

## 11 SURVEY RESULTS

The overall operations of the Flambeau Mine had an impact on the community for a relatively short period of time. While the reclaimed mine site is still present, the work force is not. As the City of Ladysmith, Town of Grant, and Rusk County move into the future, the physical presence of the mining site will remain. This section reviews the results of surveys sent to residents and businesses in the City of Ladysmith and Town of Grant.

### 11.1 COMMUNITY SURVEY

As part of the Socioeconomic Study, a survey of local residents in the City of Ladysmith and the Town of Grant was conducted. The purpose of the survey was to gauge the opinions of local residents and property owners as to the overall impact of the Flambeau Mining Company operations. This “impact” is intended to provide local residents, property owners, local units of government, and Kennecott Minerals with opinions relating to the mining operations and the effect on social and economic factors.

#### **Methodology**

A survey database was established using information provided by the City of Ladysmith and Rusk County. In October 2004, 100 percent of the residential addresses identified in the database were mailed a survey. This database included year-round and seasonal residences or out-of-state property owners. The survey also included a postage-paid return envelope. No follow-up surveys or contacts were initiated as part of the survey.

The survey was designed to gather information on the socioeconomic aspect of the mine. Although there were some questions relating to the environment, the survey was not designed to gauge the environmental questions associated with the Flambeau Mining Company operations, rather these environmental questions related more towards the social and economic aspects of this study.

### **Combined Ladysmith and Grant Survey Results**

A total of 1,131 surveys were distributed to property owners within the City of Ladysmith and 444 surveys were distributed to property owners within the Town of Grant. Overall response rates were 24.7 percent and 31.5 percent for the City of Ladysmith and Town of Grant, respectively. An analysis of the combined City and Town survey results is summarized below.

A greater percentage of survey respondents from the City of Ladysmith (90.2%) versus the Town of Grant (80.6%) lived in Rusk County during operations at the Flambeau Mine. Combined, 86.9 percent of all respondents lived in the County during mining operations.

If the respondent lived in the City of Ladysmith, length of residency ranged from 1 year to 88 years, while in the Town of Grant, length of residency ranged from 1 year to 81 years. The combined median number of years residing in both the City and Town is 26 years while the mean is 29.36 years.

Prior to the mine's construction phase and during mine operations, the Flambeau Mining Company engaged the public and provided financial incentives to the municipalities of Ladysmith and Grant and Rusk County. The question, "How would you rate the Flambeau Mining Company as a corporate citizen providing long-term benefits to the local economy," found the majority of responses were excellent and good. A total of nearly 73 percent responded excellent (36.3%) and good (36.5%), 13.7 percent responded fair, and 13.5 percent responded poor.

A set of questions included response categories of strongly agree, somewhat agree, somewhat disagree, and strongly disagree. Representation of the survey responses below combined strongly agree and somewhat agree to form agree, and somewhat disagree and strongly disagree to form disagree.

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A majority of the respondents (70.7%) agreed that the Flambeau Mining Company improved the well being of people in the City of Ladysmith and Town of Grant, while nearly 21 percent disagreed. Almost 9 percent did not know.

A critical component to the permitting process of the Flambeau Mine was the potential negative impact of the mine operations. Survey responses concerning the environment found 80.9 percent agreed that the Flambeau Mining Company protected the environment at the Flambeau Mine site. Just over 10 percent disagreed, while 8.6 percent did not know.

The survey statement, “Because of the Flambeau Mine, my local government is better off now than before the mine was developed,” found 58.4 percent of respondents agreed and 26.3 percent disagreed. Nearly 15.3 percent did not know if their local government was better off than before the mining operation. Of the respondents that live in the City of Ladysmith and the Town of Grant, nearly 57 percent agreed their local government is better off, 29 percent disagreed, and 14 percent did not know.

Nearly 59 percent of respondents agreed and 30.3 percent disagreed with the statement, “Because of the Flambeau Mine, long-term economic benefits in the local communities have been enhanced.” Just over 10 percent did not know.

