

**Meeting of the
Iron Range Resources Board**

Thursday, June 14, 2007

2:00 p.m.

**Iron Range Resources Administration Building
Eveleth, Minnesota**

I. Roll Call

Senator David Tomassoni, Chair, called the meeting to order at approximately 2:00 p.m. Present: Representative Tom Anzelc, Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Senator Tom Saxhaug, Senator Rod Skoe, Senator Yvonne Prettner Solon, Senator David Tomassoni, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan. Absent: Senator Tom Bakk and Representative Loren Solberg. Also present were: Sandy Layman, Commissioner; Brian Hiti, Deputy Commissioner; Doug Gregor, Assistant Attorney General; Matt Sjoberg, Development Strategies Director; Jean Dolensek, Chief Financial Officer; Dave Hart, Loan Officer, Senior; Sheryl Kochevar, Executive Assistant; Laureen Hall, Executive Assistant; Annette Maki, Executive Assistant; Terry Leoni, Laurentian Energy Authority and General Manager, Virginia Public Utilities Commission; Jim Kochevar, Laurentian Energy Authority and General Manager, Hibbing Public Utilities Commission; and Michael Jugovich, Mayor, City of Chisholm.

II. Approval of the September 11, 2006, Minutes

Citizen Begich moved approval of the December 21, 2006, minutes. Seconded by Citizen Robinson. Motion carried.

III. Reorganization of the Iron Range Resources Board

a. Welcome and introductions of the 2007-2008 Iron Range Resources Board Members

Senator Tom Bakk	Representative Tom Anzelc	Citizen Joe Begich
Senator Tom Saxhaug	Representative David Dill	Citizen Shelley Robinson
Senator Rod Skoe	Representative Tom Rukavina	Citizen Jack Ryan
Senator Yvonne Prettner Solon	Representative Tony Sertich	
Senator David Tomassoni	Representative Loren Solberg	

b. Election of Chair and Vice-Chair

Motion by Senator Saxhaug to elect Representative Dill Chair. Motion carried.

Motion by Representative Rukavina to elect Senator Tomassoni Vice-Chair. Motion carried.

c. Board Member Per Diem

Representative Rukavina moved that the citizen members of the board receive per diem payments for board activities at the same rates as those approved by the Minnesota House of Representatives during the 2007 legislative session. Seconded by Representative Anzelc. Motion carried. Deputy Commissioner Hiti and Assistant Attorney General Doug Gregor questioned whether the agency had clear statutory authority to pay per diem at a rate greater than \$55.00 per day [as authorized in M.S. 15.0575]. Commissioner Layman suggested that the agency review this matter before proceeding with payment of per diem.

d. The Joe Begich Building

Representative Rukavina reminded the Board of the provision within the Economic Development Omnibus bill, passed during the 2007 Legislative Session, which named the Iron Range Resources Administration building the “Joe Begich Building” in recognition of Joe Begich. Representative Rukavina proposed a reception be held on Friday, June 29, 2007, to allow Joe’s daughter, who will be visiting her parents during the 4th of July holiday, an opportunity to observe this acknowledgement.

IV. Resolution No.: 07-005

Action Required: Project approval requires 8 votes

Motion by Representative Dill to approve Resolution No. 07-005 which authorizes the Commissioner to continue funding of the operations for the agency from the funding sources and in amounts up to but not to exceed the amounts budgeted for such operations in the approved FY07 budget, with such approval to remain effective until the earlier of the date of August 1, 2007, or the date the Board formally approves a FY08 budget subject to the conditions as outlined in the Resolution. Motion carried.

Voting in Favor of the Motion: Representative David Dill, Representative Tom Anzelc, Citizen Joe Begich, Citizen Shelley Robinson, Representative Tom Rukavina, Citizen Jack Ryan, Senator Tom Saxhaug, Representative Tony Sertich, Senator Rod Skoe, Senator Yvonne Prettner Solon, and Senator Dave Tomassoni.

Voting Against the Motion: None.

Abstain: None.

Absent: Senator Tom Bakk and Representative Loren Solberg

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
INTERIM FY08 OPERATIONAL EXPENDITURE FUNDING APPROVAL**

Resolution No.: 07-005

IT IS HEREBY RESOLVED, that the Board approves the continuation of funding for the operations of the Office of the Commissioner of Iron Range Resources and Rehabilitation agency from the funding sources and in amounts up to but not to exceed the amounts budgeted for such operational expenditures in the approved FY07 budget, with such approval to remain effective until the earlier of the date of August 1, 2007, or the date the Board formally approves a FY08 budget for the agency’s operations, programs and projects at a subsequent meeting of the Board and with such approved sums to be expended at rates and for purposes substantially similar to the manner in which such operational funds were expended during comparable periods of FY07.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 14th DAY OF JUNE, 2007.

