# Range Association of Municipalities & SchoolsBoard Meeting Minutes

# Thursday, January 25, 2018 – 6:00 P.M.

# Northeast Service Cooperative Building

President Kess called the meeting to order at 6:00 P.M.

**Roll Call of Board:**

Present: Paul Kess (City of Ely); Dennis Zinter (McDavitt Township); Ben Hawkins (ISD 318-Grand Rapids); Gregg Allen (Supts Assn); Glenn Anderson (City of Babbitt); Charlie Baribeau (City of Virginia); Bob Berrini (Morse Township); Dale Christy (City of Grand Rapids); Barb Kalmi (ISD 319-Nashwauk/Keewatin); Dave Lislegard (City of Aurora); Ray Marsnik (ISD 696-Ely); Kim McLaughlin (ISD 701-Hibbing); David Zins (City of Hoyt Lakes); David Pace (Supts Assn); Carlene Perfetto (City of Silver Bay); Stacey Sundquist (ISD 706-Virginia); Warren Stolp (Nashwauk Township); Jim Varda (City of Chisholm); Cyndi Worshek (ISD 2711-Mesabi East)

Absent: City of Hibbing; City of Buhl; Great Scott Township; City of Mt. Iron; ISD 695 Chisholm

Also Present: Jennifer Sterbenz, Robb Bigelow, Todd Roth, Ben DeNucci

**Review and Approve Agenda (action)**Moved by Lislegard and supported by Worshek to approve the agenda, as presented. Motion carried.

**Approve Meeting Minutes:**

Moved by Anderson and supported by Hawkins to approve the minutes from the following meetings:

* Regular Meeting held December 28, 2017.
* Annual Meeting held January 10, 2018.

Motion carried.

**Appearance:**

1. Robb Bigelow and Todd Roth, ERP Iron Ore LLC

Director Giorgi introduced Robb Bigelow and Todd Roth from ERP Iron Ore LLC. ERP stands for Earth Restoration Project, which takes coal mines that are in bankruptcy and restores the forest area to offset carbon credits.

ERP Iron Ore LLC picked up the Magnetation assets on January 30, 2017, and Robb Bigelow and Todd Roth were hired to prepare a start up plan. Magnetation was in bankruptcy proceedings. Both Todd Roth and Robb Bigelow previously worked at the Magnetation and started working for Tom Clarke about one year ago. It was determined that Magnetation had major issues with air quality at their Indiana plant. There is a cost of $15-20 million to fix the issues and bring the plant into compliance.

ERP was involved in obtaining the former Essar plant in Nashwauk the first week of April, 2017. Tom Clarke, owner, has brought several projects out of bankruptcy and has already taken care of the mechanics liens and paid over $46 million for debts at the Nashwauk site. There are still some mechanic liens at the Magnetation site, which will be paid on a royalty basis once Plant 4 is up and running.

Regarding the former Essar plant, it is not their intention to have any other mines go down, as their ore will not complete with other mines ore. There is a market for the DR grade pellet, which the ore body in Nashwauk supports. They will be targeting new markets. They have met with representatives from Japan, who feel it may be more cost effective to use pellets from here.

They will be in a good position to start construction soon. They anticipate $1 million in active construction per month now. The pellet plant is gradually being built, keeping air permits in place. By end of next summer, the outside work should be done and they can begin work inside in 2019. People will be hired. Kewitt is EPC (engineering procurement and construction) contractor to verify completion of buildings and cost estimates. Local contractors will have preference.

Today, they announced an agreement with USW that will allow USW access to employees at the mine site to determine if they wish to organize or not.

Robb and Todd thanked RAMS for their support of both plants.

