**Range Association of Municipalities & Schools
Board Meeting Minutes
Thursday, August 23, 2018 – 6:00 P.M.
Northeast Service Cooperative Building**

**Call to Order:**

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

**Roll Call of Board:**

Present: Dave Lislegard (City of Aurora); Charlie Baribeau (City of Virginia); Gregg Allen (Supts Assn); Glenn Anderson; (City of Babbitt); Bob Berrini (Morse Township); Dale Christy (City of Grand Rapids); Jim Fisher (McDavitt Township); Barb Kalmi (ISD 319-Nashwauk/Keewatin); Paul Kess (City of Ely); Stu Lehman (City of Buhl); Milan Luziach (Great Scott Township); Kim McLaughlin (ISD 701-Hibbing); David Pace (Supts Assn); Carlene Perfetto (City of Silver Bay); David Zins (City of Hoyt Lakes); Al Stanaway (City of Mt Iron); Warren Stolp (Nashwauk Township); Stacey Sundquist (ISD 706-Virginia); Jim Varda (City of Chisholm); Cyndi Worshek (ISD 2711-Mesabi East)

Absent: ISD 318-Grand Rapids; City of Hibbing; ISD 696-Ely; ISD 695 Chisholm

Also Present: Steve Giorgi, Executive Director; Lois Roskoski, Administrative Assistant; Ron Pittman, Cherry Township; Gary Cerkvenik, Lobbyist; Heliene USA – Erin Shea, Joanne Bath; Commissioner Ben DeNucci; Charles Rick, Superintendent, Aitkin Schools

**Review and Approve Agenda:
Moved by Christy and supported by Kalmi to approve the agenda, as presented. Motion carried.**

**Approve Meeting Minutes:**

1. Regular Meeting held May 31, 2018

**Moved by Kalmi and supported by Varda to approve the minutes from the Regular Meeting held May 31, 2018. Motion carried.**

1. Approve minutes from Finance Committee meetings held on June 28 and July 26, 2018.

**Moved by Perfetto and supported by Zins to approve the minutes from the Finance Committee meetings held on June 28 and July 26, 2018. Motion carried.**

**Appearance:**

a. Heliene Solar Plant presentation – Erin Shea, Quality Coordinator

Erin Shea, Quality Coordinator and Joanne Bath, Plant Manager, were present to give an update on reopening the solar plant in Mt. Iron.

* Parent Company, Heliene Solar, is located in Sault Ste Marie, Ontario, which began operations in 2010.
* Heliene expanded their operations in the United States by reopening a former solar plant in Mt. Iron on May 1, 2017, to make photovoltaic (solar electric) panels.
* Over 90 percent of the solar panels go to utility projects.
* Over the last year, they had small volume assembly manufacturing that sold over 15,000 solar panels to Minnesota projects.
* Their goal is to move to a fully automated line in Mt. Iron and are currently in the process of revamping and installing equipment. They anticipate to be ramping up to full production by the end of October.
* Once they are at maximum capacity, they will manufacture 1,000 panels a day during their 24/7 operations. They currently employ 20 employees and need to hire an additional 100 employees.
* Heliene offers competitive wages and benefits that are comparable to mining benefits. Interested people can apply at “Always There Staffing”, which is located in Hibbing. Heliene provides on the job training.
* Additional information can be found on their website: [www.heliene.com](http://www.heliene.com).

Gary Cerkvenik noted the owner of the former solar plant was given an IRRRB grant and is still paying off the debt.

Director Giorgi stated a tour could be arranged at the Heliene Solar Plant once they are fully operational.

**Director’s Report:**

Director Giorgi noted the RAMs Board did not meet in June or July and provided an update on activities he worked on:

* At the end of June, an effort was made to get the Polymet Land Exchange passed, as it did not get included in the major tax bill. Senator Smith attended a meeting with the RAMS membership and made a strong point to make this a priority for rest of session. Weekly conference calls were held with Senator Klobuchar, Senator Smith and Representative Nolan’s staff to determine what could be done to lobby for the bill. Letters of support with over 120 signatures were sent to key people to Washington, DC. Senator Smith took the lead on the legislation and got it approved by the Senate Committee. The amendment was cut from the final bill. Other opportunities are being considered, including the Ag Bill. RAMs will continue to monitor and send letters. The Polymet project is moving forward and has three lawsuits pending
* The Virginia and Eveleth/Gilbert School Boards have been meeting for 14 months to look at partnerships, due to the declining enrollment and age of the school buildings. They have come up with an academy model that is used in Alexandria that creates career pathways for grades 9-12. The group has identified three major academies that will provide hands-on learning based education. Over the last three weeks, RAMS hosted and provided dinner for the three meetings held by the group that reviewed the academy structure. The structure will now be reviewed by both school boards, prior to setting up four committees. The IRRRB has awarded a $100,000 grant to continue the study.
* A meeting of the Iron Range Mayors was held in August, where a local entrepreneur reviewed plans to purchase and reopen Mesabi Nugget. A new wood chip processing facility would turn wood chips into charcoal to use in place of coal and coke. The Mayors also sent a letter to the Governor requesting the State to pull the leases at the Nashwauk mine site and work with Cleveland Cliffs.
* The St. Louis County Board was supportive of the “Dig Once” Resolution. The resolution was moved to a working group of commissioners and the Public Works Director, who was unsupportive of the resolution. Plans would include installation of conduit when intersections of County roads are under construction. Hopefully, the Resolution will be adopted by the St. Louis County Board prior to end of Commissioner Rukavina’s term.
* A meeting of the Superintendents Association was held in August, where discussion took place on the IRRRB’s plan to move $5 million out of the School Consolidation Fund to the college system. The Superintendents wrote a letter to the IRRRB Commissioner requesting that the funds not be moved from the School Consolidation Fund and the IRRRB Board agreed to leave the fund alone and take $5 million out of the DJJ Fund for the college.

**Old Business:**

1. Audited Financial Statements for years ended December 31, 2017 and 2016.

Director Giorgi stated the Finance Committee met with the auditor in June to review the audit. A summary of the meeting was included in the minutes from the Finance Committee meeting held on June 28, 2018. It was noted that the auditor had to prepare the Long Form 990, as the RAMS revenue exceeded $200,000 because of the way the bank completed the IRS form and listed the principal and interest from the certificates of deposit as income. Director Giorgi will verify this issue with another accountant.

**Moved by Fisher and supported by Varda to accept the Audited Financial Statements for years ended December 31, 2017 and 2016. Motion carried.**

**New Business:**

a. Creation of a policy to set a cap on expenditures made by the Executive Director without board approval.

**Moved by Fisher and supported by Varda to set a cap on expenditures made by the Executive Director, without board approval, at $3,500 per occurrence, and request the Finance Committee to draft the wording of the policy, prior to adoption by the RAMS Board. Motion carried.**

1. Purchase of shirts and hats for RAMS Board.

Director Giorgi stated he would like to incorporate the 80th Anniversary of RAMS into a new logo and order shirts and hats.

1. Update on Chippewa – Mesabi Magnetics – Cleveland Cliffs - Hib Tac.

Director Giorgi stated Nubai is currently the owner of the Nashwauk site. According to Rob Bigelow, Nubai is committed to the process to construct the pellet plant and is currently underway with construction and electrical work. The mine is fully permitted, but not operational, which is a concern to the DNR and the State. In 2019, royalty payments would be made to the State. If the pellet plant is completed by 12/31/19 and ore is moved, the royalty payments would double. It would be in the best interest of RAMS to meet with the DNR and Governor’s staff to discuss the project and determine if Nubai has the financing in place. Cleveland Cliffs has submitted a permit to mine and is pursuing legal recourse, as the DNR is ignoring their request. Cliffs told the Iron Range Mayors that they would build a pellet plant at the Nashwauk site.

Cliffs has given notice that, as of August 1, 2019, they will no longer be the manager of Hibbing Taconite, but will retain their 24 percent ownership. Arcelor Mittal is the largest owner of Hibbing Taconite. There should be no negative impact to the plant, as it will continue to operate.

1. Request from Minnesota Miners for a donation.

Director Giorgi stated he received a request from the Minnesota Miners organization to help fund billboards.

**Moved Baribeau and supported by Perfetto to receive and file the request. Motion carried.**

e. Resolution on Mesabi Metallics.

Director Giorgi will see if he can arrange a meeting with the Governor and DNR staff prior to considering adoption of a resolution on the Mesabi Metallics project.

