# Range Association of Municipalities & SchoolsBoard Meeting MinutesThursday, October 24, 2019 – 6:00 P.M.Northeast Service Cooperative

**Call to Order**

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); Glenn Anderson (City of Babbitt); Bob Berrini (Morse Township); Dale Christy (City of Grand Rapids); Jim Fisher (McDavitt Township); Jennifer Hoffman-Saccoman (City of Hibbing); Barb Kalmi (ISD 319-Nashwauk/Keewatin); Paul Kess (City of Ely); Deb Pelkey (Great Scott Township); Ray Marsnik (ISD 696-Ely); Kim McLaughlin (ISD 701-Hibbing); Ron Pittman (Cherry Township); Cal Saari (City of Nashwauk); Al Stanaway (City of Mt Iron); Stacey Sundquist (ISD 706- Virginia); Dave Worshek (City of Aurora)

Absent: ISD 2711-Mesabi East; 2-Superintendent’s Association; City of Buhl; City of Silver Bay; Nashwauk Township; City of Chisholm

Also Present: Steve Giorgi, Executive Director; Lois Roskoski, Administrative Assistant

**Review and Approve Agenda**

Moved by Fisher and supported by Anderson to approve the agenda, with the addition of Item I, under New Business - Letter to Senators Smith and Klobuchar regarding the proposed legislation for a two year moratorium on mining. Motion carried.

**Approve Meeting Minutes**

Moved by Kalmi and supported by Christy to approve the minutes of the Regular Meeting held September 26, 2019. Motion carried.

**Appearance**

Paul Brinkman, Director, Northeast Service Cooperative, was present and expressed gratitude to the RAMS Board to have Steve Giorgi working alongside of the NESC. Mr. Brinkman gave an overview of the Northeast Service Cooperative, as follows:

* Mission of the NESC is to support communities with education, health care, technology.
* NESC was formed in State Statute in 1976 and is one of nine statewide cooperatives.
* Membership in the NESC includes 32 school districts and 71 City/County/Other Government Units.
* 28 staff are currently employed at the NESC.
* Operating income - $8.5 million.
* Elected school officials have to be majority of the NESC Board of Directors.
* NESC has several affiliations/memberships, including RAMS.
* Services provided: Career & Technical Education; Cooperative Purchasing; Environmental Health & Safety; Fiscal Hosting (EIP, NEAT); Group Health Insurance; Knowledge Bowl; Online Learning; Regional Centers of Excellence; Spelling Bee; Telecommunications & Technology; Wellness Initiatives.
* **Technology Services Broadband Connectivity:** NESC owns the public network. The Middle-mile optical fiber is the backbone. The NESC was awarded a $43.5 Million grant in 2011 (50% grant, 50% loan). The project includes seven counties and covers 1,148 miles, with 394 sites.
* **Health Insurance Services:** The NESC manages a self-insured health insurance pool (Blue Cross /Blue Shield carrier). Currently, the school pool includes 19 groups, with $29 million in annual premiums. The City/County/Other Governmental pool includes 39 groups, with $53 million in annual premiums. The dental pool (carrier Dental Dental) includes 20 groups, 180 contracts, with $170,000 in annual premiums
* **Education**: The NESC partners with the Minnesota Department of Education, Higher Education, State of Minnesota, Minnesota Service Cooperatives.

Mr. Brinkman stated the NESC will spend more time on group dental, health and wellness; a statewide system of support for health pools and working more with local communities on the regional broadband network. Director Giorgi thanked Paul Brinkman for the presentation and acknowledged their excellent working relationship. .

**Director’s Report**

Director Giorgi highlighted the meetings of the Laurentian Visioning Committee and stated they are very informational and worthwhile to attend. At the last meeting, information was presented on the Tioga and Red Rock Mountain Bike Trail Projects, which are the finest trail systems in the country. The communities must welcome the bikers that are traveling here and provide them with the amenities they need.

Director Giorgi also noted the rail study on the east end of the Range has been completed. UTAC is doing a better job in routing trains to get them in faster.

**Old Business**

a. Updated Conflict of Interest Policy and Agreement.

Director Giorgi reviewed the form that was created, which will be signed by the board members on an annual basis in January.

Moved by Fisher and supported by Anderson to adopt the Conflict of Interest Policy and Agreement, as revised. Motion carried.

**New Business:**

1. Appointment of Executive Director to Governor’s Broadband Initiative Committee.

Director Giorgi stated he was appointed by Governor Walz to the Governor’s Broadband Initiative Committee. The Executive Committee recommended that the RAMS Board approve the expenses that will be incurred to travel to these meetings. Director Giorgi expects the committee to meet approximately eight times a year and assumes the meetings will be held in St. Paul.

Moved by Fisher and supported by Berrini to approve the payment of the expenses for Director Giorgi to attend the meetings for the Governor’s Broadband Initiative Committee. Motion carried.

1. Performance Review – Executive Director.

President Medure stated the Executive Committee met on October 15th to conduct the annual performance review of the Executive Director. The Executive Committee agreed that Steve Giorgi met and exceeded the expectations and responsibilities as the Executive Director.

