

JOBS

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During an investors' call on July 29 sharing second quarter financial results, U.S. Steel officials answered two questions specific to Granite City Works posed during its Q & A session by Emily Chang of Goldman Sachs.

Chang's first question asked U.S. Steel officials to help frame the strategies behind the potential sale to SunCoke as well as the technical and capital differences between the granulated pig iron facility and the Gary Works pig iron unit that U.S. Steel will construct instead.

Rich Fruehauf, U.S. Steel Senior Vice President/Chief Strategy and Sustainability Officer, answered Chang's question. In his response, Fruehauf said, "We already produce low-cost iron ore in Minnesota for our blast furnaces. What we're working on doing here is pivoting that to be able to also be able to supply the EAFs for the reasons we've indicated.

"We're partnering with SunCoke because we think that's the best to get this project underway as quickly as possible," Fruehauf said further. "As you know, SunCoke is our coke supplier at Granite City. The basic model is just doing what we're doing today – moving iron ore from Minnesota down to Granite City – but instead of turning it into steel, we're going to turn it into granulated pig iron and reap the benefit of having that vertical integration in our EAF fleet."

Chang then asked, "To be clear, why was this decision for Granite City to be potentially sold to SunCoke instead of US Steel executing with that capital project themselves? Was it the fact that perhaps Granite City, the granulated pig iron facility, might not have met your 15 percent IRR [internal rate of return] target, or was there something else that sort of triggered that decision?"

Fruehauf responded, saying, "I think the main thing I would say is we're already in a partnership today with SunCoke for Granite City because they are the on-site coke provider. So, running

blast furnaces to make pig versus running blast furnaces to make liquid metal to get turned into steel – we're already in a partnership with SunCoke – and I think with respect to the path forward, we saw this as an opportunity to take that partnership with SunCoke to the next level. So that's really what drove this.

"We think SunCoke is going to be a great partner, a great operator for making the GPI [granulated pig iron], and this allows us to focus on our core steel-making talents and skills. With respect to this, we really see this as a win-win for both companies. Because, as I said, we'll be able to benefit from our low-cost iron ore moved through Granite City, then turned into pig. I mean, it's our iron ore that they'll be converting for us into GPI," Fruehauf said further.

Dave Burritt, U.S. Steel president and CEO, added his comments to answer Chang's second question during the call, saying, "I would say it's a win-win-win, because not only is it a win for SunCoke, and a win for US Steel, it's preserving 500 jobs that would ordinarily go away. This, I think, is the best we can do to preserve as many jobs as we possibly can and, at the same time, make sure we take care of the company and also, frankly, take care of SunCoke as well as the employees."

United Steelworkers Local 1899 President Dan Simmons has called the decision to shut down steelmaking and finishing operations at Granite City Works "a betrayal by USS of its workers and the Granite City Works community." He further offered an alternative for U.S. Steel to consider with the potential to be a win-win for the company and for Granite City workers.

"As president of Local 1899, I call upon United States Steel to invest in Granite City Works. Specifically, it should fulfill its commitment obligation per the bargaining agreement and construct the pig iron granulator at our Granite City facility; fire up the idled A-Furnace to feed that operation while

continuing to supply hot metal with the B-Furnace to retain steel production."

Granite City Mayor Mike Parkinson weighed in with his initial reaction to the announcement by U.S. Steel in a social media post. He noted, "Any announcement with US Steel has a big impact on the region. Like many elected officials, I am evaluating the impact on Granite City. Preliminary reports initially call for more investment and property taxes for us with potential long-term job impact more on the Metro-East region."

In a follow-up phone call with the IBJ on July 14, Parkinson pointed out that the loss of jobs will not affect Granite City alone, but the entire region. "There are around 350 employees at Granite City Works residing within the 62040 ZIP code, which includes Granite City, Pontoon Beach, and unincorporated areas. The total job loss could be over 1,000 employees. That means the rest of those live throughout the region."

"This is a regional issue. And it's a legitimate issue, not just a negotiating tactic," Parkinson noted further. "We plan to keep up the fight to keep the plant open, and we plan to ask SunCoke to keep a commitment to Granite City and honor the jobs here in Granite City."

Meanwhile, Madison County officials are already looking closely at how the potential job loss and closure could affect the regional workforce communities.

"We may not know everything that is happening just yet," said Madison County Chairman Kurt Prenzler, "But what we do know is this closure will be a loss for Madison County. The impact this will have on the workforce, their families and local communities will be felt throughout the Metro East."

Madison County and the state will offer services once the workers are laid off. However, Prenzler said employees can reach out now to the Madison County Employment and Training Department for help with job searching and resume

writing. And Madison County Mental Health Board Director Deborah Humphrey said that community mental health centers including Centerstone of Illinois and Chestnut Health System are ready to help with counseling, mental health, and connecting to other community resources.

Longtime local Granite City steelworker Dan Bunker was among those who first posted his reaction online following the initial IBJ story. "It will be a sad day in Granite City when the last coil rolls off the hot strip mill," he said. "When/if this deal is complete, the steel making and steel rolling operations in Granite City will be idled, aka shut down indefinitely/permanently. Close to 1,000 workers will be impacted one way or another. The entire city has been built around the plant."

Further noting that he has been employed at the plant since September 1999, Bunker said that he is a third-generation steelworker. His daughter also works there now, representing the next generation. "Four generations of steelworkers, so it's sentimental a bit," said Bunker.

