City of Reedsburg
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Industrial & Commercial Development Commission (RICDC) Agenda
February 17, 2021
Reedsburg City Hall Council Chambers
12:00 PM

DUE TO THE RESTRICTIONS CAUSED BY THE COVID-19 PANDEMIC, SOME VOTING MEMBERS MAY BE PRESENT VIA TELECONFERENCE OR VIDEO CONFERENCE, AS PROVIDED BY THE RECOMMENDATIONS OF THE WISCONSIN DEPARTMENT OF JUSTICE. HTTPS://WWW.DOJ.STATE.WI.US/NEWS-RELEASES/OFFICE-OPEN-GOVERNMENT-ADVISORY-CORONAVIRUS-DISEASE-2019-COVID-19-AND-OPEN-MEETINGS

NOTICE IS HEREBY GIVEN THAT A MAJORITY OF THE MEMBERS OF THE COMMON COUNCIL MAY ATTEND THIS MEETING TO GATHER INFORMATION ABOUT A SUBJECT OVER WHICH THE COMMON COUNCIL HAS DECISION-MAKING AUTHORITY. IF A QUORUM OF THE COMMON COUNCIL ATTENDS THIS MEETING, NO ACTION WILL BE TAKEN BY THE COMMON COUNCIL AT THIS MEETING.

CALL TO ORDER

APPROVAL OF MINUTES

I. APPROVE MINUTES FOR THE MEETING HELD ON JANUARY 20, 2021:

THE COMMITTEE WILL RECEIVE INFORMATION ON NON-AGENDA TOPICS BROUGHT BEFORE THE COMMITTEE BY MEMBERS OF THE PUBLIC. THE COMMITTEE WILL NOT DISCUSS THESE TOPICS, AND WILL NOT TAKE ACTION ON ANY OF THEM AT THIS MEETING

I. GENERAL BUSINESS:

A. Review Business Retention & Expansion Survey.

B. Migration Patterns (Sauk County).

C. Update on TID No. 9 Amendment.

D. Update of Workforce Development and Recruitment Activities:
   a. Reedsburg Business Director
   b. Jobs Postings on City Website
   c. Billboard Advertising
   d. Workforce Housing Activities
   e. School-to-Work Initiative

E. Update on Development Projects.

II. ADJOURN:

The City of Reedsburg does not discriminate on the basis of disability in the admissions or access to, or treatment of or employment in, its programs or activities. Disability-related aids or services, including printed information in alternate formats, to enable persons with disabilities to participate in public meetings and programs are available by calling (608) 524-6404. To be able to meet the needs of a request for a different format contact the City Clerk-Treasurer at 134 S. Locust Street, Reedsburg, WI at least 48 hours prior to the commencement of the meeting so that any necessary arrangements can be made to accommodate each request.

Reedsburg Industrial & Commercial Development Commission

Meeting Minutes
January 20, 2021

Meeting called to order by Chair Kurt Muchow at 12:00 PM in Reedsburg City Hall.

Present: Alder Dave Knudsen, Alder Mike Gargano, Missy Frenz, Jay Brunken, Blaine Albert, Dan DeBaets
Absent:
Staff: Tim Becker, Steve Zibell, Brian Duvalle

Motion by Knudsen seconded by Gargano, to approve the 11/18/20 minutes.

Motion Approved

Review and consider approval of a Memorandum of Understanding with Muchow & South Central Heating & Cooling
Muchow stated they outgrew their current building and are buying a parcel in the Business Park. The sale price is based on the buildable area. A site plan is forthcoming, and the City can help with fill.

Review & consider approval of an amendment to the Development Agreement with Sharratt Warehousing & Distribution, LLC
The Sharratt's have a tight cash flow currently. They need to expand to increase profits but don't have the money to expand. Instead of receiving full payment after paying their full taxes, they would pay ½ their taxes twice a year and then receive ½ payments each time.

Motion by Knudsen seconded by DeBaets to recommend amending the development agreement to allow half payments with associated taxes.

Motion Approved

Review new 6,480 SF pole shed at Cellox
This is their second storage building within last year. Plan Commission will review in February.

Update on land acquisition for the expansion of the Business Park
The property needs to be annexed in order to use TID funds. 6.2 acres are highway right-of-way that will be then deeded to DOT.TID 9 will be amended to include in the future.

Update on Reedsburg Business Directory
A sample directory was reviewed. Discussion on who and what contact information to include.

Motion by Gargano, seconded by Albert to adjourn at 12:51 PM.

Motion Approved

Respectfully submitted,

Brian Duvalle
Planning/Building

PRIME COMPANY QUICK INTERVIEW FORM

Information is confidential

COMPANY	CITY, STATE/ZIP
Date of Visit (MM/DD/YY)	Lead Interviewer
Contact Name	Assisted by
Appointment	Other Participants

PRODUCTS

1. Where is the company's primary product/service in its life cycle? ☐ Emerging ☐ Maturing ☐ Growing ☐ Declining

   Comments:

2. Has the company introduced new products/services/capabilities in the last five (5) years? ☐ Yes ☐ No

   Comments:

3. Are new products/services anticipated in the next two (2) years? ☐ Yes ☐ No

   Comments:

Product Notes

MARKET

4. Are total company sales: ☐ Increasing ☐ Stable ☐ Decreasing

   If changing:

5. Does the company plan to expand in the next three years: ☐ Yes ☐ No

   If yes, estimated total investment $

   Approximate percentage equipment/technology %

   Approximate percentage real estate %

   Estimated number of jobs added or lost (-)

   Estimated facility size increase sq. ft.

   Approximate date of expansion (mm/yy)

Market Notes:

INDUSTRY

6. Do you anticipate any federal, state, or local legislation changes that will **adversely affect** your business in the next five years: ☐ Yes ☐ No

   If yes, what changes?

   How will they affect the company?

Industry Notes

MANAGEMENT

7. Has the company's ownership changed in the last 18 months, or do you anticipate a change: ☐ Changed ☐ Change Pending ☐ No

   If changing, please explain:

   Has the company's top management changed or is it expected to change in the next 18 months: ☐ Changed ☐ Change Pending ☐ No

   If changing, please explain:

   If changed, what impact will this/these changes have on the local operation?

8. What are the community's **strengths** as a place to do business?

9. Are there any **barriers to growth** in this community? ☐ Yes ☐ No

   If yes, what?

10. Are there any reasons the community **may not be considered for future expansion**? ☐ Yes ☐ No

    If yes, please explain?

Management Notes

WORKFORCE

	Low	1	2	3	4	5	6	7	High
11. How do you rate the **availability** of workers in this area:		☐	☐	☐	☐	☐	☐	☐	
How do you rate the **stability** of workforce in this area:		☐	☐	☐	☐	☐	☐	☐	

12. Is the Company experiencing recruitment problems with any employee position or skills: ☐ Yes ☐ No

If yes, what problems, positions, or skills?

