

**MINUTES OF THE EXECUTIVE COUNCIL  
THE STATE OF MINNESOTA  
Thursday May 25, 2023**

In attendance: Governor Tim Walz  
Lieutenant Governor Peggy Flanagan  
State Auditor Julie Blaha  
Secretary of State Steve Simon  
Attorney General Keith Ellison

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At 10:05 am Governor Walz called the meeting of the Executive Council to order. A quorum was present.

Governor Walz brought forth the first agenda item, approval of Executive Council Meeting Minutes from March 2, 2023. The Governor called for any discussion of the minutes. Hearing none, the Governor called for a motion to approve. So moved. The motion to approve the minutes was approved on a voice vote.

Moving to the second agenda item, the Governor recognized Jennifer Hassemer, Minnesota Management and Budget (MMB) Assistant Commissioner Jennifer Hassemer to present the request for the approval of collateral for State funds, under Minnesota Statutes, section 9.031, subdivisions 2 and 3. Assistant Commissioner Hassemer was recognized for as much time as they may consume.

Assistant Commissioner Hassemer provided an overview of the agenda item.

Governor Walz called for any discussion regarding the approval of collateral for State funds. The State Auditor was recognized for a question related to decisions around collateral in light of recent bank failures. Assistant Commissioner Hassemer provided an answer. The Governor called for a motion to approve the request, which was moved. The motion was approved on a voice vote.

Moving to the third agenda item, the Governor recognized Jennifer Hassemer, MMB to present the request for designation of state community depository accounts, under Minnesota Statutes, section 9.031, subdivision 1. Assistant Commissioner Hassemer was recognized for as much time as they may consume.

Assistant Commissioner Hassemer provided an overview of the agenda item.

Governor Walz called for any discussion regarding the approval of the designation of state community depository accounts. Hearing none, the Governor called for a motion to approve the request, which was moved. The motion was approved on a voice vote.

Moving to the fourth agenda item, the Governor recognized the Department of Natural Resources (DNR) Commissioner Sarah Strommen and Joseph Henderson, Director, Division of Lands and Minerals, to present the agenda item, request to approve extension of a state peat lease in Koochiching County to Berger Horticultural Products Ltd. Commissioner Strommen and Director Henderson were recognized for as much time as they may consume. Commissioner Strommen provided an overview and Director Henderson provided additional context, referencing the May 25 meeting materials.

The State Auditor was recognized for a comment and a question related to peat lands. Director Henderson provided a response.

Two individuals were recognized to provide testimony on this agenda item. The Governor recognized Pierre-Olivier Sauvageau for public comment. The Lt. Governor was recognized with a question related to creation of jobs. Mr. Sauvageau provided a response. The Governor then recognized Koochiching County Land Commissioner, Nathan Heibel for public comment.

The Governor called for a motion to approve the request, which was moved. The motion was approved on a voice vote.

Moving to the fifth agenda item, the Governor recognized the DNR Commissioner Sarah Strommen and Joseph Henderson, Director, Division of Lands and Minerals, to present the agenda item, request to approve issuance of state taconite iron ore mining leases in St. Louis County to Cleveland-Cliffs Hibbing Inc., Cliffs Mining Holding Sub Company, Ontario Hibbing Company, and Hibbing Development Company. Commissioner Strommen and Director Henderson were recognized for as much time as they may consume. Commissioner Strommen provided an overview and Director Henderson provided additional context, referencing the May 25 meeting materials.

Two individuals were recognized to provide testimony on this agenda item. The Governor recognized St. Louis County Commissioner, Michael Jugovich for public comment. The Governor then recognized Patrick Bloom and Matthew Holihan to provide comments.

The Governor called for a motion to approve the request, which was moved. The motion was approved on a voice vote.

Moving to the sixth agenda item, the Governor recognized the DNR Commissioner Sarah Strommen and Joseph Henderson, Director, Division of Lands and Minerals, to present the agenda item, request to approve Issuance of state taconite iron ore mining leases in Itasca County to Cleveland-Cliffs Minnesota Land Development LLC. The Lt. Governor was recognized for questions related to the fairness to Minnesota taxpayers and how the terms stack up against previous leases. Director Henderson provided a response. The State Auditor was recognized for a question related to how the terms incentivize action. Director Henderson provided a response. Commissioner Strommen provided additional context.

Multiple individuals were recognized to provide testimony on this agenda item. The Governor recognized the following individuals, who provided public comment:

Itasca County Commissioners Casey Venema and John Johnson

Jason Quiggin, Iron Range Building and Constructions Trades

Calvin Saarl, Mayor of the City of Nashwauk

Tamara Lowney, Itasca Economic Development Corporation

Tom Hammerlund, TNT Construction Group LLC-Hammerlund Inc.

Barb Kalmi, City of Nashwauk resident

James Bougalis, Scranton Holding Company

Larry Sutherland, Mesabi Metallics Company LLC

David Suggs, Mesabi Metallics Company LLC

Marty Vadis, Mesabi Metallics Company LLC

Ravikant Ruia, Essar

Travis Vake, City of Chisholm, Chisolm High School, Chisholm Chamber of Commerce, Chisholm Economic Development Authority

Pete Hyduke, Mayor of Hibbing and Shelly Hanson, Hibbing Economic Development Authority

Chris Johnson, USW Local 2705 Hibbing Taconite

John Arbogast, USW Local 2705

Patrick Bloom and Mr. Matthew Holihan, Cleveland Cliffs

The Governor recognized Commissioner Strommen and Director Henderson to answer questions and provide additional comment. The Governor asked question about bifurcating the leases. Commissioner Strommen provided a response that it was not in the state's best interest. Director Henderson provided additional comments. The State Auditor recognized for a question related to the benefits for Itasca County. Director Henderson provided a response. The Attorney General was recognized for a question related to the relevant litigation. Director Henderson provided a response related to the ongoing monitoring of the litigation. The Lt. Governor was recognized for a question to provide the DNR opportunity to respond related to their due diligence. Commissioner Strommen provided a response. The Secretary of State was recognized for a question related to a risk if multiple entities mining the same area. Director Henderson provided a response confirming. The Secretary followed up with a comment related to potential subleasing.

The Governor provided closing remarks. The State Auditor provided closing remarks. The Attorney General provided closing remarks. The Secretary of State provided closing remarks.

The Governor called for a motion to approve the request, which was moved. The motion was approved on a voice vote.

Governor Walz called for a motion to adjourn the meeting, which was moved. The meeting was adjourned at 1:06 pm.

# Office Memorandum

**Date:** August 7, 2023

**To:** Stacie Christensen  
Executive Secretary  
Executive Council

**From:** James Schowalter  
Commissioner



**Phone:** 651-201-8011

**Subject:** Approval of Collateral for State Funds

As required by Minnesota Statutes, Section 9.031, subdivisions 2 and 3, the Department of Management and Budget (MMB) requests that the Executive Council approve the list of new collateral used to secure state funds on deposit at its August 23, 2023, meeting.

Collateral to be approved by the Executive Council, under Minnesota Statutes, Section 9.031, subdivisions 2 and 3:

**US Bank**

\$500,000,000.00	FHLB	Letter of Credit 571286
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**United Valley Bank**

\$500,000.00	Bank of North Dakota	605581NHB Mississippi St Ref GO
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**Bremer Bank, N.A.**

\$951,180.42	Wells Fargo	587091WV7 Menomonie WI
\$969,720.00	Wells Fargo	720662CW3 Fresb Mtg Tr

**APPROVED BY EXECUTIVE COUNCIL**

DATE \_\_\_\_\_

BY \_\_\_\_\_  
Executive Secretary