In a statement to the IBJ on July 20, state Sen. Kris Tharp, D-Bethalto, shared his thoughts, saying, "Working families in the Metro East depend on good-paying, highly skilled trade jobs to provide for themselves and spur economic development throughout the region. I'm working with my colleagues to explore solutions for U.S. Steel's abrupt announcement and will remain in contact with local leaders as the situation evolves. I stand behind the United Steelworkers and support their efforts to maintain the union workforce in Granite City."

State Rep. Amy Elik, R-Fosterburg, released an official statement following the initial U.S. Steel announcement. State Rep. Katie Stuart, D-Edwardsville, and state Rep. Jay Hoffman, D-Swansea, also issued a joint official statement, and Greater St. Louis, Inc. CEO Jason Hall weighed in as well. All of their remarks can be read by visiting ibjonline.com and linking to the initial June 30 story.

VOLUNTEERS

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"It seems to be getting harder and harder to get the younger generation to either volunteer or get involved not only at Kirchenfest, but at most festivals in our area," said Hagler. "My personal thought is that the younger generation is not attending church as much as they used to.

"Times are changing and so are the views and values, which is very unfortunate. Their thought is they support the event by attending. Unfortunately, it takes more than that. We're losing a lot of the older volunteers because of either age or the fear of the pandemic. Once they're gone, I hate to say, so is the event," Hagler added.

George Obernagel is one of the event organizers with Waterloo's annual Homecoming, taking place at Monroe County's Courthouse Square on Aug. 26.

Volunteers from the Waterloo Lions Club and the VFW put together this important community event each summer, as they have for well over 30 years. Obernagel has been involved with the Waterloo Lions Club since 1989, serving as past president with them as well as with the Optimists Club, where he has been a member for over 10 years.

"We see our volunteers, our club members, who are participating but getting older. We don't see as many younger volunteers as we need, and we also don't see as many vendors wanting to be a part of our events," Obernagel said.

"I'm not sure if it's the heat of the summer, the pandemic, or something else that keeps people from volunteering, or as vendors," he added. "But it seems like Homecomings are dying."

Two event organizers that fall into the "younger" volunteer category also shared their perspectives about this growing volunteer crisis.

Michael Ward is the tourism coordinator for the City of Jerseyville. He also personally serves as president of the nonprofit that puts together Jerseyville's Downtown Country Christmas Festival each year. While that festival takes place in the colder month of November, on Small Business Saturday during Thanksgiving weekend, the work and the need for volunteers is year-round.

Ward has felt the pain of this generational volunteer drought, but also lives as a part of it.

"My family has been organizing and/or volunteering for years, since I was about the age of two," Ward said. "People want the personal benefit [of volunteering] to outweigh the time used. They want the results immediately, and for most, volunteering doesn't check that box. We also live in a digital world. Some would rather assist without the specification that they have to be personally involved."

"A lot of the volunteers that we see come back are people who, like me, grew up doing so. Or they are people with jobs that see the benefit of being involved to make that difference. Teachers, librarians, other nonprofit leaders – they are our best go-to people," Ward added. "In my experience, those people see the benefit of creating this opportunity and want to assist as well.

"Families are so busy these days, and it is hard for parents to volunteer and still make the rest all happen," Ward

said further. "In essence, the modern-day family is being pulled in so many directions by society, volunteering for the local nonprofit just isn't on their radar."

Sara McGibany, executive director of Alton Main Street, is an event organizer in the professional sense as well. Part of the "younger generation" of volunteerism, she has been organizing major events in the Alton area for well over 20 years, including the annual downtown All Wheels Drive In Car Show in June and the Alton Farmers' and Artisans' Markets throughout the summer season.

Her nonprofit board is entirely volunteer, and also like many others, she depends on a whole host of volunteers as well to make each hosted event a success. She shared both her personal and professional insight into how organizations might need to evolve to keep their events going.

"In the nonprofit world, one of the eternal tasks at hand is soliciting donations," said McGibany. "Whether an organization is seeking financial contributions or asking volunteers to give their time and talent, a line must be walked to exhibit confidence that a project has enough support to be successful while also conveying the message that assistance from the community is needed to see it through."

McGibany explained that Alton Main Street keeps its volunteers engaged by coordinating events and projects that are relevant to them, and by inviting the community to guide the process along. "To attract volunteers from the next generation, organizations need to present events which contribute to the lifestyle that younger people envision

for the city they have chosen to live in.

"Occasionally that means letting go of traditions that are no longer serving the collective vision for your community or recognizing that a certain type of event has become oversaturated in your area. Reinventing aspects of your events and adding elements where there is a surge in popularity are great ways to breathe new life into existing projects in order to reach a younger segment of the population," McGibany added.

"With each passing year, it becomes more apparent that civic organizations are playing less of a role in how people socialize, but in an increasingly digital landscape, the value of personal connections cannot be overstated. A noticeable shift is that mass emails and blanket social media posts declaring that your organization needs help are becoming much less effective. Building a team where volunteers feel an ongoing commitment to the mission while developing relationships with one another is crucial to success," McGibany said further.

"When organizers take the time to identify volunteers who are really enjoying their experience, and personally ask them to recommit in subsequent years, they will typically jump at the opportunity to make a difference. Getting to know your volunteers and learning what drives them to participate is very important. Individuals are motivated by different things."

All of this funnels down to the next generation of organizers as food for thought if not a call to action, as those last lemon shake-ups are served and the summer festival season begins to cool down.