13. Is the number of unfilled positions: ☐ Increasing ☐ Stable ☐ Decreasing

Estimated number of unfilled positions today: _____

Approximately when will these jobs be filled? _____ (mm/yy)

Current employment totals: Full time _____ Part time _____ Contract _____

14. Is company investment in employee training: ☐ Increasing ☐ Stable ☐ Decreasing ☐ None

If investing in employee training, what percentage of the training budget is for:

New job skills training _____%

Proficiency training _____%

Remedial skill training _____%

Workforce Notes

UTILITY SERVICES

15. How is the consumption of the following utilities changing?

Type of Utility	I*	S*	D*
A) Water	☐	☐	☐
B) Sewer	☐	☐	☐
C) Waste Removal	☐	☐	☐
D) Natural Gas	☐	☐	☐
E) Electric	☐	☐	☐
F) Telecom (voice)	☐	☐	☐
G) Cellular service	☐	☐	☐
H) Internet access	☐	☐	☐
I) Internet speed	☐	☐	☐

* I = Increasing, S = Stable, D = Decreasing

Please rate your satisfaction with your utility providers

Low	1	2	3	4	5	6	7	High
A) Water	☐	☐	☐	☐	☐	☐	☐	
B) Sewer	☐	☐	☐	☐	☐	☐	☐	
C) Waste Removal	☐	☐	☐	☐	☐	☐	☐	
D) Natural Gas	☐	☐	☐	☐	☐	☐	☐	
E) Electric	☐	☐	☐	☐	☐	☐	☐	
F) Telecom (voice)	☐	☐	☐	☐	☐	☐	☐	
G) Cellular service	☐	☐	☐	☐	☐	☐	☐	
H) Internet access	☐	☐	☐	☐	☐	☐	☐	
I) Internet speed	☐	☐	☐	☐	☐	☐	☐	

Please comment on any utility services with low satisfaction (3 or lower) or high (5 or above):

Utility service comment 1 *(circle one)* A B C D E F G H I	*Low/High Rank Comment 1: (Interviewer: Circle one – Positive, Negative)*
Utility service comment 2 *(circle one)* A B C D E F G H I	*Low/High Rank Comment 2: (Interviewer: Circle one – Positive, Negative)*
Utility service comment 3 *(circle one)* A B C D E F G H I	*Low/High Rank Comment 3: (Interviewer: Circle one – Positive, Negative)*

Utility Notes

COMMUNITY SERVICES

16. Please rate the quality of the following services provided by the community on a scale of 1 to 7, 7 being high.

	Low	1	2	3	4	5	6	7	High
A) Police protection		☐	☐	☐	☐	☐	☐	☐	NA
B) Fire protection		☐	☐	☐	☐	☐	☐	☐	NA
C) Ambulance paramedic service		☐	☐	☐	☐	☐	☐	☐	NA
D) Health care services		☐	☐	☐	☐	☐	☐	☐	NA
E) Child care services		☐	☐	☐	☐	☐	☐	☐	NA
F) School (K–12)		☐	☐	☐	☐	☐	☐	☐	NA
G) Tech college		☐	☐	☐	☐	☐	☐	☐	NA
H) Community college		☐	☐	☐	☐	☐	☐	☐	NA
I) College(s) and university(ies)		☐	☐	☐	☐	☐	☐	☐	NA
J) Public transportation		☐	☐	☐	☐	☐	☐	☐	NA
K) Traffic control		☐	☐	☐	☐	☐	☐	☐	NA
L) Streets and roads (local)		☐	☐	☐	☐	☐	☐	☐	NA
M) Highways (State & Federal)		☐	☐	☐	☐	☐	☐	☐	NA
N) Airline passenger service		☐	☐	☐	☐	☐	☐	☐	NA
O) Air cargo service		☐	☐	☐	☐	☐	☐	☐	NA
P) Trucking		☐	☐	☐	☐	☐	☐	☐	NA
Q) Property tax assessment (fair & equitable)		☐	☐	☐	☐	☐	☐	☐	NA
R) Zoning changes and building permits		☐	☐	☐	☐	☐	☐	☐	NA
S) Regulatory enforcement (fair & equitable)		☐	☐	☐	☐	☐	☐	☐	NA
T) Community planning		☐	☐	☐	☐	☐	☐	☐	NA
U) Community services (not otherwise listed)		☐	☐	☐	☐	☐	☐	☐	NA
V) County services (not otherwise listed)		☐	☐	☐	☐	☐	☐	☐	NA
W) Chamber of Commerce or business association		☐	☐	☐	☐	☐	☐	☐	NA
X) Economic development organization		☐	☐	☐	☐	☐	☐	☐	NA
Y) Workforce Services		☐	☐	☐	☐	☐	☐	☐	NA

Please comment on any utility services with low satisfaction (3 or lower) or high (5 or above):

Utility service comment 1 *(circle one)*	*Low/High Rank Comment 1: (Interviewer: Circle one – Positive, Negative)*
A B C D E F G H I J K L M N O P Q R S T U V W X Y	

Utility service comment 2 *(circle one)* A B C D E F G H I J K L M N O P Q R S T U V W X Y	*Low/High Rank Comment 2: (Interviewer: Circle one – Positive, Negative)*
Utility service comment 3 *(circle one)* A B C D E F G H I J K L M N O P Q R S T U V W X Y	*Low/High Rank Comment 3: (Interviewer: Circle one – Positive, Negative)*
Utility Notes	

Do you have any final comments you would like to share?

Thank you for your assistance.

INTRODUCTION

In 1998, the City of Reedsburg began an expansion of its very successful industrial development program. In preparation for continuing the City's industrial development into the Twenty-first Century, the Reedsburg Industrial and Commercial Development Commission (RICDC) felt that it was imperative to have a good understanding of the plans, needs, problems, and concerns of the existing industrial and related service businesses within the community.

To that end, the City of Reedsburg and the Sauk County Development Corporation (SCDC) collaborated in the preparation, administration, and analysis of an industrial expansion and retention survey in the summer of 1998. SCDC again administered substantially the same survey in 2001 and 2005 to approximately the same group of employers in order to obtain a more current perspective of the business climate.

This report is the product of the fourth generation of the Reedsburg Industrial Retention and Expansion Survey and was conducted by SCDC and the City of Reedsburg during the winter of 2010. The surveys were sent to each company, prior to an on-site interview conducted by Karna Hanna, Executive Director of the SCDC.