The survey statement, “Because of the Flambeau Mine, my community is better off now than before the mine was developed,” found 64.1 percent of respondents agreed, 27.6 percent disagreed, and 8.3 percent did not know.

Seventy-two percent of respondents agreed and 18.7 percent disagreed with the statement, “The Flambeau Mining Company interacted constructively and equitably with local communities during and after the Flambeau Mine.” Slightly more than 9 percent did not know.

The survey statement, “Flambeau Mining Company improved the well-being of people in Rusk County,” found 59.8 percent of respondents agreed, 29.1 percent disagreed, and 10.7 percent did not know. Of the total persons residing in both the City and Town versus the combined survey

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sample that included non-resident responses, a higher percentage responded that the Flambeau Mining Company improved the well being of people in Rusk County. Slightly more than 64 percent (64.1%) agreed, 28.3 percent disagreed, and 7.6 percent did not know.

Fifty-three percent of respondents agreed and 27.6 percent disagreed with the statement, “The Flambeau Mining Company effectively engaged stakeholders and the local governments to allow the community to participate in the decision making process.” A high percentage responded as did not know (22.4%), most likely due to most citizens being removed from the local government process.

The statement, “Were you concerned about the impact to the environment prior to or during mine construction,” found 67.2 percent of respondents agreed while 32.8 percent disagreed. Seventy-two percent responded “Yes” and 27.9 percent responded “No” to the question, “If concerned, did the mining company adequately address your concerns?”

During the permitting phase and throughout the operations of the Flambeau Mine, the Flambeau Mining Company made certain promises to the people of Rusk County. Following are the questions and responses on that subject:

- The question, “Did the Flambeau Mining Company keep their promise to protect the environment,” found 88.7 percent of respondents felt Flambeau Mining Company kept its promise and 11.3 percent felt the Flambeau Mining Company did not keep its promise.
- The question, “Did the Flambeau Mining Company keep their promise to provide economic benefits,” found 77.3 percent of respondents felt Flambeau Mining Company kept its promise and 22.7 percent felt Flambeau Mining Company did not keep its promise.
- The question, “Did the Flambeau Mining Company keep their promise to reclaim the Mine site,” found 93.0 percent felt Flambeau Mining Company had kept its promise and 7.0 percent felt Flambeau Mining Company did not keep its promise.

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The survey question, “If another ore deposit were found in the vicinity of your community, would you welcome Flambeau Mining Company back to mine it,” found 75.2 percent of respondents answering “Yes” and 24.8 percent answering “No.”

During mine construction and operations, the Flambeau Mining Company provided roughly \$11.4 million to the City, Town, and County in either direct payments or through the Mining Investment and Local Impact Fund. The question, “How much in total do you think local governments (Grant, Ladysmith, and Rusk County) received in mining taxes and proceeds from the Flambeau Mining Company while in operation,” found the following responses:

- 29.7 percent: \$1,000,000-\$4,999,999
- 17.2 percent: \$500,000-\$999,999
- 15.4 percent: \$100,000-\$499,999
- 11.0 percent: \$5,000,000-\$9,999,999
- 9.1 percent: \$10,000,000-\$14,999,999
- 7.3 percent: less than \$100,000
- 5.5 percent: more than \$20,000,000
- 4.8 percent: \$15,000,000-\$20,000,000

The survey statement, “Have you used the recreational trails constructed on the reclaimed site of the Flambeau Mine,” found 31.1 percent had used the trails while 68.9 percent had not used the trails.

Less than 1 percent (0.5%) of the respondents were under the age of 25 and 2 percent were between the ages of 25-34. The 35-44 age group had a response rate of 13.8 percent. The age group, 45-54, had the highest response rate at 26.1 percent, while the 55-64 age group had the second highest response rate at 22.9 percent. The 65-74 age group had a response rate of 19.2 percent, while the 75 and older age group had a response rate of 15.5 percent.

One and two person households made up nearly 70 percent (69.5%) of the total survey respondents. While 12.4 percent of the respondents are three person households, the remainder of households (18.1%) is four persons or more.

