# Range Association of Municipalities & SchoolsBoard Meeting MinutesThursday, October 22, 2020 – 6:00 P.M.Northeast Service Cooperative Building

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

**Roll Call of Board:**

Present: **Pat Medure (ISD 318-Grand Rapids); Charlie Baribeau (City of Virginia);** Cyndi Worshek (ISD 2711-Mesabi East); Richard Aldrich (Supt Assn); Greg Allen-Supts Assn; **Glenn Anderson (City of Babbitt);** Bob Berrini (Morse Township); Dale Christy (City of Grand Rapids); Jim Fisher (McDavitt Township); Shane Hoff (City of Silver Bay); Jennifer Saccoman-Hoffman (City of Hibbing); **Barb Kalmi (ISD 319-Nashwauk/Keewatin); Stu Lehman (City of Buhl);** **Deb Pelkey (Great Scott Township);** Kim McLaughlin (ISD 701-Hibbing); **Ron Pittman (Cherry Township); Cal Saari (City of Nashwauk)**; Alan Stanaway (City of Mt. Iron); **Stacey Sundquist (ISD 706-Virginia);** Warren Stolp (Nashwauk Township); Dave Worshek (City of Aurora); David Zins (City of Hoyt Lakes)

Absent: City of Chisholm; City of Ely

Also Present: **Steve Giorgi, Executive Director;** Costin Group-Jeff Anderson, Gary Cerkvenik; Mark Phillips, Commissioner, IRRRB

 **(Persons highlighted were present in person; others were via Zoom.)**

**Appearance:**

 Mark Phillips, Commissioner, Iron Range Resources and Rehabilitation, was present via Zoom to give an update on the agenda since March, 2020. The agency was in preparation to work from home because of a major HVAC project during summer. When pandemic hit, the employees were already working from home and it had been working well. The Agency was able to deliver every program remotely. The agency worked hard to have the mines, mining industry vendors and wood products industries in Northeast Minnesota listed on the Governor’s executive order deeming them essential industries during the pandemic. We are much better prepared compared to 2015, when a number of taconite industries were down and created major financial ramifications.

As far the agency budget, all grant programs for communities and most of business programs carried forward enough money for the next budget cycle. The agency will not have to pay out taconite economic development funds. If Keetac continues their shutdown beyond a two year period, then there will be concern about maintaining the levels of funding. Mr. Phillips has been talking to Governor Walz’s staff about the mining situation, as the agency’s revenue source comes from mining.

Mr. Phillips stated they have developed programs to assist the businesses:

* Taconite Area Business Relief Loan Program ($5 million). The agency is working with the partners at the Entrepreneur Fund. These loans are available to any businesses, with a limit of $40,000 or three months of operations, whichever is higher. To date, 58 loans have been given out, for a total of $2.1 million.
* Taconite Area Community Relief Loan Program ($2 million). Twelve community grants have been funded on a competitive basis, ranging from $60,000 to $400,000. These loans require a community match. The communities develop their own programs for their local businesses. Additional action may be taken in the future, as there are still a lot of businesses that are suffering because they cannot operate fully.
* The Agency also kept all other loans programs for businesses and they have been busy with that. On a positive note, the economy hasn’t totally shut down on the Iron Range.

The IRRR has maintained a board schedule similar to the past. A meeting is held in the fall, end of the year and spring. A board meeting was held on October 6th, where eleven infrastructure grants were approved. The applications were limited to those that would have a fall bid award, with the work taking place in the winter. They also approved two trail grants at that meeting. Another board meeting will be held in December or January to consider grant projects for spring construction.

It was a great year at Giants Ridge. The year exceeded all expectations, due to the mountain bike trails and a fantastic golf year. The chair lift was in operation for the mountain biking and site seeing. The chalet will be limited to dining, which will create a challenge. A number of warming buildings will be opened to meet social distancing requirements.

The budget for broadband grants will remain at $2.5 million. Mr. Phillips was confident there will be a lot more broadband providers, compared to the past.

Mr. Philips has encouraged the Walz administration to reestablish the mining sub-cabinet, which would meet regularly. No action on that request is expected until after the election.

Director Giorgi stated he will continue to work with the IRRR on legislative proposals.

**Review and Approve Agenda:**

 President Medure stated two items will be added under New Business:

* Amended 2020 labor agreement with Steve Giorgi, Executive Director.
* Amended 2020 labor agreement with Lois Roskoski, Administrative Assistant.