John Dougherty, Reedsburg's new City Administrator participated in most of the interviews as did Carol Bride, Business Services Representative from the south central Wisconsin WorkSmart program. Mayor Held also joined one of the interviews which included a tour of the businesses. This level of participation resulted in much richer discussions and a broader understanding of the issues facing Reedsburg's industrial and related business base.

This report is being shared with participating businesses, the Reedsburg City Council, RICDC, Reedsburg School District and the Partners in Education Committee, SCDC Board of Directors, the Reedsburg Area Chamber of Commerce, Madison College - Reedsburg, the University of Wisconsin - Baraboo/Sauk County, Sauk County Extension office, the Sauk County Job Center, the Wisconsin Department of Commerce, the Workforce Development Board of South Central Wisconsin, and local utilities and other agencies that are prepared to act on or could benefit from the information.

SCDC and the City wish to thank all of the businesses and interviewers who participated in the survey. The bulk of Reedsburg's manufacturing and related business growth will come from within or be related to existing industries. It cannot be overstated how valuable these businesses are to the local and regional economy.

BUSINESS PROFILES

Twenty-four companies in the Reedsburg area participated in the survey. Of those, 65% are in manufacturing, 4% in wholesale trade, 8% in transportation, 4% in construction, 11% in retail trade, and 8% in other. Not every company answered all questions, so

reported data and percentages reflect the actual number of respondents to a particular question. A list of participating companies is attached to the report.

Reedsburg has an unusually strong industrial and business service base importing wealth into the community. The companies surveyed produce a wide range of products and services. Plastic, metal, wood and food products, low-speed vehicles, specialized transportation seating, hydraulic filters, point of presence advertising displays, and parts washers are just some of the items manufactured in Reedsburg. Businesses including tool and die makers, mold makers, and trucking and distribution firms provide related manufacturing and services.

A large phone and distribution center for a major clothing and home goods catalogue/Internet retailer, a flag/flagpole/LED Christmas lighting and a wind turbine retailer, a mid-size construction firm and a major engineering/architectural/planning firm add to the diversified mix.

Eleven (46%) of the firms surveyed have multiple locations and the remainder of those reporting 13 (54%) are located solely in Reedsburg. Of those firms with multiple locations, 7 (64%) are not headquartered in Reedsburg. The companies range in age from one to 117 years, with Lakeside Foods being the oldest and Wisconsin Specialty Protein the youngest. All of the businesses surveyed are privately owned except two (NUK which is owned by the Jarden Corporation and Lands' End which is owned by Sears Holdings).

FUTURE PLANS FOR DEVELOPMENT/CLOSURE/RELOCATION

Businesses were asked "What are the greatest challenges facing your company today?" The answers to this question were deeply affected by the downturn in the housing market and the growing recession that the United States entered in December of 2007. Answers to the question were as follows:

Economic Recession

- Lumber shortages, because people with timber are going out of business due to dropping prices
- Financing – Company bought new equipment in last 3years and then was slammed by the economy and bank. Sister company (not in Reedsburg) was really hit hard by recession and ties to automotive industry.
- Plant in Reedsburg is in stand-by mode now due to the economic downturn.
- Competition from China, recession, anti-business regulations. Raw material & energy prices are up. Financing has killed a lot of projects.
- Lack of work load
- Increased focus on selecting construction services solely on the basis of lowest bid, getting paid by customers on a timely basis and uncertainty of financing. A lot of subcontractors are going out of business and this often spawns smaller, less

qualified, less financially savvy businesses. These firms often get bids, but the customer loses.

- Cost of raw materials (oil-polypropylene)
- Labor costs
- No work. Facility is for sale.
- Low milk prices & dairy economy
- Getting federal government to release funds for products already contracted for- whole economic picture in US is not positive- Federal policies- High deficits
- Effects of the world economy and challenges to the Ag industry
- Sales growth (achieving it), health care costs, uncertainty of regulations coming out of Madison & Washington
- Recession, taxes and the probability of increases, health care, high fuel and shrinking driver work force. We took a big hit from Grede.
- Economy (worse) and foreign conditions and competition
- Cost of supplies lower volume, cost of doing business, number of aging receivables past 90 days
- Growth & access to working capital

Other

- Last two years have been the companies best. 2005 and 2006 were down years for us and this helped us prepare for 2007/08/09. Company had already revamped production & operating procedures when the recession hit.
- Fast pace of change from phone customers to internet. Fast pace of communication- need to monitor & respond to customer comments rapidly to retain loyalty. Ex: Facebook(98,000 Facebook Fans) , Twitter
- Qualified labor and input costs
- Our products being copied off shore and sold here
- Retaining and attracting employees to Reedsburg so company remains competitive
- Keeping employees happy and satisfied

Of those companies responding, two companies would like to expand within one to two years and one will need additional land to do so. One company was looking for affordable warehouse space. Another company was planning an expansion but things are on hold due to the downturn in the economy. One company would like to put a new plant in the industrial park and move from their current location, but is constrained by the economy at this point in time. One company surveyed is for sale due to changing market conditions and loss of a major customer when that business was sold and the new owner changed vendors.

Within one to two years, ten of the responding companies plan to modernize or improve their existing business and seven plan to add additional products or services. One company plans to phase out a major operation at their facility, but the machines will be used for other things. Another company is considering discontinuing part of their operation due to low margins and slow payment from a major customer.

SUSTAINABLE/ENERGY EFFICIENCY TRENDS

Employers were asked, "Have you implemented sustainable or energy efficient measures in your manufacturing processes?" They were then asked to describe what they had done. Following are the replies:

- Bag houses on plants to reduce emissions
- Added new florescent lighting, put in new air compressor, added radiant heat pipes from steam room to office
- We have three LEED accredited professional and when we have the opportunity to guide the client, we recommend green solutions. LEED doesn't have a lot of traction but energy cost-saving on building components does resonate.
- Changed lighting in the distribution center to energy efficient lighting. Created "peak only" area in the contact center that is dark other times of the year.
- We are using LED lights phasing out CFL usage
- Firewalls, windows
- Reduction on electric and working on project from more electric reduction and fuel efficiency
- Revamped entire warehouse & manufacturing area
- UV cure for logo on spin-on cans and replaced gas furnace
- Heat recovery and reuse, heat exchanger, water recycling, natural landscaping lighting control
- Remodel HR offices & conference room
- Worked with Alliant (gas) on energy efficiencies, now heat facility with wood chips and shavings

Employers were asked if they would classify any of their products at "GREEN" products. Here are the responses:

- Timber is FSC (Forest Stewardship Certification)
- We recommend when possible green alternatives on our project
- All materials are recyclable plastic & packing
- Batteries Electric vehicles we're as green as it gets
- LED lighting
- Detergent parts washers designed to use special detergent
- Most steel comes from mini mills recycled goods
- Trucks are brand new meet higher emission standards
- Virtually all of my product are "green," particularly the organics
- We produce a biodegradable product

LOCAL EMPLOYMENT TRENDS

Several of the Reedsburg businesses that were surveyed deeply felt the effects of the recession and had to lay people off, particularly in the manufacturing and transportation

sectors. There were a few businesses that declined to participate in the survey this time that also were more affected by the recession and downturn in the automobile industry. Of the businesses surveyed, five reported declines in employment from a year or two ago, sixteen reported stable employment, and three reported an increase in employment. Looking to a year from now, two of the reporting companies project to have fewer employees, fourteen companies project to have about the same number of employees, and eight companies project to have more employees. In years past, companies were asked to project out five years. That question was deleted from the survey because of the difficulty in making accurate projections that far in advance.

