# Range Association of Municipalities & SchoolsBoard Meeting MinutesThursday, December 10, 2020 – 6:00 P.M.Northeast Service Cooperative Building

**Call to Order:**

 President Pat Medure called the meeting to order at 6:05 PM.

**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); **Glenn Anderson (City of Babbitt);** Bob Berrini (Morse Township); John Champa (City of Chisholm); Rick Blake (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);** Paul Kess (City of Ely); **Stu Lehman (City of Buhl);** Deb Hunt (Great Scott Township); Kim McLaughlin (ISD 701-Hibbing); **Ron Pittman (Cherry Township); Cal Saari (City of Nashwauk)**; Stacey Sundquist (ISD 2909 Rock Ridge); Warren Stolp (Nashwauk Township); Dave Worshek (City of Aurora); David Zins (City of Hoyt Lakes)

Absent: 1-Supt Assn; City of Mt Iron

Also Present: **Steve Giorgi, Executive Director;** Costin Group-Jeff Anderson, Gary Cerkvenik; **Lois Roskoski, RAMS Adm Assistant**

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

**Review and Approve Agenda:**

Moved by Kalmi and supported by Baribeau to approve the agenda, as presented. Motion carried.

**Approve Meeting Minutes:**

Moved by Anderson and supported by Fisher to approve the minutes of the Regular Meeting held October 22, 2020. Motion carried.

**Appearance:**

**Director’s Report:**

 The Director’s Report was emailed to the RAMS Board for their review and no discussion was held.

**Old Business:**

1. Request for information on State positions.

 A request for information on State agency positions was emailed to the RAMS membership, with only three responses received to date. The board members were asked to communicate with their leadership on providing a list of the State agencies that are located in their communities. The list is needed so when the legislature starts eliminating positions, we can respond quickly. There would be an economic impact to our communities, if these agencies are closed.

**New Business:**

1. Contract with Costin Group, Inc., for lobbyist services.

 Director Giorgi reviewed the renegotiated agreement with the Costin Group, Inc., to provide RAMS with lobbyist services. The Finance Committee had reviewed the agreement, which included a threepercent increase, and made a recommendation to approve it.

 Moved by Saari and supported by Champa to approve the renegotiated agreement with the Costin Group, Inc., to provide lobbyist services to RAMS. Motion carried.

1. Certificate of Deposit matured 12/19/20.

 Director Giorgi stated the $100,000 investment ($60,000 CD and $40,000 companion savings account) with the Boundary Waters Bank in Ely matured on 12/19/20. The best options to reinvest included a money market account at .55 percent, or a 15 month certificate of deposit at .6 percent interest.

 Moved by Anderson and supported by Berrini to authorize the Director to reinvest the $100,000 investment, with accrued interest, in a 15 month certificate of deposit with the Boundary Waters Bank of Ely. Motion carried.

1. Legislative priorities.

 A list of the RAMS 2021 Legislative Priorities was developed by Director Giorgi, and Jeff Anderson and Gary Cerkvenik of the Costin Group, as follows:

* Protect area jobs from cuts due to the State’s budget deficit.
* Improve broadband in our region and support a regional broadband elementary and high school pilot project, in conjunction with our community colleges.
* Ask the Legislature to pass two years of LCCMR grants, so $140 million can go to work creating jobs, protecting our environment and funding over a dozen projects in the RAMS service territory.
* Support expanding the solar plant in Mountain Iron to double its capacity.
* Preserve the 5 community colleges in our region as they face cuts or closures, due to deficits.
* Support building more recreational trails for our residents and visitors (mountain bike, Mesabi Trail, ATV trails and snowmobile trails).
* Protect the hard-won gains in Local Government Aid.
* Make sure the Legislature and Governor don’t steal our DJJ Fund.
* Help local governments prepare for 2022 bonding, with applications due in June, 2021.
* Support legislation that would provide for greater Minnesota school district members of cooperatives the authority to levy up to $65 per pupil for cooperative facilities, the same as members of Metro Intermediates. This would allow districts to form a joint power board to bond for improvements and new facilities.
* Support funding for the routing and pumping of rising pit water levels in the Canisteo Mine Pit chain and St. James pit in Aurora.
* Support an annual increase in the education formula and freeze per pupil funding to 2019 levels as a floor.

 Gary Cerkvenik reported the projected Minnesota budget deficit of $2.8 billion has been replaced with a projected $641 million surplus for the current biennium, which is good news. The next biennium includes a projected shortfall of $1.2 billion. He stated people are spending money as the sales tax revenue is high. With less students in school, there has been a drop in student per pupil funding.

 Jeff Anderson provided a preview of the special session that begins on January 5, 2021. The vote to extend the Governor’s emergency powers will be done next Monday. A relief package focused on businesses impacted by the recent closure has been in renegotiations. The State is proposing an agreement with three pots of money:

1 Relief through the MN Department of Revenue for restaurants/bars/bowling alleys/gyms ($100 million proposed). Business must have decreased by 30 percent to qualify.

2 State would provide funds to the counties to distribute through an application process ($102 million proposed). Lodging would fall in this category.

3 $14 million is proposed for operations of movie theatre/convention centers.

 Jeff Anderson stated there has been no agreement on the extension of unemployment benefits.