In summary, the general conclusion of the survey is positive regarding the attitude towards the Flambeau Mining Company, its operations at the mine site, and involvement in the participating communities. A majority of survey respondents (70.7%) stated the Flambeau Mining Company improved the well-being of people in the both the City of Ladysmith and the Town of Grant. On the other hand, a similarly worded question regarding the well-being of people in Rusk County found only 59.8 percent of survey respondents stating that the Flambeau Mining Company improved the well-being of people in Rusk County.

### **11.2 BUSINESS AND COMMERCE SURVEY**

During the planning and permitting phase of the Flambeau Mine, local citizens and representatives were concerned about the boom–bust cycle in employment that may result from the hiring of employees and potential spin-off of new businesses. In an attempt to assess the impact of the mine to local businesses, a survey was distributed to businesses located in the City of Ladysmith and Town of Grant.

#### **Methodology**

A survey database was established using information provided by the City of Ladysmith and Rusk County. In November 2004, 100 percent of the businesses identified in the database were mailed a survey. The survey also included a postage-paid return envelope. No follow-up surveys or contacts were initiated as part of the survey.

#### **Combined Ladysmith and Grant Business Survey Results**

A total of 19 surveys were distributed to property owners within the Town of Grant and 245 were distributed to owners in the City of Ladysmith. Overall, a total of 95 responses (6 from the

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Town of Grant and 89 from the City of Ladysmith) were returned, resulting in an overall response rate of 36 percent.

Eighty-seven percent of survey respondents answered 'Yes' and 13 percent answered "No" to the question, "Was your business in existence during the operation of the Flambeau Mine between 1991 and 1998."

To the survey question, "Were you expecting to get any business from the operations at the Flambeau Mine," 44.9 percent responded "Yes" and 55.1 percent responded "No."

To the survey question, "Did the Flambeau Mining Company or its contractors or subcontractors purchase goods and materials from your business," 44.3 percent of respondents answered "Yes" and 55.7 percent responded "No."

The statement, "Overall, did the presence of the Flambeau Mine benefit your business," found 12.5 percent of respondents had significant benefit, 53.5 percent had somewhat of a benefit, 30.0 percent not at all and 5 percent did not know.

The question, "Did your business hire additional employees as a direct result of the presence of the Flambeau Mine," found 6.3 percent (5 businesses) hired additional employees. The businesses ranged in type by excavation (sand/gravel), petroleum marketer, property rentals, real estate, and retail electronics.

Seven businesses (9.1%) responded "Yes" to the question, "Since the Flambeau Mining Company completed its reclamation project (1998), has your company had to permanently reduce its employee size." Reasons provided as to why the businesses reduced employee size included: two businesses permanently reduced their size due to the Flambeau Mine ceasing operations, two businesses because of the September 2002 tornado, one business due to regional or national economics, and four for other reasons. Under the "other" response, only two respondents identified the reason, which included automation and trade with other countries.

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From the survey, the question, “Approximately how many FTE employees (including yourself) did your business have in November 1997,” found a majority of businesses (53.8%) had 1-5 employees, 14.1 percent had 6-10 employees, 9 percent had 11-15 employees, 3.8 percent had 16-20 employees, and 19.2 percent had 21 or more employees. A total of 78 businesses responded to the question.

The survey question, “Approximately how many FTE employees (including yourself) did your business have in November 2004,” found that 55.1 percent of businesses had 1-5 employees, 19.1 percent had 6-10 employees, 4.5 percent had 11-15 employees, 5.6 percent had 16-20 employees, and 15.7 percent had 21 or more employees. A total of 89 businesses responded to the question.

In summary, nearly half the survey respondents had expected to get business from the Flambeau Mining Company and nearly half reported they did get business. Some companies that had expected to get some sales did not get any, and some that did not expect to get any sales did get some business. Due to the nature of the mine operations, not all local services could meet the needs of the mining operation resulting in some outside services and purchases.

Of the businesses that had to permanently reduce their workforce, only two identified that one of the reasons was the Flambeau Mine ceasing operations. One of those businesses also listed the 2002 tornado and regional or national economics as reasons for having to reduce staff.