Companies were asked "How many employees did you have a year ago?", "How many employees do you have today?", and "How many do you expect to have a year from now?" Below are the aggregated answers.

	Full-Time	**Part-Time**	**Total**
Last Year	1,713	931	2,644
Current	1,659	880	2,539
Next Year	1,741	874	2,615

Reporting companies projected that 10.9% of their existing labor force would retire within the next five years. One major manufacturer said that they would not need to replace all of those retiring as newer equipment would require fewer people for operation.

Employers were asked, "How do wages and benefits affect your turnover rate?" In general, those employees with better wages and benefits know that their employees very much value these items. With the recession, employees are increasingly grateful to still have a job. Responses were as follows:

- Wages & benefits aren't great ($12-$13 avg. - Gen. Labor $9) when recession hit & people were laid off. Productivity went up when we got rid of people who weren't suited to the job. Turnover now is very low.
- Wages & benefits have been cut but turnover still low.
- Wages continue to be very competitive in the area. Turnover of benefited staff 6% annually vs. 32% of flexible part-time
- Very low turnover rate-wages usually not a factor
- I do not think we are affected.
- Pay and benefits are competitive with market and turnover is not a big problem (low turnover rate)
- Not great - We're very competitive.
- Production group is unionized, office is not. Not a huge factor in turnover.
- Very competitive wages and benefits have helped keep labor force very stable. Morale is very good.
- Not much
- Competitive with industry. Drivers are home every weekend and that is a plus

- They don't have much impact. We pay competitively but benefits are not very competitive. 90% of employees don't take health care.
- Until economic conditions went south turnover was low (use Lifestyle Staffing - have no trouble finding people)
- Not all in this business climate.
- Our wages & benefits remain competitive in this area; there has been no significant affect on turnover due to wages or benefits

Forty-four percent (44%) of the employees of responding companies live in the City of Reedsburg. Forty-one percent (41%) of the employees live elsewhere in Sauk County and fifteen percent (15%) live in adjacent counties, most notably Juneau and Richland Counties. The percentage of employees living within the City of Reedsburg is up 5% and the percentage of employees from elsewhere in Sauk County is up 5% from the 2005 survey. This increase in the number of employees living in or close to Reedsburg may be a reflection of strong housing construction in Reedsburg in recent years and the higher cost of gasoline which has made longer commutes more expensive.

RECRUITMENT AND TRAINING

Employers are experiencing some difficulty in hiring people, even in the recessionary environment. Problematic job categories continue to be in skilled production and to a lesser degree, technical and managerial positions. Following is a list of employer comments on this topic:

- Use temp to hire through Qualitemps, but have had very little turnover
- Use QTI when temps are needed – gives company an inventory of prospective employees
- look for people from background with good work ethics
- Internal training,
- Would hire directly out of high school with mechanical aptitude
- Mechanical engineers are not a problem to recruit, but electrical engineers are
- Hard to find the right skills. People either have too many or not enough skills
- Maintenance department hardest to find qualified people
- Snowplowing and office janitorial are a big problem – need better vendors

Following is a table outlining the responses to the question, “Does your company have problems recruiting employees in the following categories?”

CATEGORY	YES	NO	UNSURE
Skilled production	8	3	0
Semiskilled	2	6	0
Unskilled	2	5	0
Clerical	2	5	0
Managerial	3	4	0
Technical	4	4	0

We asked respondents, “What major job skills does your business require?” The range of job skills required by the respondents is diverse:

Soft skills

- Ability to accommodate fast pace
- Communication (2)
- Creativity
- Customer focus
- Customer service
- Desire to work learn new skills
- Discernment/ good judgment
- Flexibility/adaptability
- Good attitude
- Good work ethic
- Maturity
- People skills
- Reliability (2)
- Safety conscious (2)
- Take directions well
- The right attitude –we’ll teach the rest
- Written & verbal communication

Basic skills

- Algebra
- Comfort with computers
- Computer applications
- Computer knowledge,
- Computer savvy

- Computer skills
- Fractions
- Higher level math
- Math (2)
- Measuring
- Sound basic skills

Construction trades
- Carpentry
- Concrete
- Drafting
- General construction
- Steel erection

Business
- Accounting (2)
- Management
- Office
- Sales (3)

Professional Services
- Agronomist
- Design
- Engineering (2)
- Scientific notation (dealing with vacuum & pressure)

Manufacturing
- Ability to use machinist type equipment
- Boiler operation
- CNC programming/machining (2)
- Computers and machinery
- Electrical background
- General labor
- Industrial technology
- Knowledge of Foundry Pattern equipment
- Maintenance
- Mechanical skill,
- Non skilled tech/ maintenance
- Preventive maintenance
- Production worker able to do light manufacturing
- Programmable logic control (2)
- Refrigeration,
- Welding (3)

Transportation
- Commercial Drivers License (CDL)

- Forklift Operator
- Good judgment about mechanics of a truck
- Truck drivers

Other

- Dairy knowledge
- Sprayer operator

Respondents were asked to rate the need for training in their organizations on a variety of topics. The answers were as follows:

	Very Important	Important	Not Important
Basic Skills (literacy, math, ESL)	14	2	2
Equipment Maintenance and Operation	13	4	1
Customer Service	12	4	0
Interpersonal Communication Skills/Team Building	11	7	0
Information Technology Skills	10	4	3
Managerial/Supervisory Skills	9	4	3
Occupational Safety	8	7	1
Quality, Competitiveness, Business Practices	8	6	2
Sales Skills	7	6	2
Professional Skills (accounting, banking, engineering)	7	6	3

We then asked about specific training needs. These answers will be shared with the Business Services Coordinator at the Sauk Job Center, MATC, the Workforce Development Board, and others as appropriate.

