Kalousdian – Michigan Builder and Infrastructure magazine

The meeting began at 10:03 a.m. with roll call.

Has everyone looked at the latest draft of the narrative? Matt added into the paragraph to challenges we're trying to address. I am open to edits or changes. I will get into what Amanda submitted. The expectation is we have to share information and send to legislature/Governor if this happens.

We are looking for ways to move forward on this for Michigan's Mining economy.

With workforce development, we try to see what we need in the future. Rick, if you could fast forward 5-10 years, what do you see changing? I focused on IT and technology first. Eagle Mine focuses on externships and apprenticeships.

Rick said they've had a lot of talent. We use internships to get youth. Permitting for sand and gravel will be the future challenge.

Amanda mentioned there is a large infusion of federal funding more than be spent. A lot is going to infrastructure. Looking at the next three years, do we need to be

concerned from a talent perspective? I see a big influx of cash; we have the capacity. If we get bids out earlier, we can schedule earlier.

Do we have obligation by 2024 to have commitments or do we need to spend it by 2024? The state budget is looking at it right now. The issue is from the talent perspective.

We have so many people to go around for projects. Everything has to be planned out in advance. There is a sand and gravel pit behind my house, and the owner is stressed out because of the demand.

Mike – We had a contractor that never fulfilled my request. From a specialty perspective, are there skill sets needed to apply for special use projects? There are a number of things happening for Michigan Aggregate Association. We tried to get Senate Bill 431 passed. It's hard to operate. There are new areas, and we don't know how we will operate, and there are lots of questions. Not much will change; people are concerned. People are moving to rural areas where aggregates are, and nobody wants us in their backyard.

The real challenge for any area is now especially as demographics change. We were running a quarry and a subdivision came in and we operated fine. In mining and any extracting industry, we need communication and engagement. Do you see this? Rick replied that he does. – If you have opportunities to tour our milling facility, from the time it's dumped in the crusher, it's all automated. Operators have to be skilled using this software. We are looking at how we mine today; it will only become more advanced.

It is parallel with oil and gas rigs. Everything is done by joy sticks and monitors, and we need technical expertise on how to basically play computer games. It's hard to lose employees.

Matt's IT team is three times the size as it was when we started six years ago. Amanda looks at a lot of folk's data analytics and design. Software is a challenge when bringing new businesses to Michigan. We might have competition for strategy, and the number one goal for the state is tech talent.

Matt mentioned that cybersecurity at Northern Michigan is growing. He hired 400 people overnight and offered bonuses for one skill set – instrumentation and E & I tech, because we couldn't find anyone. We had to do our own training. Can we pull examples and put them in here so we can see what skill set looks like? Did you have to hire two separate people and train them? Matt said they had to train them. The challenge is finding an underground Geotech. They understand underground stability. It's a pretty important job. We have two on staff today; both are female. If they left today, it would be hard to replace them. Chad, do you see anything from Cliff's

perspective? Chad mentioned that folks are taking jobs in Wisconsin or Minnesota, and we are losing people.

Matt agreed that keeping talent here is hard. Once you lose it, it's hard to get it back. We stole Cliffs employees early on, but some went back to Cliffs. Mike said the last two hires we did, we had people apply who wanted more stable positions. I'm not sure what it's like for you losing people, but it's a benefit for us. According to Matt, HR Specialists are hard to find; we are doing our own training. Cliffs is having a hard time too, according to Rick.

People want to work from home. I never thought it would be a challenge for Eagle, but it has been for the last six months. I will make a couple more tweaks to the unemployment section. Michigan Mining Tax Structure – we can lay out how different mines are taxed and explain how it works. Where do taxes go? It's split between school, county, and some to the State of Michigan. We could write a few examples.

Adam is writing a piece regarding tax. Graymont in the upper peninsula are doing neat things. Several unique things mining has done. As long as Graymont pays \$100,000, they don't pay the minimum royalties. Are royalties owned by the State of Michigan? They don't own the minerals; they reserve some royalties.

Matt can add examples. We are starting engagement with stakeholders. We talk to them years before we are ready to close. We are working on Michigan's responsible mining framework and the standard and best practice. How does a company engage with native American communities? I talked with someone from EGLE to help with this. Evelyn has taken this document and is working with two others to complete this. We need to flush out the general responsible engagement strategy more. If we did a GAP analysis for this document, what do you think we're missing? Any recommendations or suggestions? Rick, can you write a paragraph or two on aggregate taxation? You can give an example of how aggregates are taxed in Michigan and include royalties. Royalties to the state or company? Matt will include tax and royalty payments. I'll write one for Eagle; maybe Anna can do one for Cliffs.

Mike mentioned there is a May meeting of the whole committee will be scheduled. We want a consolidated report by this meeting. We would like to have a public comment period before the July meeting. Matt asked if the comment be on the draft report? Yes. Have the tax examples written by the end of April or beginning of May and get them to Mike.

Public comments

Horst – When it's comes to the public the best way to educate is communication, communication, communication.

Matt will send the revised version to everyone.

Adjournment

The meeting was adjourned at 10:48 a.m.