 Gary Cerkvenik recommended that communities prepare for bonding projects, as applications will be due on June 15, 2021, for the 2022 legislative session. The legislature waived the non-state match requirement in State Statute for the last bonding bill. Gary stated entities have four years to spend the bonding funds that will be allocated this year. If an extension is needed, communities should talk to either Gary or Jeff of the Costin Group and they will draft legislation to extend the deadline.

 Director Giorgi met with Senator Tomassoni who is assuming the legislature will be functioning through Zoom, with no access to the public. Senator Gazelka is trying to get them back in person. Jeff Anderson stated legislators are hoping their constituents will be in contact with them.

 Charlie Baribeau stated there is a tremendous problem with market value assessments in St. Louis County. The valuation notices are mailed in November, but the hearings are not held until Spring. He hopes to see a change in the legislation to move the market value hearings closer to when the valuation notifications are mailed out. Director Giorgi stated he will ask the League of Minnesota Cities if other communities are expressing the same concern.

 Moved by Fisher and supported by Saari to approve the list of legislative priorities, as presented. Motion carried.

1. Mesabi Metallics update.

 Director Giorgi stated the State Executive Council met last week to discuss the lease agreement with Mesabi Metallics for the former Essar project. Mesabi Metallics has violated several terms of the existing lease agreement. New terms were negotiated for the lease extension for Mesabi Metallics and included several changes. Itasca County Commissioner Ben DeNucci had requested RAMS to provide a letter in support of the lease extension with Mesabi Metallics. Director Giorgi stated a letter of support was sent out on November 30th, and by that evening, he was told that Governor Walz had spoken with Cleveland Cliffs CEO Lourenco Goncalves. Goncalves recognized the importance of the $25 million payment and was willing to wire the funds for State control the next day, if the Executive Council did not extend the lease with Mesabi Metallics. Director Giorgi contemplated sending a letter to table the decision by the Executive Council, until they had time to talk with Cleveland Cliffs. During the hearing on December 1st, a motion to table the lease extension with Mesabi Metallics failed and a motion to extend the lease was approved. Director Giorgi stated he will follow up with a State official to get confirmation on seeking special legislation in January to expedite the annual payment from September 1 to April 1.

e. Recognition of outgoing members.

Director Giorgi recognized the outgoing RAMS Board Members Dale Christy and Alan Stanaway and Greg Allen. A Certificate of Appreciation and gift card will be sent to each of the outgoing members.

**Board Member Updates:**

Shane Hoff, City of Silver Bay, provided on update on the City of Silver Bay. They are working on expanding the tourism industry, as they are located on the shore of Lake Superior. The beautiful campground project has been completed adjacent to beaches and next to the City Business Park. The campground had a very good year. They are just finishing a daycare center at the William Kelley School, which is critical with the lack of options for daycare. Next year, work will begin on the multi trailhead center and will include buildings and parking areas to accommodate ATV/snowmobiles/bikers and hikers. Key challenges in Silver Bay include the lack of adequate family housing/rentals and the poor shape of City streets and infrastructure. They are looking for solutions for those challenges.

**Finance Committee Report:**

 Cyndi Worshek reported on the Finance Committee Meeting held November 25, 2020:

Moved by Fisher and supported by Kalmi to approve the expenditures for the period October 22-November 24, 2020, totaling $14,859.73. Motion carried.

Moved by Zins and supported by Christy to approve the Profit & Loss Budget vs Actual Report as of November 24, 2020. Motion carried.

Moved by Berrini and supported by Anderson to approve the Balance Sheet, with a balance of $353,616.98. Motion carried.

**Other:**

Director Giorgi stated he received a call from Jason Metsa, IRRRB Deputy Commissioner, regarding setting up Covid testing for various groups on specific days. Director Giorgi will provide additional information as he receives it. He further noted that the State of MN will be converting from nasal to saliva testing soon.

Director Giorgi stated he will be sending another letter to the legislative leadership to explain the challenges faced by the day activity centers for waivered people. Some grant funding was available, but it wasn’t enough to cover their losses. They are currently at fifty percent capacity. The ERDAC center in Eveleth anticipates a $550,000 shortfall by the end of 2020. Director Giorgi will send the draft letter to the RAMS Board, prior to sending it out.

On the Federal level, Director Giorgi reported $16 billion in funding was available to expand broadband in the country. Minnesota received $312 million, some of which was given to Paul Bunyan and Frontier.

Rick Blake asked about supporting changes to make local option sales tax less onerous on communities that might need that to come up with their share of a bonding request. Gary Cerkvenik replied that, historically, it has been difficult to gain support to make changes to the legislation.

Barb Kalmi stated it is important for RAMS to support the Mesabi Metallics project. The project is vital to Hibbing, Nashwauk and Nashwauk Township and has been a devastating loss to their communities. Director Giorgi replied that RAMS has supported the project in the past and sent letters of support. In the current case, a suggestion was made to table the decision to extend the lease with Mesabi Metallics, until the State Executive Council could meet with Cleveland Cliffs to discuss their proposal. Director Giorgi noted it was not about supporting one company over another, but just a good business decision.

**Next Meeting:**

 The next meeting will be held at 6:00 PM on Thursday, January 28, 2021.

**Adjournment:**

 Meeting adjourned at 7:45 PM.