- Labor training
- Computer aided programming
- Blue print reading
- Measurement equipment
- Sales skills (2)
- Team Building
- Computer skills
- Safety awareness
- Food safety
- Process Control
- Lean Manufacturing

- Web site design training to keep site upgraded. 90% of business comes from web – 99% of new business comes from web
- Drivers (CDL)
- Truck mechanics
- Supervisory training

We asked respondents, "If you were giving advice to high school students regarding the world of work, what would that be?" The majority of the responses focus on soft skills related to having a good work ethic and the need for life-long learning. Here are the answers that will be shared with educators, students, and parents:

- Do what you <u>like</u> to do.
- Show up on time.
- Do a little extra and be friendly.
- Demonstrate enthusiasm and commitment to good attendance.
- Come to work every day on time work hard and care about what you do and how you do it.

- Persevere
- Don't be afraid to work. You have to put time and energy into a job
- A successful employee is courteous, respectful, reliable, dependable and trustworthy & a hard worker. People with those characteristics go far. Self motivated multi-taskers go farther.
- Have desire –good attitude –nothing else matters.
- Attitude and people skill are critical.

- Work ethic is very important.
- Roll up your sleeves and be willing to work.
- No one owes you a job.
- Don't expect to make big bucks right off the bat.
- Remove the piercings form your face

- Learn everything about what you do and learn how to do other jobs make yourself invaluable
- Show up willing to learn with initiative.
- Plan where you want to be down the road and get the proper training to make it happen
- Plan on learning new skills for the rest of your work life.
- Always be willing to learn and be flexible to change

- Higher education
- Advanced education
- Get a job in government.
- Go into medical field.
- Stress experience in math and computer skills.

- Schools need to do more to teach financial management.
- Trucking industry can't hire interstate truckers until age 21.
- Addison would donate math test to High School - would like to have a closer working relationship with High School - want to build up industrial program at High School

Companies were asked what additional information concerning a broad selection of subjects they would like to have. The Sauk County Development Corporation is coordinating gathering the requested information from MATC, and the Small Business Development Center.

MARKET AND SUPPLIERS

Respondents were first asked to identify, "Where are your major markets?" The largest percentage of sales (72%) is derived from a national market.

Thirteen responding companies, Reedsburg Hardwoods, Addison Machine, Columbia Par Car, Seats, Pace Industries, Lands' End, Service Line, NUK, Hankscraft Motors, Zinga Industries, Planet Turbine/Liberty Flag and Specialty Company, Lakeside Foods, and Wisconsin Specialty Protein are exporting products outside the U.S. from Reedsburg.

Five of the respondents have some difficulties as a result of distance from their major markets. The ever increasing cost of shipping was the problem noted most frequently, the same as noted in the 2005 survey. Following are the total responses:

- If there is a competition that's closer that offers free shipping it can be a problem-biggest competition is in Chicago & Ohio (If ever expand I would put smaller plants in other locations but it still would be much nicer to have bigger building in Reedsburg.)
- Product is light but bulky and shipping is expensive
- Freight cost (price of equipment & diesel)
- Transportation costs are up.
- Distance to distribution warehouse which is in Indianapolis

Seven of the respondents reported having problems as a result of a lack of local suppliers. Deficiencies were noted as follows and perhaps represent opportunities for new businesses or for local business to fill the voids:

- High electric rates are impacting the service provided by one of our local suppliers.
- Some of suppliers come from India & China which results in a long transportation-lead time.
- Difficulty in accessing and talking to vendors when you need them
- Job out to local suppliers - will pay extra to work w/ suppliers here
- Would be good to have a potash mine and LP station closer

- Everyone's inventories are so low that it's sometimes difficult to get parts when needed for much "just in time" work.
- Longer response time and higher travel cost for CNC repair and for other electronic controls (Milwaukee or Chicago are where all repairs are done.)
- Fuses relays - have to go to Madison
- I could benefit from more raw whey.
- In the future there will be lumber shortages, because people with timber are going out of business due to dropping prices.
- Lack of suppliers to choose form results in poor work and high prices in service type industries. Snowplowing and janitorial services are a big problem.
- Maintenance on both the equipment and the building –
    - Building – So many companies are too small and we need competitive bids, licensing and bonding.
    - Equipment requires certified people to work on it.

Thirteen businesses reported that they are serving an expanding market and five said their market share was not expanding. One did not know. The following comments were made:

- Selling product now at 1980's prices to compete - service is very important part of business

Nine companies said they could cut cost by revamping their production lines. Seven said they need capital for improvements or expansion. When asked about constraints to increasing productivity, respondents offer the following information:

- Sales
- WisDOT reconfiguration of USH 12-ways to Baraboo plant on Hwy 136
- Return on investment
- Capital funding
- Need more consistent volume- 12 months/yr so don't have to keep hiring & laying off- very disruptive
- Geographic territory is large and transportation cost are increasing
- Processing equipment limitations – need more cooker capacity
- Needs the government grant application to fill out to apply for environmentally safe equipment especially for schools
- Labor intensive products, therefore labor cost and efficiency are huge constraints.
- Lack of control - all product are made for someone else
- Return on investment (years)
- Land/access to capital (It's in the owner's pocket!)
- Bank doesn't want to loan cash.
- New legislation for cap & trade and health care
- Instability
- Economy
- Raw material supply
- Working capital

SERVICES AND UTILITIES

Respondents were asked if they were experiencing any notable problems (capacity/reliability/cost) with any of their local public or private utilities or services including electric, gas, phone, Internet, cable TV, water & sewer, police, fire, or street maintenance. Seven companies reported problems as noted below:

- Electric pricing – Costs are based on past usage to establish contract price and our usage has dropped substantially due to internal efficiencies.
- Have had some difficulty with computers -seems to hang up about 5pm and takes longer to log on
- Occasional power interruptions
- Major electric problem - lost power for whole day last week 1-31-10. Utility should figure out how to recoup the $700,000 from Grede Foundries.
- Our internet could be faster- Verizon owns the T-1 line. Snowstorms slow them up because no sat signal.
- Sewer and electric costs are getting to be a problem. These factors will affect future expansions. Rates used to be a lot more competitive
- In August on hot humid days there is a strong smell from the sewage treatment plant.
- Road conditions are poor around the NUK plant (Center & Pine)
- Poorly signed 5-way intersection
- Need to work with City on truck traffic through NUK parking lot – need to coordinate with Foremost.
- WSOR closed rail to plant in Prairie du Sac which is a concern.

One company noted a positive change:

- Internet used to have problems but much better in past two years

GOVENTMENTAL AGENCIES/REULATIONS

The vast majority of companies did not have any problems with local or state governmental agencies or regulations. Only three companies made comments in this section and these are listed below:

- So many regulation - don't see how really small businesses can comply with everything- it's overwhelming.
- They(RUC) do not have a generator-if there were black outs it would be an issue in the spring-
- Feels like the City takes us for granted. No Mayor has come to tour our businesses in an official capacity since Marty Krueger.

