

**Meeting of the
Iron Range Resources Board**

Monday, December 12, 2005

3:00 p.m.

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

I. Roll Call

Senator David Tomassoni, Chair, called the meeting to order at approximately 3:10 p.m. Present: Representative David Dill, Representative Maxine Penas, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Tom Saxhaug, Citizen Joe Begich, Citizen Bill Henning and Citizen Matt Matasich. Absent: Senator Becky Lourey and Senator Yvonne Prettner Solon. Also present were: Sandy Layman, Commissioner; Brian Hiti, Deputy Commissioner; Gunnar Johnson, Assistant Attorney General; Matt Sjoberg, Development Strategies Director; Jean Dolensek, Administrative Services Director; Marianne Bouska, Director – Ironworld Discovery Center; Richard Anderson, Loan Officer Senior; Dave Hart, Loan Officer Senior; Sheryl Kochevar, Executive Assistant; Laureen Hall, Executive Assistant; K. Patrick Maxwell, CEO, Entronix, Inc.; Patrick Edeburn, Director, Entronix, Inc.; Mike Valentine, North Shore Business Enterprise Center; and Jackie Monahan Junek, City Administrator, City of Eveleth.

II. Douglas J. Johnson Economic Protection Trust Fund

Action Required: Project approval requires 8 votes

a. Entronix, Inc.

Motion by Representative Rukavina to approve the Entronix, Inc. project as presented for an amount not to exceed \$500,000. Seconded by Citizen Begich. Motion carried.

Voting in Favor of the Motion: Representative David Dill, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Tom Saxhaug, Senator David Tomassoni, Citizen Joe Begich, Citizen Bill Henning and Citizen Matt Matasich.

Voting Against the Motion: None.

Abstain: None.

Absent: Senator Becky Lourey, Senator Yvonne Prettner Solon and Representative Maxine Penas.

III. Board Account

Action Required: Project approval requires 7 votes

a. Northern Tier High Technology Corridor

Motion by Representative Solberg to approve the Northern Tier High Technology Corridor project as presented for the amount not to exceed \$38,800 (\$19,400 FY06 and \$19,400 FY07). Seconded by Representative Sertich. Motion carried.

Voting in Favor of the Motion: Representative David Dill, Representative Maxine Penas, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Tom Saxhaug, Senator David Tomassoni, Citizen Joe Begich, Citizen Bill Henning and Citizen Matt Matasich.

Voting Against the Motion: None.

Abstain: None.

Absent: Senator Becky Lourey and Senator Yvonne Prettner Solon.

IV. Approval of the October 20, 2005, Minutes

Representative Rukavina moved approval of the October 20, 2005, minutes with the following amendments:

-VII. Board Account

a. Program Grants

Chairman Tomassoni ruled that the motion passed notwithstanding the Commissioner's request for clarification as to whether or not the motion had received the seven or eight "yes" votes required by law to approve spending from these accounts. **Amended with the following additions:** *Responding to the Commissioner's request, the Chair asked the board if anyone would like a division, i.e., a showing of hands. No board member questioned the Chair's ruling by asking for a division. Custom and Usage dictates that the number of votes required by law to pass Representative Sertich's motion were therefore recorded by voice vote.*

-VIII. Taconite Area Environmental Protection Fund

b. Itasca Development Corporation – Speculative Building Project

Representative Rukavina, Representative Dill, Representative Sertich, Citizen Begich and Senator Tomassoni asked to be recorded as abstaining from the vote. Project, therefore, was not approved.

Motion to approve the October 20, 2005, minutes as amended was carried.

Representative Sertich informed the Board that he was absent from the Board Room due to a cell phone call during the vote for the Iron Range Resources FY06 Investment Plan at the August 18, 2005, Iron Range Resources Board Meeting.

V. Public Works Resolution

Motion by Representative Rukavina to approve Resolution No.: FY06-003 related to the re-allocation of \$3,000,000 of the \$4,000,000 of TEPF monies that were designated in the approved FY06 budget to be used for a Development Projects Fund. The \$3,000,000 re-allocated funds are proposed to be used for public works projects within the Taconite Assistance Area. Seconded by Representative Sertich. Motion carried.

Voting in Favor of the Motion: Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Tom Saxhaug, Representative David Dill, Senator David Tomassoni and Citizen Joe Begich.

Voting Against the Motion: Representative Maxine Penas, Citizen Bill Henning and Citizen Matt Matasich.

Abstain: None.