**Board Member Updates:**

a. Dale Christy gave an update on the City of Grand Rapids, as follows:

* “Project Grand Rapids” initiative will be placed on the November ballot. The project is estimated at $32 million, with $28 million generated from a one percent local sales tax. The project includes improvements to the Civic Center (refrigeration, floor replacement, roof replacement, handicapped accessibility), plus additional space for the Boys/Girls Club and a daycare facility.
* The Legion Baseball field is being converted to a multi-use field with artificial turf.
* The City of Grand Rapids is working with a development company to redevelop the former Sawmill Hotel into a new hotel, restaurant and strip mall. A request for tax increment financing will be considered in September.
* City is working with ISD 318 on a land exchange in order to build two new elementary schools. The current school property would be used for housing.
* A brewing company is currently renovating a former theater.
* A new pedestrian bridge will be constructed over the river near the library.
* City is continuing to invest $3 million annually in streets and utilities.

b. Gregg Allen gave an update on the Mesabi East Schools, as follows:

* Last November, a $10 million referendum was passed for the Mesabi East Schools to remodel the current building and build a new athletic building next to school. The School District is working on a land exchange with City and is in the process of working through issues with wetlands, which has delayed the bidding process for the project. The latest issue is that the abandoned mine dump may be considered as a historical landmark.

**Finance Committee Report:**

Charlie Baribeau reported on the Finance Committee meetings held in June, July and August:

1. Finance Committee Meeting held June 28, 2018:
2. Expenditures.

**Moved by Anderson and supported by Pace to approve the expenditures for the period May 31 – June 27, 2018, in the total amount of $14,103.44. Motion carried**

1. Profit & Loss Budget vs Actual.

**Moved by Varda and supported by Perfetto to approve the Profit & Loss Budget vs. Actual through June 27, 2018. Motion carried.**

1. Balance Sheet.
2. Recommendation to close Special Grant Checking Account 5538 at First National Bank of Buhl and transfer balance to the General Checking Account.

**Moved by Sundquist and supported by McLauglin to close the Special Grant Checking Account 5538 and transfer the balance to the General Checking Account. Motion carried.**

1. Finance Committee Meeting held July 26, 2018:
2. Expenditures.

**Moved by Zins supported by Kalmi to approve the expenditures for the period June 29 – July 25, 2018, in the total amount of $12,802.33. Motion carried.**

1. Profit & Loss Budget vs Actual.

**Moved by Zins and supported by Perfetto to approve the Profit & Loss Budget vs. Actual through July 25, 2018. Motion carried.**

1. Balance Sheet.
2. Recommendation to accept proposal from ARCC to prepare the payroll for the RAMS staff for the 2019 calendar year, at a cost of $1,724.00.

**Moved by Perfetto and supported by Kalmi to accept the proposal from ARCC, in the amount of $1,724.00, to prepare the payroll for the RAMS staff for the 2019 calendar year. Motion carried.**

1. Finance Committee Meeting held August 23, 2018:
2. Expenditures.

**Moved by Varda and supported by Worshek to approve the expenditures for the period July 26 - August 23, 2018, in the total amount of $17,043.78. Motion carried.**

1. Profit & Loss Budget vs Actual

**Moved by Varda and supported by Sundquist to approve the Profit & Loss Budget vs. Actual through August 23, 2018. Motion carried.**

1. Balance Sheet.
2. Options for Certificate of Deposit maturing 8/15/18.

**Moved by Perfetto and supported by Varda to reinvest the $100,000 Certificate of Deposit that matured on August 15, 2018, for one year, at an interest rate of 2.35 percent, and deposit the interest from the matured CD into the General Checking Account. Motion carried.**

1. Request from MN Rural Broadband Coalition for support.

**Moved by Varda and supported by Allen to approve a donation to the Minnesota Rural Broadband Coalition, in the amount of $500, for the year 2019. Motion carried.**

**Other:**

Director Giorgi stated the membership took a tour of new Mt. Iron/Buhl School, prior to the board meeting. The school will not be ready for the beginning of the school year. Mt. Iron/Buhl has 100 new perspective students for the school year.

Director Giorgi thanked the membership for their voices in retaining the money in the IRRRB Education Fund, which was discussed at today’s IRRRB meeting. Gregg Allen thanked Steve Giorgi for including the Superintendents in the process to stop the IRRRB from granting the College funding from the Education Fund, which was set up to assist needs from Pre K through Grade 12. It was noted the IRRRB granted the Mesabi College funding from the DJJ Fund, rather than the Education Fund.

**Next Meeting:**

 The next RAMS Board Meeting will be held on September 27, 2018.

**Adjournment:**

Meeting adjourned at 8:02 P.M.