

Minutes – CEC Meeting – via Webex, May 20, 2020

Present: Jim Takala, Frank Jewell, Doug Hoffbauer, Nancy Nilsen

Others: Jim Gottschald, Troy Salzer, Mardi Harder, Patty Swedberg, Shirley Lantz

Chair Jim Takala called the meeting to order at 1:05 pm. Minutes from the February 19, 2020 meeting were approved as printed.

Program Update – Troy Salzer

Troy discussed the “Gardening from the Ground Up” webinar series. There were 4 topics discussed over 4 different days – May 12-15. People registered from across the state. People were very excited to be able to participate and this is definitely something that would be done again next year. “Goat and Sheep Management” was another webinar series that had four topics discussed over two weeks. St. Louis County had about 80 participants in the garden webinar series according to zip codes provided by participants. Jim T talked about getting the word out to producers that don’t have access to technology such as Facebook. Troy discussed that we have been working to do that by updating data bases and emails.

Business Items

County Extension Committee new member appointments and terms

Jim G discussed that 4 applications for 4 vacancies were received. The applications will be reviewed and voted on at the June 9 Board meeting. Applications were received from: Mark Baumann of Floodwood, Jay Juten of Duluth, Karen Brodeen of Cook and Jordy Sargent of Duluth.

County Extension Committee Job Description

Mardi will share this information with new members. They will also meet for an orientation and to discuss roles and responsibilities. Mardi, Jim G and Patty will be working with them.

County Extension Committee By law revisions

Jim G shared recommended changes.

- Page 2 Section 1 Item a--Change six citizen members to eight citizen members by laws were last reviewed in 2012. The citizen members were reduced from 8 to 6. There is a specific statute to St. Louis County – most counties have 9 members with 6 citizens. St. Louis County is different. We can have 11 total members – 2 commissioners, auditor and 8 citizen members. Nancy asked why the change. Jim G stated it was erroneously changed in 2012 and amended. It was done in error. It should be restored to the correct number per current MN statute for our Extension committee – 11 members – 8 to be appointed by the County board. Nancy asked if we had been acting illegally. Jim replied that in 2012 no one on committee knew the guidelines so we weren’t acting illegally, just not following the statute. He just happened to come across the statute we should have been following.
- Section 2 – terms of members – Remove time and limit of terms. This is not necessary. There should be no limit of terms. We encourage and look for people with expertise. We also should remove cap of 3 consecutive terms.
- Section 4a – remove “from all walks of life” – leave it at broad based representation.

Frank made motion to approve changes. Doug 2nd. No discussion. All approved. By-laws will be changed as proposed.

Election of Officers – Chair and Vice Chair

Jim turned the meeting over to Frank to run elections. Frank asked Jim if he is willing to do another term as chairman. Jim said he was. Frank asked who was interested in being vice-chair. Doug replied he would do it.

Nancy made a motion and Frank 2nd to elect Jim Takala as Chair and Doug Hoffbauer as vice-chair. All in favor. Motion carried.

Jim Takala is the chairman and Doug Hoffbauer is the vice-chairman.

Administrative Updates

County Extension Budget Report

Jim G shared the document. Mardi asked about the agricultural intern in relationship to the budget - a work plan and start date.

Troy commented these positions are currently on hold. The original start date was Tuesday after Memorial Day. Nathan Winter will be speaking to Emma and administration to brainstorm. They are looking for projects she could work on to make her experience meaningful. Troy and Bob want her to work in northern and southern parts of county to gain awareness of the diversity of the county. Nicole's 4-H Healthy Sprouts – Gardening for Youth – would be an example. Emma is a U of M student – there is an opportunity to extend her end date to her school start depending on projects we want her to work on. Nancy commented that all positions in St. Louis County that have not started yet are on hold due to COVID budget issues. Offers for new positions are not being allowed as directed by County Administration. Jim G commented that the county is trying to save money in personnel and operating budgets by \$15 to \$20 million for potential savings for 2020 and longer term budget reductions for 2021. SLC is in a hiring freeze – all temporary positions and interns are not being hired. This intern is hired through U of M Extension and is funded through St. Louis County. Jim would recommend if there is not meaningful work for her to do right away to withdraw the internship as that is what they have been doing with county internships. Frank asked the cost of the intern position. It is \$6,000 plus mileage allocation for total of \$6,300. Jim G has recommendation from administration – unless meaningful work – don't advocate for internship. Many if not all county intern positions are being withdrawn unless essential or critical that support public safety, health of vulnerable adults and youth, public health services and similar positions. If not too far down the path he would encourage university to pull back on this position. Frank would ask Mardi and Troy to discuss at University level. He also feels they should withdraw the offer. It is very sad but these types of things are being done all over. Jim G commented that if it was possible for this position to be an academic requirement then it could be supported. Nathan and Troy will explore that. Mardi and Troy will follow up with the University. They want to be consistent with county policy and procedure in their partnership with the county. They will confirm and get back to the committee. They appreciate the candidness around this. It is important.