**Director’s Report:**

Director Giorgi provided an update on his activities for the month of January:

* Prior to the annual meeting on January 10th, the Iron Range Mayors met with Governor Dayton at the IRRRB. Mayor Skelton led the discussion on Hoyt Lake’s aging wastewater treatment facility and the excessive cost of $8 million to meet the mercury standards. An additional $10 million would be required for the reverse osmosis process. Hoyt Lakes also needs to renovate their ice arena, estimated at $1.5 million. Other Mayors echoed sentiments with overbearing MPCA regulations. MPCA Commissioner Stine was also present at the meeting and noted the MPCA has not enforced the chloride standard that was enacted in 1975. Gary Cerkvenik was also present at the meeting and thanked Governor Dayton for everything he has done to support the Iron Range communities.
* The RAMS Annual Meeting was held on January 10th with 133 people attending. Governor Dayton, Senator Bakk and Senator Tomassoni spoke at the meeting and video greetings were provided by Senator Klobuchar and Representative Nolan.
* On January 17th, ten Iron Range Mayors met with Duluth Mayor Emily Larson. Discussion was held on the additional sales tax for Duluth, which was passed for street repairs. The League of Minnesota Cities may introduce legislation to allow local referendums to approve a sales tax increase, without requiring approval from the State legislature. RAMS would support the legislation, if it is introduced. The State will have a tax bill in 2018 because of the Federal Tax Reform.
* On January 24th, the MPCA held a public hearing on the proposed denial of US Steel’s Minntac Plant’s application for a water quality permit variance for their tailings basin. US Steel is requesting a 20 year variance and would continue to monitor the water in the tailings basin. RAMS will send a letter opposing the unfair process to make the decision on the variance and request the MPCA to withdraw its preliminary decision until the public is provided with a full explanation.

**New Business:**

1. Introductions of newly elected members.

President Kess introduce the new members that were elected at the RAMS Annual Meeting:

Two year terms (January 1, 2018-December 31, 2019):

*Dave Lislegard, City of Aurora; Jim Varda, City of Chisholm; Barb Kalmi, ISD 319-Nashwauk/Keewatin*

One year term (January 1, 2018-December 31, 2018):

*Cyndi Worshek, ISD 2711-Mesabi East.*

b. Nominations & Election of Executive Officers.

Director Giorgi reviewed the election process for the Executive Officers. It was noted that Paul Kess has held the President position for two consecutive years, which is the maximum allowed in the RAMS By-Laws

1. President

Glenn Anderson nominated Dave Lislegard for the President position for the year 2018. There were no further nominations. Dave Lislegard accepted the position of President for the year 2018.

**Moved by Worshek and supported by Perfetto to elect Dave Lislegard as President for the year 2018. Motion carried.**

1. Vice President

Dave Lislegard nominated Charlie Baribeau for the Vice President position for the year 2018. There were no further nominations. Charlie Baribeau accepted the position of Vice President for the year 2018.

**Moved by Christy and supported by Zins to elect Charlie Baribeau as Vice President for the year 2018. Motion carried.**

1. Secretary/Treasurer

Warren Stolp nominated Pat Medure for Secretary/Treasurer position for the year 2018. There were no further nominations. Pat Medure was absent from the meeting.

**Moved by Stolp and supported by Worshek to elect Pat Medure as Secretary/Treasurer for the year 2018. Motion carried.**

c. Committee Opportunities.

Director Giorgi reviewed the committees and suggested that the members volunteer for a committee prior to the February Board Meeting. If there are no volunteers, the President will make the appointments.

**Legislative Policy Committee**

This committee helps formulate legislative priorities by meeting with the lobbyist and reviewing priorities from the RAMS membership. They also meeting during the legislative session to make decisions that arise.

**IRRRB Constitution & By-Laws Committee**

This committee could meld with the Taconite Production Tax Formula Committee. Discussions will continue with the IRRRB Commissioner to protect the DJJ Fund. Director Giorgi stated the IRRRB passed a resolution in 2014 to allow them to transfer money from the DJJ Fund to a Trust. A Trust was established with three trustees. At a recent IRRRB meeting, the resolution adopted in 2014 was rescinded.