Moved by Fisher and supported by Pittman to approve the agenda, with the two additions under New Business. Motion carried.

**Approve Meeting Minutes:**

Moved by Kalmi and supported by Pittman to approve the minutes from the Regular Meeting held September 24, 2020. Motion carried.

**Director’s Report:**

 Director Giorgi provided a written report on his activities during October, 2020. No additional comments were made.

**Old Business:**

1. Update on State employee survey.

 Director Giorgi stated a complete list of State agencies and departments was developed with information provided by the Costin Group. Director Giorgi suggested that the RAMS membership review the list and follow up on the legislative discussions in 2021, when the State will be making reductions to the 2021 budget, due to the deficit.

b. PolyMet update – Supreme Court hearing was October 13

Director Giorgi stated the Supreme Court held a hearing via Zoom on October 13. Justices received a 1,400 page document. This was challenged by the litigants, as new information was presented after the DNR made the decision to issue the permit to mine. It was made clear that the decision will be made on facts that were submitted by the deadline. The DNR presented a strong case and a determination is generally made within 60 days. They will draft an opinion. If there is any opposition, they will write an opposing opinion, which would be reconsidered in the final issuance. An opinion is not expected until probably February, 2021.

**New Business:**

1. Legislative report

 Jeff Anderson, Costin Group, provided an update on the recent legislative session:

* A capital investment bill just over $62 million was passed. It also included major tax changes and supplemental spending for the current tax year.
* A $1.87 billion bonding bill was also approved, which was the largest bonding bill in history. Mr. Anderson expressed his gratitude to the Range Delegation for their work on behalf of Northeastern Minnesota to help move the projects forward. A copy of the projects funded was emailed to the RAMS membership. Overall, legislation included $1.36 billion in general obligation bonding, $300 million in trunk highway bonds, $147 million in appropriation bonds, $15 million in user financed GO bonds, $40 million in capital projects financed by general obligation, totaling $1.87 billion bill.
* $7.5 million in a supplemental budget for the Department of Corrections was approved for employee compensation costs and continuing operation of the Challenge Incarceration Program in Willow River and Togo through June 30, 2021.
* Other spending approved:
* Public Facilities Authority, State match for clean water revolving fund, $25 million.
* PFA Water Infrastructure Funding Program for wastewater and drinking water-projects, $56 million.
* PFA Point Source Implementation Grants, $44 million.
* A bill was passed that included full conformity on Section 179 beginning in 2020 and retroactive to 2018, which is important to the agricultural community.

 With the passage of bonding bill, Jeff Anderson stated the Costin Group will continue to monitor the Environmental Finance Bill, which contains LCCMR financing. There is a major disagreement between parties on that bill, which includes funding for a host of projects in Northeastern Minnesota. That bill will probably be acted on in January, 2021.

 Gary Cerkvenik, Costin Group, also gave a report on the legislative session and noted the initial report for the next legislative session projected a $4.8 billion deficit for the next biennium. Recent report shows sales and income taxes were up, which would reduce the projected deficit by half a billion dollars. He is hoping the economic conditions will continue to help the State balance the budget. It has become clear the Covid virus is having a severe impact on the economy. The extra $600 per week in unemployment benefits was also a huge shot for the economy. RAMS has been working with the IRRR on putting a list of projects together, in case there is a major infrastructure package. Gary Cerkvenik also provided an assessment on the election.

1. RAMS Election Committee Report

 Director Giorgi stated the Election Committee met and developed a time frame and process to send out the nominations and ballots for the RAMS Board election. Twelve RAMS Board member seats will expire on 12/31/20. Other RAMS Board members are running for reelection in their entities, so we will hold off on sending out the nomination forms until after the November 3rd election.

November 4, 2020 Nomination forms will be emailed to the RAMS members, per the contact person on file at the RAMS office. Members will be asked to provide a specific address and contact name to mail the official ballot. The email will be copied to the RAMs Board and Alternates, so they are aware who the nomination form was mailed to.

December 1, 2020 Nomination forms are due at the RAMS office by email.

December 4, 2020 Ballots will be mailed to the address specified on the nomination form. Language will be included on the official ballot stating the member must vote for the number of vacancies that are open. If not, the ballot will be considered spoiled.