Patty stated the 2020 actual budget figures are probably less than last year because of the COVID situation. There is work ahead to try to reduce 2020 and 2021 budget.

Regional Director Update and Resources

What's Been Happening – snapshot of what a lot of Extension has been doing and educational opportunities that were available in addition to what local staff are doing.

MDA Commissioner Visit

Frank discussed that the MDA visit was scheduled for April 19. Because of COVID that was canceled. They offered to do a virtual visit but it was felt that was not a positive way to proceed. Felt like we really needed an in person conversation. We will have to wait for a better sense of when an in person meeting can take place.

Farm Family Update

Troy has been in communication with the Juten family. Troy would like to see local recognition take place at the July 14 Board meeting in Brevator Township. This location would be excellent. Troy realizes this might be challenging with no in person meetings, but it would be great if that could happen. Jim G commented that all Board meetings going into foreseeable future will be electronic via phone or Webex probably through the end

of summer and beyond. Frank agrees. This certainly isn't ideal--particularly for an award ceremony but maybe it can be "revved up" in some manner.

Other

Meat processing plant near NERC

- Troy introduced and welcomed Jake Grass. Jake is Jim's son-in-law. He has been in discussion previously around meat processing. There are problems for producers in our region to have meat processed and then direct market to consumers in both retail and wholesale markets because of the lack of opportunity for USDA inspected products. This continues to be something that is becoming more of an issue with the retirement last Fall of one of our processors in the Cook area (Mark Shermer) and many others getting to retirement age. Jake came to Troy to have discussions around these topics. There have been challenges due to COVID and many of the larger processing plants have seen tremendous pressure occurring where livestock haven't been able to be harvested at facilities because they had to shut down both in pork and beef industries. Harvest rate has been as low as 25%. They have regained to 75 to 80% but as he visits with feedlot owners and people in swine they are already pushing back harvest dates for contracts from a July timeframe to October and November. That is pretty dramatic. There is increase in animals from these facilities as they try to make space for upcoming animals. All processors are inundated. People bring animals with no processing dates – load of 20 hogs in trailer and expect them to be processed in short time period when those places are already full. MDA has been proactive. Offering some money up to \$5,000 and 50% match though help with onsite cooling and freezing, storage, MN Grown also division of MDA has other monies available with doing direct marketing. These are all things that he and Jake have been aware of and continue to talk about.
- Jake, Lindsay and family live near Cherry on a farm. Troy has worked with them for many years. Jake has always had a passion for figuring out ways to support local ag in addition to being directly involved with raising animals, raising family and figuring out ways to teach youth in community through 4-H and other means about how agriculture feeds people and to get people connected to their food from that standpoint.
- Jake discussed how he came to be interested in the meat processing business. This elevated quickly when their local processor in Cook retired last Fall. Jake has a degree from the U of M Carlson School of Management – finance major. He is a District Manager for Aldi. He moved to this area 3 years ago when Aldi had enough stores for him in the district to oversee. Livestock – raises cattle and hogs. Children actively involved with cattle, sheep, and swine. The whole concept of youth development is critical to him. He wants to develop businesses that are sustainable and put kids in charge. Meat processing – last fall he started asking questions when Mark closed. He discovered that two studies already existed with NERC as well as IRRRB. These studies offered almost all of the answers regarding the sensibility of the project. Before he heard of NERC plan existing he had desire to work with NERC as far as bringing residents back into the facility after leaving NERC. Discussed with DEED program how to tie two together and form a partnership opportunity to work more directly in that side. From farm standpoint - history of people that have been through systems in the past have done a lot of work with him – appreciated when work here is work to be done - mentality starts to change and changes morale – help with that side while processing meat side. Need for processing capacity – both USDA and custom exempt.
- Mark's Country market and market in Buhl not at capacity. Next closest USDA site is in Lake Haven. A smaller USDA facility at capacity 6 plus days a week prior to COVID. There is a great need for a plant. What does that look like from public or private standpoint to consistently deliver product. Custom exempt has some flexibility. USDA needs product delivered when needed. Flow of product needs to be timely – smokehouse standpoint - most smaller plants haven't fully capitalized on value added products. Smokehouse makes sense and USDA side makes sense. Custom exempt has some

flexibility; USDA inspected need product delivered when they need it delivered. It must be timely. Smokehouse standpoint – most of smaller plants haven't fully capitalized the value added side cut and wrap facility into providing smokehouse – parts that have a lot more value; \$4.00 a pound products selling for \$20 a pound. That is part where smokehouse really makes sense. Putting the whole thing together is objective. Size and scope – procuring livestock is one part – there are many resources – logistics comes into people management side – part of working with Aldi in retail management 17 years – putting people in place to cover each role – meat plant, distribution and business leadership side.