Moved by Fisher and supported by Marsnik to accept the evaluation review of Director Giorgi and place the written evaluation in his personnel file. Motion carried.

1. New Labor agreement for Director. (action item)

The new labor agreement for the Executive Director included a monthly salary of $7027.02, which equates to a four percent raise. No other changes were made to the agreement.

Moved by Fisher and supported by Anderson to approve the new labor agreement with Steve Giorgi, as Executive Director of RAMS, for the period January 1 to December 31, 2020. Motion carried.

1. New labor agreement for Administrative Assistant. (action item)

The new labor agreement for the Administrative Assistant included a four percent salary increase, with no additional changes.

Moved by Anderson and supported by Pittman to approve the new labor agreement with Lois Roskoski, as the Administrative Assistant for RAMS, for the period January 1 to December 31, 2020. Motion carried.

1. 2020 Budget proposal.

Charlie Baribeau reviewed the proposed budget for 2020. Director Giorgi highlighted the significant changes: Taconite revenue will increase by $12,400. Membership is expected to increase by two corporate members and three townships. The advertising budget was increased to include one advertisement in the Mesabi Daily News Mining Edition. Meeting expenses were also increased, due to traveling off site for two board meetings. The Miscellaneous budget was also increased. The travel expense budget was increased for the Executive Director to cover the expenses to attend the Broadband Task Force meetings.

Moved by Christy and supported by McLaughlin to approve the budget for 2020, as presented. Motion carried.

1. Code of Conduct Policy – updated.

Director Giorgi reviewed the updated policy and noted language covering alcohol was eliminated from the policy, as alcohol is served at the RAMS annual meeting.

Moved by Sundquist and supported by Saccoman to approve the revised Code of Conduct Policy, with an effective date of January 1, 2020. Motion carried.

1. Other business: Confirmation of terms of office.

Nomination forms will be emailed to the RAMS membership tomorrow, with a deadline of December 10th to submit a nomination.

1. Rural Broadband Coalition Annual Contribution-$500.

Moved by Kalmi and supported by Sundquist to approve an annual contribution of $500 to the Rural Broadband Coalition.

1. Joint letter to Senator Klobuchar and Senator Smith on two year moratorium on mining.

Director Giorgi stated Senator Klobuchar and Senator Smith have supported the provision in the Senate Appropriation report to place a two year moratorium on mining. Director Giorgi reviewed the draft letter stating it is the position of RAMS that mining companies should be able to explore, if permitted, as there are environmental provisions in place to protect the environment. If approved by the board, the letter will be sent, with all 24 board member signatures.

Moved by Fisher and supported by Baribeau to approve sending a letter to Senators Klobuchar and Smith to request they remove their support of the provision in the Senate Appropriations Report on a two year moratorium on mining. Motion carried.

**Board Member Updates**

1. Carlene Perfetto – Silver Bay. Absent from meeting.
2. Deb Pelkey – Great Scott Township, reported they are running the pit now and have resurfaced the road. They are looking for grants for fishing docks and buildings. Great Scott Township is also considering building a new town hall across from their current location, which would overlook the pit.

**Finance Committee Report**

Charlie Baribeau reported on the Finance Committee Meeting held on October 24, 2019:

Moved by Marsnik and supported by McLaughlin to approve the expenditures for the period September 26-October 23, 2019, in the total amount of $15,498.08. Motion carried.

Moved by Stanaway and supported by Kalmi to approve the Profit & Loss Budget vs Actual Report through October 23, 2019. Motion carried.

Moved by Christy and supported by Pittman to approve the Balance Sheet as of October 23, 2019. Motion carried.

**Other**

Director Giorgi reported 17 people participated in a conference call on the Essar project. There has been no direct communication from Mesabi Metallics to the DNR. Mesabi Metallics has not requested a lease extension and will be in violation of the lease agreement because the pellet plant has not been completed. The DNR has one year from the date of the violation to withdraw the lease, but no determination has been made by the DNR at this time. Governor Walz does not support the lease extension for the Essar project. Additional equity has been invested in the project and it is the assumption that the contractors are being paid. Mesabi Metallics has been encouraged to find a viable investment firm to complete the project. There has not been any attempt to bring the three mining companies together. Three of the Range Delegation do not support the lease extension for the Essar project. Twelve million dollars in royalty payment are owed by the end of 2019, with a deadline of January 20th, which would go to Itasca County for mining effect dollars. If the state leases are pulled, Mesabi Metallics and Essar would own the property and the mining minerals. If the employees that are currently on site stop working, the air quality permit would be lost.

Regarding the Polymet project, Director Giorgi stated the permits are currently at the Appellate Court level. Water is supposed to be treated until 2072, based on the first permit. Once the mine is done operating, the dyke would remain intact, which would likely self drain and turn back to wetlands. The argument is that the State Statute includes language stating all waters must be drained within three years once the mine operations cease. Another issue is that Glencore is not on any of the permits.

**Next Meeting**

Moved by Kess and supported by Kalmi to reschedule the November meeting to Thursday, November 21, 2019, due to the Thanksgiving holiday. Motion carried.

**Adjournment**

 The meeting was adjourned at 7:20 P.M.