BUSINESS CLIMATE

Looking back over the past few years, five of the respondents (25%) of the respondents felt that Reedsburg had become a better place to do business, eleven (55%) felt that things were about the same, and three (15%) felt that things had gotten worse. One business (5%) had no opinion. Comments were as follows:

- Local economy is weak
- Don't back out of promises
- Just the impact of the overall economy
- General economy
- Utility costs are going up. We like doing business in Reedsburg but it reduces our competitive edge. Also worried about storm water costs (doesn't want it to be based on water usage) and fire protection rates

- Great industrial base, banking is good, good school system
- Quality of workforce used to be better in Chicago (machinist). Quality now is much improved in Reedsburg.
- More restaurants
- fiber optic network
- We're new so we don't have a history. So far, it's been a great place to do business for me
- The Reedsburg Chamber has made positive improvements and has had more presence in the past two years.
- People are willing to work with you.
- Because of industrial expansion, Ernstmeyer & Bindl residential construction & good farm customer base

Looking to the future, four (23%) of the respondents felt that in the next few years they thought Reedsburg will become a better place to do business, ten (59%) expect that things will stay about the same, two (12%) expect things to get worse and one (6%) had no opinion. This outlook is slightly less optimistic than opinions expressed in the 2005 survey. Respondents offered a range of comments as follows:

- The economy will improve and the effort of the Chamber of Commerce and the Industrial Development Commission will bear fruit.
- Utility cost will hopefully become more favorable.
- Stay the way you are and be proud of how you support your business and community

- Things won't improve until economy picks up and jobs become more available.
- Will be two years before economy turns around
- Concern about school system- cost of labor/teacher union.

We asked respondents to give their suggestion for making Reedsburg a better place to do business. Following are the responses:

- Don't back out of promises.
- Work with local businesses
- All communication needs to be above board.

- Continue downtown development
- Need businesses downtown and on west side of town
- Concern about retail empty stores
- Bring in new businesses
- Continue the efforts of the industrial development commission and the downtown business group
- Continue to provide latest technology with utilities & internet
- Really happy to hear about curb and gutter coming to the Industrial Park on Fuhrman Drive.

- Would welcome more visits from teachers/students great learning opportunities
- Promote young people to be involved in government-aging population in local government. We need younger people on council and committees
- Encourage people to buy local. Big box stores in either side (Lake Delton Baraboo) don't help.
- We would welcome a visit from the Mayor. We haven't had an official visit since Marty Krueger was in office.

IMPORTANT ISSUES FOR LOCAL ECONOMY

We asked respondents to identify what they believed to be the five most important issues for the local economy in the next few years. There are some big changes on this list compared to the last survey. Job availability and a multitude of concerns being driven by the national recession have replaced concerns about labor force availability. Responses are grouped into the following categories: Economic Stability/Employment, Education, Community Concerns, Rising Costs, Taxes, Government, and Other Business Concerns.

Economic Stability/Employment

- Economy (2)
- National/global economy
- Getting jobs back
- Job creation
- Job retention
- Employment
- Job growth (lower unemployment)
- Financing (2)
- Access to capital
- Help for farmers to stay financially whole

- Milk/dairy prices
- Milk pricing
- Home foreclosures
- Ag-industry-changing
- Business Retention
- Business retention & Attraction
- Attract New Business (not sure what they would be Reedsburg may not be able to attract)
- Technology & fast pace of change
- Employees that are motivated to go back to work
- China

Education

- Schools
- School budget constraints
- School funding
- School & Education (find a way to maintain)
- School programs
- Workforce training
- Adult education - keeping jobs local and up grading skills
- Local training
- Skilled employees – local availability
-

Community Concerns

- Taking care of home base
- Stay local - keep residents here
- Child care (outside normal business hours, distribution center starts at 5am)
- Senior care
- Poverty
- Crime
- Community amenities
- Land development

Rising Costs

- Raw material cost
- Energy Cost (3)
- Gas prices
- Health Care Costs
- Energy costs

Taxes

- Taxes (2)
- Taxes & Budget cuts
- High state taxes

- Property taxes
- Keeping taxes down

Government
- County & city budget
- State budget
- Govt. Regulations
- Energy Legislation

Other Business Concerns
- Small business owner has a hard time keeping up with the plethora of information/opportunities
- Going green
- New competition for employees - especially maintenance people
- R.E. Market
- Stamping operation (unique to company x)

MAJOR ADVANTAGES OF DOING BUSINESS IN REEDSBURG

Respondents identified what they believe to be the major advantages of doing business in Reedsburg. Three factors stand out - the quality of life associated with a small town with great local resources and infrastructure, and a large and supportive business community, and a strong local workforce. Essentially, these are the factors that were identified in prior surveys. That they have endured over time is very significant. Following is a complete list of responses by category.

Location
- Location
- Proximity to large metros
- Central location to LE sites, Madison

Quality of Life
- Great place to live
- Good community
- Great small town
- Friendly people
- Hospital
- Great hospital
- Hospital w/specialty center
- MATC & UW Baraboo
- MATC
- Middle class is expanding
- No traffic
- Lower cost of living (2)

- Services that are here because of diverse industrial base
- Small town atmosphere
- Proud people and community
- Quality of life in a rural setting

Infrastructure
- Good Utilities
- Infrastructure
- Fiber optics- local utility

Transportation System
- Well located proximity to Interstate
- Highway
- Good transportation access - proximity to the interstate

Labor Force
- Workforce
- Good reliable workforce
- Labor force provides adequate seasonal work force
- Work Ethic of the people
- Good Workers
- Competitive labor market
- Workers who are ready to work

Business Climate
- I'm impressed with the amount of business Reedsburg has for the size town
- Don, Karna, Kurt have been great to work with
- Reedsburg is a growing community
- For a rural community there are a lot of job options
- Reedsburg has been very welcoming to businesses - very positive
- Local ag economy
- Supportive local economy
- Large industrial base
- Strong industrial base
- Close relationships with - you know everyone
- Supportive business community
- Providing good jobs to the local community

MAJOR DISADVANTAGES OF DOING BUSINESS IN REEDSBURG

We also asked respondents what they believe to be the major disadvantages of doing business in the City. As so often can happen, a community's strengths can also be its weaknesses. Doing business in a rural location in close proximity to a major

metropolitan area can be a challenge in many ways. Proximity to Baraboo, Lake Delton and Madison particularly cuts two ways. People appreciate being able to go to these communities for shopping, recreation, cultural and sporting events, higher paying jobs, and for educational opportunities. But because Reedsburg is located in these other community's trade areas for a wide variety of goods and services, it can be a challenge to develop and sustain the local market for similar products.