- Frank Jewell – told group he needs to leave at 2:30 – He knows conversation has happened around how it could be done. He is vice chair of board of ARC and on Friday voted unanimously to see if we could work with Jake and IRRRB to figure out some way to make this happen. From ARC standpoint – top priority is to have it somewhere on 3,200 acres that ARC owns. And work with the IRRRB to see if they could support something slightly out of their area. This is not quite what Jake presented but the fact that we have 1.7 million dollars ready to go and request for another several million dollars to build facility makes sense as number 1. They think it is wonderful to have Jake as part of whatever happens with the interest, excitement and knowledge. Trying to figure out a way to work together is something ARC is really interested in. The meat processing facility at NERC has been there for 50 or 60 years or maybe longer and MN Dept of Ag says it is not going to license it anymore unless it is fixed up. It is not going to be easy to get that money in other ways – and don't know if we can change where it is going to be if we use that money – doesn't mean can't or wouldn't but priority would be for NERC to do on its property, but open to collaboration. Wanted to get that out there and the Board was very excited about this.
- Jake thanked Frank for that update. That is definitely exciting to hear about the interest in continuing to explore this. Nancy has to leave at 2:30 as well.
- Jake talked about onsite offsite challenges as he sees them. Onsite sees logistics of benefit to be able to be there close for the facility. Offsite advantages are few fold – one to manage through the onsite challenge of work flow that may or may not be able to report to work every day and for him to build a business in a plant when people may or may not be on site available to work because of case workers requests – needs ability to have balanced work force to be able to process and do what customers need and deliver product and keep to a schedule – also connected, not just USDA processing facility – desire to be a further process in terms of smokehouse and have a retail front – advantage to retail front for NERC standpoint – Jake can also provide additional training for those that aren't in sweet spot on a processing center but can find other employment and work on that side as well. He has driven to NERC site - it really isn't a good retail site. Hwy 53 on East side of road heading north bound by traffic counts is retail site. This needs to be in retail setting. Wants to create value whole way through chain – employee development, product development, brand recognition and people wanting to work with this plant and this group. Have to tie everything together – have it out of that system from producer standpoint – If farmer can't get processed to bring to restaurants because of challenge of logistics then business doesn't exit – will go to someone that will deliver – process of bringing qualified trained people and to help with flow of product as work force within NERC will change very frequently. Needs experienced staff to train them as that turns over – 2nd step as they leave NERC and further training program they can continue to train them on the facility – not within NERC – once they leave – statistically higher re-offense – he would like to be measured higher level come through program that don't reoffend – holistic start through NERC rather than with him or help to work at Super One or wherever meat cutters are wherever needed – or whatever they want to do trust their ability to show up and go to work onto their next job – like to get his recommendation behind them as they go onto their next job. Being offsite allows more opportunity to cover so many more needs – not an advantage to stay onsite.
- Frank agrees that retail space off beaten path is not great – that placement is everything. The challenge will be probably whether or not NERC or ARC can do something off site. Everyone agrees

the basic idea is fabulous – question is can we figure something that will work and or does NERC just go ahead and build facility onsite. None of us at ARC think that is a great idea - prefer to have collaboration.

- Doug – as an ex line staff member at NERC, he fears the culture of some case workers and able bodies and lack of promoting the work effort from line staff; he supports what Jake is trying to do but sees road blocks ahead of him because of obstacles from line staff at NERC that will not always be on board– closer off-site – say Twig – closer to NERC property, the more likely they will support it – always worried about escape and contraband – further from home facility – greater risk of something going wrong – underlying fear.
- Frank – almost no one that works there now worked when Doug was there – massive overturn in work force in last few years.
- Frank – he will call Jake to discuss. Frank left the meeting.
- Doug would like to make motion to support concept of what Jake is trying to do.
- Jim T– specify location – off-site or NERC - Efficient use of taxpayer dollars – public private partnership – high volume traffic and name recognition – paramount to making successful enterprise. NERC is a correctional facility – number of producers would not bring livestock there to be processed – much better offsite – Canyon – north of 33 – This needs to be part of discussion – increases odds – location is important and getting people on board that can make it work.
- Doug – support concept – sees merits of both-doesn't want to take sides but supports concept.
- Motion could not be made as there is no longer a quorum. Doug made a resolution to support the concept. Consensus of attendees agreed on the resolution to support.
- Jim G commented this is something county would bring before the ARC board and representatives from various counties would have to weigh in on what their level of participation or partnership would be.

Future meetings

Wednesday, June 17 – given the current situation it will be a virtual meeting again – Webex

Doug, Jim T motion to adjourn. Meeting adjourned 2:40 pm.

Respectfully submitted by,
Shirley Lantz