Member	Aye	Nay	Abstain	Absent
Senator Tom Bakk				X
Senator Tom Saxhaug	X			
Senator Rod Skoe	X			
Senator Yvonne Prettner Solon	X			
Senator Dave Tomassoni	X			
Representative Tom Anzelc	X			
Representative Dave Dill	X			
Representative Tom Rukavina	X			
Representative Tony Sertich	X			
Representative Loren Solberg				X
Citizen Joe Begich	X			
Citizen Shelley Robinson	X			
Citizen Jack Ryan	X			
TOTAL	11	0	0	2

Signed: _____
Representative David Dill, Chair

V. Other

a. City of Ely Request – Resolution No. 07-006

Motion by Senator Solon to approve Resolution No. 07-006 which authorizes the expenditure of up to \$400,000 to provide a grant to the city of Ely for the proposed project and subject to the conditions as outlined in the Resolution.

Motion by Representative Rukavina to amend Resolution No. 07-006 to include the prevailing wage provision as outlined in Resolution No. 96-005. Motion carried to amend Resolution No. 07-006.

Motion restated by Senator Solon to approve Resolution No. 07-006 which authorizes the expenditure of up to \$400,000 to provide a grant to the city of Ely for the proposed project and subject to the conditions and amendments as outlined in the Resolution. Motion carried.

Voting in Favor of the Motion: Representative David Dill, Representative Tom Anzelc, Citizen Joe Begich, Citizen Shelley Robinson, Representative Tom Rukavina, Citizen Jack Ryan, Senator Tom Saxhaug, Representative Tony Sertich, Senator Rod Skoe, Senator Yvonne Prettner Solon, and Senator Dave Tomassoni.

Voting Against the Motion: None.

Abstain: None.

Absent: Senator Tom Bakk and Representative Loren Solberg

**IRON RANGE RESOURCES AND REHABILITATION BOARD
OF THE STATE OF MINNESOTA
CITY OF ELY GRANT FOR
THE MINNESOTA DEPARTMENT OF REVENUE EXPANSION PROJECT**

Resolution No.: 07-006

WHEREAS, the City of Ely has requested a grant for the purpose of paying anticipated costs associated with retrofitting and otherwise preparing for occupancy approximately 40% of the area of a facility owned by the Ely Economic Development Authority that is intended to be leased to the Minnesota Department of Revenue (“**MDOR**”) to provide office space for approximately 27 new Revenue Compliance officers and one new supervisor position (the “**Project**”); and,

WHEREAS, the anticipated increase in the number of MDOR jobs in the City and the associated additional payroll dollars flowing into the community as a result of the Project would facilitate economic development within the City of Ely and increase the City’s property tax base and tax capacity;

WHEREAS, the Commissioner is authorized to expend, upon approval of a majority vote of the members of the Board, the funds made available under Minnesota Statutes Section 298.22 (“**Board Account Funds**”) to develop the resources of the Taconite Assistance Area (“**TAA**”) and assist in the vocational training of its residents; and,

WHEREAS, the Commissioner is authorized to expend, upon approval of a majority vote of the members of the Board, the funds made available under Minnesota Statutes Section 298.223 (“**TEPF Funds**”) for local economic development projects within the TAA; and

WHEREAS, the Board met in open session at 2:00 p.m. on June 14, 2007, in the Board Room at the Iron Range Resources Administration Building near Eveleth, Minnesota, to consider, among other matters, the City of Ely's request and has determined that the award of a grant of Board Account Funds and/or TEPF Funds to the City of Ely by the Commissioner in an amount not to exceed \$400,000 would promote economic development within the TAA;

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Board authorizes the Commissioner to expend up to Four Hundred Thousand dollars (\$400,000.00) of Board Account Funds and/or TEPF Funds to provide a grant to the City of Ely for the proposed Project.

BE IT FURTHER RESOLVED that such project approval is subject to the additional requirement that, as a condition precedent to the expenditure of the authorized funds and in order to enhance the economic benefit of this project to the City of Ely and the TAA, the agency in its contract with the City of Ely must require it to commit to the payment of prevailing wages on the Project as indicated in and to the extent required by Board Resolution 96-005.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 14th DAY OF JUNE, 2007

Member	Aye	Nay	Abstain	Absent
Senator Tom Bakk				X
Senator Tom Saxhaug	X			
Senator Rod Skoe	X			
Senator Yvonne Prettner Solon	X			
Senator Dave Tomassoni	X			
Representative Dave Dill	X			
Representative Tom Anzelc	X			
Representative Tom Rukavina	X			
Representative Tony Sertich	X			
Representative Loren Solberg				X
Citizen Joe Begich	X			
Citizen Shelley Robinson	X			
Citizen Jack Ryan	X			
TOTAL	11	0	0	2

Signed : _____
 Representative David Dill, Chair

b. Forest Industry Assistance Program Update

Terry Leoni, General Manager, Virginia Public Utilities Commission, and Jim Kochevar, General Manager, Hibbing Public Utilities Commission, updated the Board on the

Laurentian Energy Authority project and status of the Forest Industry Assistance Program.

c. Additional Items

Discussion also took place on a number of other items including scheduling of board liaison meetings and remarks by Michael Jugovich, Mayor, City of Chisholm, in regards to city of Chisholm projects including a request of agency assistance for the city's building demolition needs.

VI. Adjournment

Meeting adjourned at 3:30 p.m.