**Finance Committee**

Director Giorgi stated the Finance Committee should be appointed at today’s meeting and noted the President and Secretary/Treasurer serve on this committee. Charlie Baribeau and Cyndi Worshek volunteered to serve on the Finance Committee. It was agreed to expand the Finance Committee to four members, as follows: Dave Lislegard, Pat Medure, Charlie Baribeau, Cyndi Worshek.

**Personnel Committee**

**Taconite Production Tax Formula Committee**

**Organizing Committee**

This committee will recruit potential new members and attend various city and town meetings to share the RAMS mission

1. Letter on Foreign Steel Imports (Section 232).

Director Giorgi stated the Range Mayors sent a letter to President Trump requesting the implementation of a broad based plan to limit steel imports, in order to preserve our domestic iron ore and steel industries and the US manufacturing base. Director Giorgi stated it would be appropriate for RAMS to send a similar letter.

**Moved by Lislegard and supported by Sundquist to send a letter to President Trump on foreign steel imports. Motion carried.**

1. Resolution on PolyMet Permit to Mine.

Director Giorgi reviewed a draft resolution declaring RAMS support for the Permit to Mine for PolyMet mining project.

**Moved by Anderson and supported by Christy to adopt Resolution No. 2018-001, declaring support for the Permit to Mine for PolyMet. Resolution adopted unanimously. Copies will be sent to the MPCA, DNR and media.**

**Board Member Updates:**

Ben Hawkins stated the Grand Rapids School Board approved the documents to move ahead with a referendum to build two new elementary schools to replace existing four buildings in Grand Rapids and Cohasset, at an estimated cost of $68.1 million. The project also includes improvements to athletic facilities. The IRRRB approved a $4.7 million grant, if the ballot question is passed. The cost to a homeowner is estimated at $100 per year for a house valued at $150,000.

Charlie Baribeau stated the City of Virginia will be discontinuing approximately 1,500 residential homes from the steam district over a five year period. Some businesses will also be affected by the steam disconnection.

**Finance Committee Report:**

Charlie Baribeau reviewed the finance reports, as follows:

1. Expenditures.

**Moved by Perfetto and supported by Varda to approve expenditures, at a total cost of $7,920.79 for the period December 30, 2017-January 24, 2018. Motion carried.**

b. Profit & Loss Budget vs Actual as of January 24, 2018.
c. Balance Sheet as of January 24, 2018.

**Moved by Zins and supported by Perfetto to approve the balance sheet. Motion carried**

**Other:**

 Director Giorgi reported on the following items:

* There are three new corporate members: US Steel, Cleveland Cliffs and Northeast Technical Service.
* Logos will be obtained from the corporate sponsors, so they can be included on the RAMS banner.
* DNR and MPCA will hold a public comment meeting on the PolyMet Mining Project:

 February 7, 2018- 6-9 PM, Mesabi East High School

 February 8, 2018-6-9 PM, DECC

Jobs for Minnesotans will hold a rally at 4:30 PM on February 8th, prior to the hearing at the DECC.

The Hibbing and Laurentian Chamber of Commerce are arranging buses for the hearings.

* Jobs for Minnesotans, Mining Minnesota and RAMS sent a letter to the US Department of the Interior and US department of Agriculture on the land withdrawal issue and asking them to reconsider their decision. Nancy Norr is coordinating a meeting in Washington, DC with these two agencies. News was received today that there is a movement to stop the two year study and move to an environmental assessment on the previous minerals.
* Legislative sessions begins on February 20th. RAMS is setting up a meeting with legislators on February 26th in St. Paul for twenty people.
* Information from CreativeMN was reviewed on the impact of arts and culture in Itasca, Lake and St. Louis Counties. Paul Kess was thanked for serving as the RAMS President for the past two years.

**Next Meeting:**

**The next RAMS Board Meeting will be held at 6:00 P.M. on Thursday, February 22, 2018.**

**Adjournment:**

**Meeting adjourned at 7:50 PM**