A return envelope will be provided to return the ballot to the RAMS office. Ballots will be due one month after mailing them. Volunteers will be asked to be part of the Election Committee to monitor counting of ballots.

c. President Medure reviewed the Executive/Finance Committee Report for the meeting held on October 14, 2020:

 1. Performance Review – Executive Director.

The committee considered four areas as part of the evaluation: Issue Management, Financial Management, External Communication and Internal Communication. The Executive/Finance Committee determined that Steve Giorgi has met or exceeded expectations as Director of RAMS and recommended extending the contract for the year 2021.

Moved by Fisher and supported by Kalmi to accept the performance review for Steve Giorgi as Executive Director. Motion carried.

 2. New Labor agreement for Executive Director.

President Medure noted that both Steve Giorgi and Lois Roskoski did not want a salary increase for 2021. The agreement included new language to clarify the pay out of Paid Time Off upon separation.

Moved by Sundquist and supported by Lehman to approve the labor agreement with Steve Giorgi as the RAMS Executive Director for the period January 1, 2021 to December 31, 2021. Motion carried.

1. New labor agreement for Administrative Assistant.

New language was included to clarify the pay out of Paid Time Off upon separation, and to increase the PTO days from 15 days to 18 days. Director Giorgi reviewed the good evaluation for Lois Roskoski for 2020.

Moved by Pittman and supported by Sundquist to approve the labor agreement with Lois Roskoski as the RAMS Administrative Assistant for the period January 1, 2021 to December 31, 2021. Motion carried.

1. 2021 Budget proposal.

Director Giorgi reviewed the proposed 2021 budget and noted the $11,000 decrease in taconite aid in 2021. The 2021 budget projects a $5,100 deficit, which would come from reserves, if necessary. The lobbyist account and website account were the only ones with increased expenditures. Director Giorgi stated the 2020 budget is projected to have a $7,000 surplus at year end, due to the Covid virus.

Moved by Kalmi and supported by Lehman to approve the proposed 2021 budget, as presented. Motion carried.

1. Revised Labor Agreement with Steve Giorgi for year 2020.

President Medure stated the Executive/Finance Committee is recommending a one-time payment to Steve Giorgi for $1,000 for 2020, which would not be included in his base salary.

Moved by Baribeau and supported by Saari to amend the 2020 Labor Agreement with Steve Giorgi by adding a one-time payment of $1,000. Motion carried.

1. Revised Labor Agreement with Lois Roskoski for year 2020.

President Medure stated the Executive/Finance Committee is recommending a one-time payment to Lois Roskoski for $500 for 2020, which would not be included in her base salary.

Moved by Baribeau and supported by Pittman to amend the 2020 labor agreement with Lois Roskoski by adding a one- time payment of $500. Motion carried.

**Board Member Updates:**

Al Stanaway provided a report on the City of Mt Iron:

The Mt. Iron Drive street project and water tower project were completed. Concerns have been expressed regarding the closing of the 13th Street/Mt. Iron Drive crossing at Highway 53, but it was noted that it is because of MN DOT project. Most things are at a standstill due to the Covid virus.

Bob Berrini provided a report on the Town of Morse:

A few road were blacktopped. House are selling quickly. The lodging tax was down 12.3 percent, even though camping outfitting businesses had a lot of customers. The new ATV trail $1.2 million project created a lot of problems, due to land issues and easements. The Mesabi Bike Trail is four miles short of Ely, but should be completed next year. The broadband project is moving forward with a new tower installed on the Ely water tank. The Town of Morse received a grant which will cover the installation of four new towers, with an additional 30 foot tower installed next year.

**Finance Committee Report:**

Cyndi Worshek reported on the Finance Committee Meeting held October 22, 2020:

Moved by Lehman and supported by Pittman to approve the Expenditures for the period September 24-October 21, 2020, in the amount of $14,437.53. Motion carried.

Moved by Saari and supported by Zins to approve the Profit & Loss Budget vs Actual Report as of October 21, 2020. Motion carried.

Moved by Sundquist and supported by Lehman to approve the Balance Sheet as of October 21, 2020, with a balance of $368,470.18. Motion carried.

**Other:**

Barb Kalmi and Ron Pittman thanked Steve Giorgi and Lois Roskoski for the position they took on no salary increase in 2021 and expressed appreciation for the work they do.

**Next Meeting:**

Moved by Fisher and supported by Pittman to hold one board meeting for November and December at 6:00 PM on Thursday, December 10, 2020. Motion carried. The RAMS Finance Committee will meet in November and December, with the dates to be determined.

**Adjournment:**

 Meeting adjourned at 7:30 PM.