Disadvantages are noted as below, categorized by Location, Quality of Life, Labor Force and Business Climate. A significant addition to the list in this survey is the identification of rising utility and municipal costs. It should be noted that many municipalities and utilities in Sauk County and the state have also raised their rates.

Location

- Located in the state of WI which has no competitive advantage
- Distance from interstate
- Small town distance to some suppliers
- Proximity to a commercial airport is an issue for me as I travel nationally
- Distance from a major highway, i.e.: I39-90
- Truck travel is difficult

Quality of Life

- Public school situation
- Maintaining a strong, cutting edge school district will help attract & retain people to Reedsburg

Labor Force

- More difficult to hire professionals to a rural community. We have several employees that rent here or stay at the Quality Inn and go home to Chicago on the weekends.
- SAP operating systems people - difficult to find qualified people locally
- Fewer people to draw from the labor market – takes longer for employees to get to a business - have to entice them to come
- Fewer # of people to draw from as opposed to a major metro area

Business Climate/Cost of Doing Business

- Banking environment
- Lack of higher-end hospitality - hotels and restaurants. We bring in lots of visitors to the plant from Europe who have higher expectations. We send people to the Dells.
- Reedsburg has always sold itself as having low utility costs - not anymore
- Storm water cost also have doubled
- Too many things promised & not delivered upon
- Higher prices than at "big box" stores
- Labor cost in the US vs. China
- Health Care costs

- Rising local costs such as storm water, fire costs, and utility costs
- Retail needs improvement

DESIRED NEW BUSINESSES AND SERVICES

Respondents desire a variety of new businesses, many that look to be feasible, and some that are desirable but not very realistic given the population of the local trade area and proximity to Baraboo, Lake Delton, and Madison. Respondents were asked to list desired businesses and services related to their own businesses and to themselves and their families.

There is still a strong desire to have more retail offerings and a movie theater. Following is a complete list of responses:

Related to Business

- Cost effective car rental
- Technical training local for PLC and general maintenance - things like SS welding and electric
- More organic and goat dairy producers to supply to local cheese plants
- Would like to see other types of businesses like biotech in Reedsburg

Related to Self & Family

- More restaurants-Steaks
- Best Buy
- More shopping
- Continue to add retail offerings
- Clothing Stores
- More retail. I will pay more to shop locally
- More retail - People want to comparison shop
- Clothing(Marshalls)
- Some type of "anchor" store - Baraboo and Dells are close
-
- Would like to see Movie Theater reopen
- Movie Theater
- Theater reopened
- Would like to see Movie Theatre

- Hockey ice arena (sporting events)
- Community recreation center

- They need everything
- Thanks for generally doing it right

PARTING SHOTS

The final question that we asked respondents was "Do you have anything that you need from or would like to recommend to the City of Reedsburg

- New restaurants in last few years have been a great addition.
- Deliver on what you promise - Street was supposed to be done in 2001. Badger Cryogenics sewer line on RK Pallet's property needs to be finished graded. City maps need to be updated to show Laukant and Furhman Drive.
- Overall everything is good.
- Would be nice to have a local business council to get together to discuss issues. (Is not a member of Chamber)
- If you want to expand the industrial park look at using the airport land & consolidation the airport with Baraboo
- Why doesn't Reedsburg contact with Sauk County's emergency services?
- Keep being aggressive with small business owners. It's refreshing.

CONCLUSIONS AND RECOMMENDATIONS

The results and observations contained in this survey report should be used to inform discussions, policy decisions, work plans and marketing plans, and financial decisions of the City Council, Reedsburg Industrial and Commercial Development Commission (RICDC), local utilities, Partners in Education (PIE), the Reedsburg School District, the Sauk County Development Corporation (SCDC), Madison College, the Workforce Development Board of South Central Wisconsin, and the Reedsburg Area Chamber of Commerce. Information will be useful to assist both existing businesses and attract prospective businesses.

This survey demonstrates, as did the last survey, that Reedsburg is a progressive, growing, rural community where citizens and businesses are responsive to each other's needs. The City has grown 17% from 2000 to 2009, a rate that is well above the Sauk County growth rate of 11% and the state's growth rate of 7%.

In the four and a half years since the last Industrial Retention and Expansion Survey, Reedsburg businesses have faced some difficult challenges, especially related to the 2007 - 2009 recession. The severity of the impact was variable. Signs are encouraging though, that the business climate has stabilized and is starting to improve. Future employment looks stable or growing for most companies surveyed.

The survey revealed that respondents were slightly less optimistic about the future than in 2005, not a surprise given the recession. There has been a shift in important issues for the local economy from concern about labor force availability to job availability and other concerns related to the recession.

Of note, in spite of the recession and much lower turnover rates, some companies are still experiencing selected difficulty in hiring, especially in the skilled production and technical areas. This is a common thread that has also been identified by the Workforce Development Board of South Central Wisconsin in recent in-depth conversations with manufacturers in the region. Responding employers in Reedsburg require a wide range of technical skills, but almost all mentioned the need for good "soft" skills. Basic skills (reading, writing, computer and math), equipment maintenance and operation, and customer service were the top rated training needs reported in the survey. Stepped up training of incumbent and dislocated workers is needed to fulfill employer needs.

Regarding markets and suppliers, it was interesting to find that respondents reported that 72% of their sales are derived from a national market. Thirteen of the respondents export outside the U.S. Reedsburg is expanding its impact to an ever increasing geographic territory. Expanding trade areas are, of course, sensitive to rising transportation costs which have a negative impact on company bottom lines.

The rising cost of electric service was mentioned as a concern by several respondents. At one time, Reedsburg had a significant competitive advantage, but this has eroded. The rising cost of other utilities was also troubling to several respondents. It is important for the City and the Utility Commission to clearly communicate to their customers why rates have risen and how Reedsburg compares to other communities at this point in time.

Significantly, the City of Reedsburg, RICDC, and other governmental agencies received good marks. Some companies were frustrated about the large number of governmental regulations although this seemed to be aimed more at the state and federal level. Respondents warmly welcomed those of us conducting the survey but clearly, more visits from elected officials to learn first-hand about their employers would be welcome. Corporate visits should be a priority of elected officials to keep lines of communication open between city hall and employers who are major contributors to the tax base and employee payrolls.

Reedsburg's strengths as reported by respondents in the 2010 survey are almost identical to those reported in prior surveys – the quality of life associated with a small town with great local resources and infrastructure, a large supportive business community, and a strong local workforce. These factors are solidly entrenched and should be highlighted in any marketing efforts to retain or attract new businesses

Respondents also reported on the disadvantages of doing business in Reedsburg. They were basically related to the fact that Reedsburg is a relatively small community within the shadow of larger trade areas that emanate from Lake Delton, Baraboo/West Baraboo, and Madison. The rising cost of electric and municipal utilities was also mentioned as reported earlier. The goal of the City should be to find ways to capitalize and build on its strengths and seek ways to minimize the weaknesses for those items over which it has a measure of control.

