

**MINUTES OF THE MEETING
OF THE EXECUTIVE COUNCIL OF THE STATE OF MINNESOTA
December 2, 2015
MSRS, Room 106
60 Empire Drive
St. Paul, MN**

In attendance Governor Mark Dayton
 Lt. Governor Tina Smith
 Secretary of State Steve Simon
 Commissioner of Administration Matt Massman
 Attorney General Lori Swanson
 State Auditor Rebecca Otto

The meeting was called to order at 10:00 a.m. by Governor Mark Dayton. The minutes of the September 9, 2015 meeting were approved with a motion made by Attorney General Lori Swanson, seconded by Lt. Governor Tina Smith and unanimously approved.

MINNESOTA MANAGEMENT AND BUDGET

Assistant Commissioner Kristin Hanson requested approval of the Multiple Bank Community Depository accounts as required by Minnesota Statutes 16A.27.

- Motion to approve was made by State Auditor Rebecca Otto, seconded by Attorney General Lori Swanson and unanimously approved.

Assistant Commissioner Kristin Hanson requested approval of collateral for state funds that are held in state depositories as required by Minnesota Statutes, section 9.031, subdivisions 2 and 3.

- Motion to approve was made by Lt. Governor Tina Smith, seconded by State Auditor Rebecca Otto and unanimously approved.

DEPARTMENT OF NATURAL RESOURCES

Commissioner Tom Landwehr provided an overview of the request for approval of three royalty reduction amendments to state taconite iron ore mining leases. The request for reduction will help the lessees survive the downturn in the iron ore market. Secretary of State Steve Simon asked how the reduction dollars were decided. Commissioner Landwehr called on Director of Lands and Minerals Jess Richards to address the Council. Director Richards noted the Council previously approved an 18.79% reduction to US Steel and the three requesting companies ArcelorMittal Minorca, Hibbing Taconite, and Northshore Mining requested the reduction. State Auditor Rebecca Otto asked if other options such as executive compensation was reviewed prior to requesting reductions from the state. Representatives from Cliffs Natural Resources, Sandy Karnowski and Jesse Dunns, were asked to address the Council's questions related to executive compensation, employee compensation, and workforce retention.

- Motion to approve was made by Governor Mark Dayton, seconded by Secretary of State Steve Simon and passed by majority vote. Governor Dayton, Lt. Governor Smith, Secretary of State Simon, Attorney General Swanson voted aye. State Auditor Otto voted nay.

The meeting was adjourned at 10:30 a.m. by Governor Mark Dayton.