Absent: Senator Becky Lourey and Senator Yvonne Prettner Solon.

IRON RANGE RESOURCES AND REHABILITATION BOARD OF THE STATE OF MINNESOTA

Resolution No.: FY06-003

WHEREAS, the Board on August 18, 2005 approved, with certain modifications and conditions, a Fiscal Year 2006 budget (entitled the "FY06 Investment Plan") proposed by the Commissioner for agency projects, programs and operations during the state fiscal year ending June 30, 2006 (the "**Approved FY06 Budget**"); and,

WHEREAS, the Approved FY06 Budget contained a line item designation and allocating up to \$4,000,000 of the monies made available to the Commissioner under Minnesota Statutes Section 298.223 ("TEPF Monies") for a proposed "Development Projects Fund"; and,

WHEREAS, the Governor subsequently approved the Approved FY06 Budget including the Development Projects Fund monies;

WHEREAS, on Monday, December 12, 2005, the Board met in a regular session at Eveleth to consider, among other matters, a Board member initiated proposal to re-allocate a portion of the said Development Projects Fund monies so that those same funds instead could be designated and allocated for the specific purpose of funding future public works projects within the Taconite Assistance Area; and,

WHEREAS, on the basis of the budget materials submitted by the Commissioner and the Board's discussions at the said public meeting, it appears that no portion of the said Development Projects Fund monies have been contractually obligated for any specific project and no non-State party appears to have relied to its financial detriment upon the designation of those Development Projects Fund monies in the Approved FY06 Budget; and,

WHEREAS, the Board has concluded that \$3,000,000 of the monies designated in the Approved FY06 Budget as Development Projects Fund should instead be designated for use only for public works projects within the Taconite Assistance Area.

NOW, THEREFORE, BE IT RESOLVED THAT:

- a. The Board hereby withdraws its prior approval for the use of \$3,000,000 (the “Re-Allocated Funds Portion”) of the \$4,000,000 of TEPF Monies that were designated in the Approved FY06 Budget to be used for a Development Projects Fund; and,
- b. The Board hereby approves the use of the \$3,000,000 Re-Allocated Funds Portion for public works projects within the Taconite Assistance Area as part of an amended or revised form of the Approved FY06 Budget, anticipating that each public works project for which any portion of the said Re-Allocated Funds Portion is proposed to be used first will be submitted to the Board for approval by the statutorily required affirmative vote of at least seven Board members.

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 12th DAY OF DECEMBER, 2005.

| Member | Aye | Nay | Abstain | Absent |
|-------------------------------|------------|------------|----------------|---------------|
| Senator Tom Bakk | X | | | |
| Senator Becky Lourey | | | | X |
| Senator Tom Saxhaug | X | | | |
| Senator Yvonne Prettner Solon | | | | X |
| Senator Dave Tomassoni | X | | | |
| Representative Dave Dill | X | | | |
| Representative Maxine Penas | | X | | |
| Representative Tom Rukavina | X | | | |
| Representative Tony Sertich | X | | | |
| Representative Loren Solberg | X | | | |
| Citizen Joe Begich | X | | | |
| Citizen Bill Henning | | X | | |
| Citizen Matt Matasich | | X | | |
| TOTAL | 8 | 3 | 0 | 2 |

Signed : _____
 Senator David Tomassoni, Chair

VI. Board Account

Action Required: Project approval requires 7 votes

- a. **Program Grants**
 - i. **City of Biwabik - \$5,000**
 - ii. **Greenway Area Business Association - \$10,000**
 - iii. **Ironworld Development Corporation - \$146,000**
 - iv. **North Shore Business Enterprise Center - \$50,000**
- b. **Itasca Development Corporation – Speculative Building Project - \$350,000**

Motion by Representative Sertich to approve the Program Grants projects and Itasca Development Corporation – Speculative Building project as presented for an amount cumulatively not to exceed \$561,000. Seconded by Senator Saxhaug. Motion carried.

Voting in Favor of the Motion: Representative David Dill, Representative Maxine Penas, Representative Tom Rukavina, Representative Tony Sertich, Representative Loren Solberg, Senator Tom Bakk, Senator Tom Saxhaug, Senator David Tomassoni, Citizen Joe Begich, Citizen Bill Henning and Citizen Matt Matasich.

Voting Against the Motion: None.

Abstain: None.

Absent: Senator Becky Lourey and Senator Yvonne Prettner Solon.

VII. Adjournment

Meeting adjourned at 4:40 p.m.