Reedsburg Industrial Retention and Expansion Survey

January – March 2010

Participating Industries

Addison Machine Engineering
Badger Cryogenics
Cellox, LLC.
Columbia Par Car
Done Rite Pattern, Inc.
Friede & Associates, LLC
Hankscraft, Inc.
Lakeside Foods, Inc.
Lands' End
Liberty Flag & Specialty Co.
NUK
Pace Industries, Inc.
Planet Turbine
R. K. Pallet, Inc.
Reedsburg (Baraboo) Concrete
Reedsburg Hardwoods
Saputo Cheese USA Inc.
Seats Inc.
Service Line
Skinner Transfer Corporation
South Central Dairy Testing
United Cooperative
Wisconsin Metals
Wisconsin Specialty Protein
Zinga Industries, Inc.

Migration Patterns

How Migration Impacts Rural Wisconsin

WISCONSIN RURAL ECONOMIC SUMMIT

JANUARY 25, 2021

Richelle Winkler, Professor of Sociology & Demography, Michigan Technological University

Michigan Technological University

5 NONMETRO TYPES

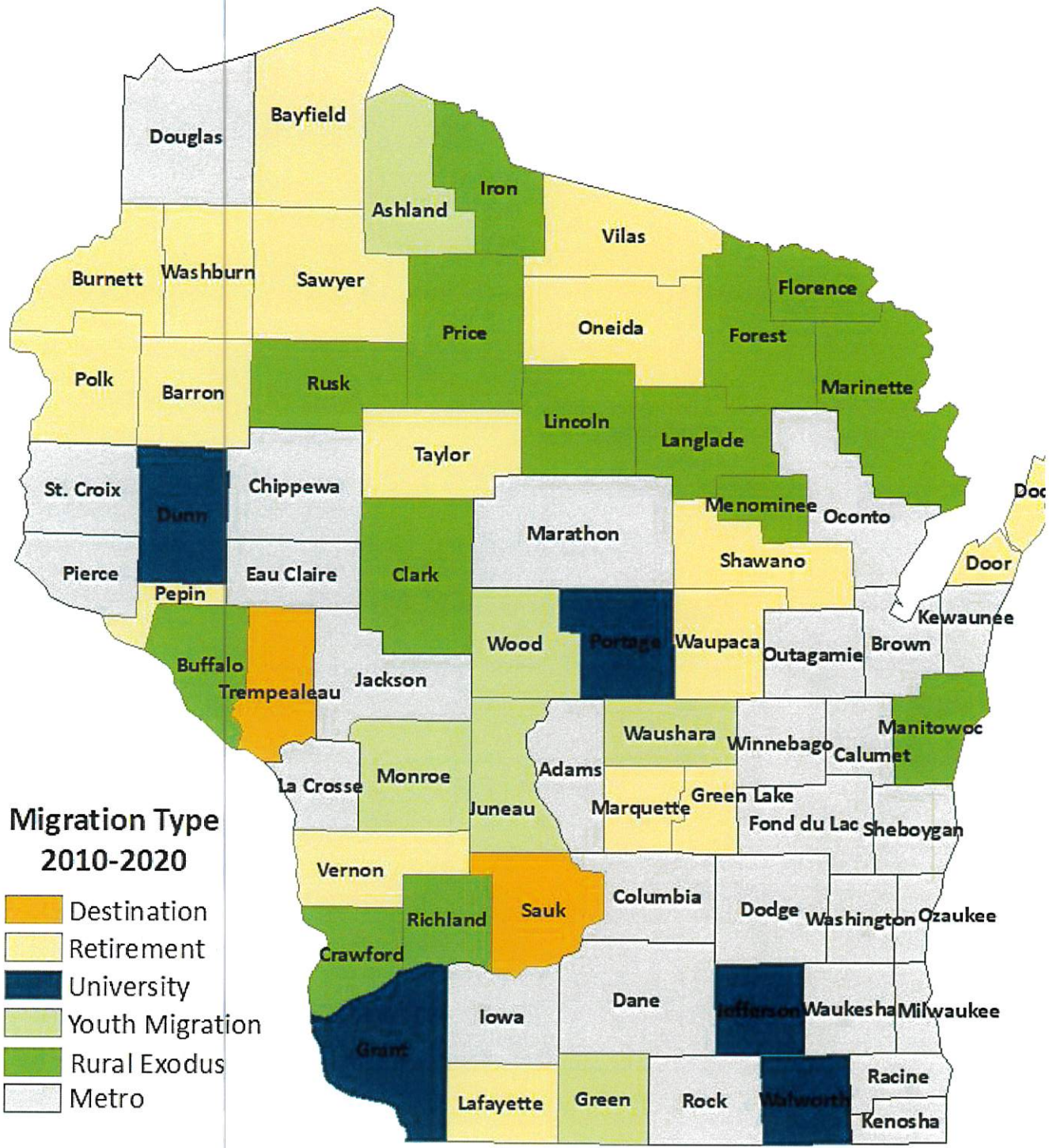
Destination: Attract family & retirement ages; don't lose many young adults.

Retirement: Attract family & retirement. Lose young adults (similar to Exodus).

University: Gain emerging adults, but they mostly leave after.

Youth Migration: Moderate loss of young adults (-19 per 100). Small gains for retirement & family.

Rural Exodus: Extreme loss of young adults (-37 per 100). Small gains for retirement & family.



Source: Smith, Winkler, and Johnson 2016. How Migration Impacts Rural America. https://w3001.apl.wisc.edu/b03_16

Post 2020: A Covid Opportunity?

- Data from Linked In shows general de-urbanization patterns
- Harris Poll (April 2020) suggests urbanites considering moves to less dense areas
- Inquiries, stories
- Home sales up across WI, from Aug 2019-Aug 2020 (WI Realtors Assoc)
  - But time on market also up, even in "hot spots" like Vilas & Oneida
- Seasonal? Temporary?

Conclusions

- Emerging adult out-migration common, and probably good thing
- Young adult out-migration common, but can be tempered
- Attracting Families (Boomerang) and/or Retirees a realistic strategy
- Diversity in the rural Wisconsin experience
- Critical Factors- Jobs matter, but…
  - Services: High-Speed Internet; Transportation; Proximity
  - Community Integration: Place attachment & civic engagement
  - Natural amenities & outdoor recreation
  - Social amenities: arts, farmers markets