

**Meeting of the  
Iron Range Resources Board**

**Thursday, July 16, 2008**

**10:00 a.m.**

**Iron Range Resources  
Eveleth, Minnesota**

**I. Roll Call**

Representative David Dill, Chair, called the meeting to order at approximately 10:05 a.m. Present: Representative Tom Rukavina, Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan. Absent: Representative Tom Anzelc, Representative Tony Sertich, Representative Loren Solberg, Senator Rod Skoe and Senator David Tomassoni. Also present: Sandy Layman, Commissioner; Brian Hiti, Deputy Commissioner; Doug Gregor, Assistant Attorney General; Matt Sjoberg, Development Strategies Director; Roy Smith, Workforce Development Coordinator; Dan Jordan, Mining Program Supervisor; Richard Walsh, Community Development Representative; Jean Dolensek, Chief Financial Officer; Marianne Bouska, Human Resources & Strategic Results Manager; Linda Johnson, Giants Ridge® Golf & Ski Resort Director; Jim Plummer, Real Property and Laurentian Vision Partnership Coordinator; Sheryl Kochevar, Communications & Media Coordinator; Laureen Hall, Executive Assistant; Kim Anderson, Executive Assistant

**II. Approval of the May 21, 2008, Minutes**

Citizen Joe Begich moved approval of the June 19, 2008, minutes. Seconded by Citizen Shelley Robinson. Motion carried.

**III. Commissioner's Comments**

Commissioner Sandy Layman presented a memo updating the Board regarding the Minnesota Humanities Center project, for which funding had been approved by the Board at its May 21, 2008, meeting. Due to changes in the scope of the project since the May 21<sup>st</sup> meeting, Commissioner Layman wanted to apprise the Board of those changes, including the fact that the agency would now be the sole sponsor of the project, and to let them know it was the intent of the agency to proceed with funding of a grant to the Humanities Center for the project. Several Board members offered input that the Commissioner said she would take under advisement.

**IV. FY09 Agency Investment Plan**

*Action required: Approval requires 8 votes*

Motion by Representative Tom Rukavina to reconsider the FY09 Agency Investment Plan as presented. Seconded by Senator Yvonne Prettner Solon. Motion by Representative Rukavina to include an amendment to the FY09 Investment Plan (as described in the minutes of the June 19<sup>th</sup> meeting on Page 6 of the July 16<sup>th</sup> Board packet), he had proposed at the June 19<sup>th</sup> Board

meeting, with the following two revisions to that amendment (otherwise keeping his June 19, 2008, amendment, as presented):

- At the June 19 meeting, Rukavina moved to reduce the amount in the proposed FY09 Investment Plan for Marketing & Communications from \$1,322,817 to \$968,000.
  - **In his July 16, 2008, amendment, he moved to increase the \$968,000 to \$1,100,000.**
- In addition, at the June 19 meeting, Rukavina moved to reduce the amount in the proposed FY09 Investment Plan for Business Development & Recruitment from \$1,147,104 to \$900,000.
  - **In his July 16, 2008, amendment, he moved to increase the \$900,000 to 1,050,000.**

*The Rukavina amendment motion, including changes proposed (in **BOLD**) was then restated as follows:*

- *Marketing & Communications*
  - *Reduce the amount proposed in the FY09 Agency Investment Plan from \$1,322,817 **TO \$1,100,000** (Page 11)*
- *Business Development & Recruitment*
  - *Reduce the amount proposed in the FY09 Agency Investment Plan from \$1,147,104 **TO \$1,050,000** (Page 18)*
- *Community Readiness*
  - *Reduce the amount proposed in the FY09 Agency Investment Plan from \$1,100,000 to \$750,000 [Range Readiness] (Page 23)*
- *Mining and Mineland Reclamation*
  - *Reduce the amount proposed in the FY09 Agency Investment Plan from \$900,000 to \$800,000 [Laurentian Vision Partnership Grant] (Page 23)*
- *Commissioner Projects*
  - *Reduce the amount proposed in the FY09 Agency Investment Plan from \$500,000 to \$250,000 (Page 23)*
- *Innovative Technology*
  - *Reduce the amount proposed in the FY09 Agency Investment Plan from \$200,000 to \$0 (Page 23)*
- *Renewable Energy*
  - *Reduce the amount proposed in the FY09 Agency Investment Plan from \$1,000,000 to \$500,000 (Page 25)*

The Rukavina amendment motion to revise the FY09 Investment Plan, as described above, was approved by a majority vote of those members present (five “yes” votes, three “no” votes). The chair called for division. Votes were recorded as follows:

**Voting in Favor of the Motion:** Senator Tom Bakk, Representative David Dill, Representative Tom Rukavina, Citizen Joe Begich and Citizen Shelley Robinson

**Voting Against the Motion:** Senator Tom Saxhaug, Senator Yvonne Prettnner Solon and Citizen Jack Ryan

**Abstain:** None

**Absent:** Senator Rod Skoe, Senator David Tomassoni, Representative Tom Anzelc, Representative Tony Sertich and Representative Loren Solberg

Chairman Dill called for a roll call vote on the Rukavina motion to approve the FY09 Investment Plan, which included the Rukavina amendment motion (June 19, 2008, Rukavina amendment as further amended on July 16, 2008). Motion prevailed with five “yes” votes and three “no” votes; however, by state statute, eight votes are required to expend monies from the Douglas J. Johnson Economic Protection Fund (DJJ) and seven votes are required to expend monies from the Taconite Area Environmental Protection Fund (TEPF). Therefore, a budget was approved, but the approval lacked sufficient “yes” votes required by statute for expenditures from those accounts. Votes were recorded as follows:

**Voting in Favor of the Motion:** Senator Tom Bakk, Representative David Dill, Representative Tom Rukavina, Citizen Joe Begich and Citizen Shelley Robinson

**Voting Against the Motion:** Senator Tom Saxhaug, Senator Yvonne Prettnner Solon and Citizen Jack Ryan

**Abstain:** None

**Absent:** Senator Rod Skoe, Senator David Tomassoni, Representative Tom Anzelc, Representative Tony Sertich and Representative Loren Solberg

Motion by Representative Rukavina to approve a budget at FY08 *projected* spending levels. Representative Rukavina accepted Resolution 09-001 as his motion with the following amendment to the **IT IS HEREBY RESOLVED** clause:

**IT IS HEREBY RESOLVED**, that the Board approves the continuation of funding for the State Fiscal Year 2009 (FY09) operations of the Office of the Commissioner of Iron Range Resources and Rehabilitation agency from the funding sources in the amounts up to but not to exceed the amounts **budgeted indicated** for such operational expenditures in the **approved projected** FY08 budget . . .

*and* to *delete* the second **BE IT FURTHER RESOLVED** clause in Resolution 09-001, as follows:

~~**BE IT FURTHER RESOLVED** that the Board approves the expenditure of up to \$150,000 of Douglas J. Johnson Economic Protection Trust Fund (“DJJ Fund”) monies to contract for business recruitment services, which is an expenditure included in the Development Strategies Division’s Operations Budget line item for Professional Services expenditures, as contained on Page 18 of the proposed FY2009 Iron Range Resources Investment Plan budget.~~

Senator Yvonne Prettner Solon amended the Rukavina motion to add back into Resolution 09-001, the second **BE IT FURTHER RESOLVED** clause, as follows:

**BE IT FURTHER RESOLVED** that the Board approves the expenditure of up to \$150,000 of Douglas J. Johnson Economic Protection Trust Fund (“DJJ Fund”) monies to contract for business recruitment services, which is an expenditure included in the Development Strategies Division’s Operations Budget line item for Professional Services expenditures, as contained on Page 18 of the proposed FY2009 Iron Range Resources Investment Plan budget.

Motion prevailed; however, the approval lacked sufficient “yes” votes required by statute for expenditures from the DJJ Fund (eight “yes” votes) and the TEPF Fund (seven “yes” votes).

**Voting in Favor of the Motion:** Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Representative David Dill, Citizen Shelley Robinson and Citizen Jack Ryan

**Voting Against the Motion:** Representative Tom Rukavina and Citizen Joe Begich

**Abstain:** None

**Absent:** Senator Rod Skoe, Senator David Tomassoni, Representative Tom Anzelc, Representative Tony Sertich and Representative Loren Solberg

Representative Tom Rukavina moved Resolution 09-001 with the following amendment to the **IT IS HEREBY RESOLVED** clause:

**IT IS HEREBY RESOLVED**, that the Board approves the continuation of funding for the State Fiscal Year 2009 (FY09) operations of the Office of the Commissioner of Iron Range Resources and Rehabilitation agency from the funding sources in the amounts up to but not to exceed the amounts **budgeted indicated** for such operational expenditures in the **approved projected** FY08 budget . . .

*and* to delete the second **BE IT FURTHER RESOLVED** clause in Resolution 09-001, as follows:

~~**BE IT FURTHER RESOLVED** that the Board approves the expenditure of up to \$150,000 of Douglas J. Johnson Economic Protection Trust Fund (“DJJ Fund”) monies to contract for business recruitment services, which is an expenditure included in the Development Strategies Division’s Operations Budget line item for Professional Services expenditures, as contained on Page 18 of the proposed FY2009 Iron Range Resources Investment Plan budget.~~

Chairman Dill recessed the meeting at 11:30 a.m. The meeting was called back to order at 11:35 a.m.

Representative Tom Rukavina moved Resolution 09-001 with the following amendment to the **IT IS HEREBY RESOLVED** clause:

**IT IS HEREBY RESOLVED**, that the Board approves the continuation of funding for the State Fiscal Year 2009 (FY09) operations of the Office of the Commissioner of Iron Range Resources and Rehabilitation agency from the funding sources in the amounts up to but not to exceed the amounts **budgeted indicated** for such operational expenditures in the **approved projected** FY08 budget . . . Chairman Dill called for a roll call vote. Motion carried with eight “yes” votes. Votes were recorded as follows:

**Voting in Favor of the Motion:** Senator Tom Bakk, Senator Tom Saxhaug, Senator Yvonne Prettner Solon, Representative David Dill, Representative Tom Rukavina, Citizen Joe Begich, Citizen Shelley Robinson and Citizen Jack Ryan

**Voting Against the Motion:** None

**Abstain:** None

**Absent:** Senator Rod Skoe, Senator David Tomassoni, Representative Tom Anzelc, Representative Tony Sertich and Representative Loren Solberg

**IRON RANGE RESOURCES AND REHABILITATION BOARD  
OF THE STATE OF MINNESOTA  
INTERIM FY09 OPERATIONAL EXPENDITURE FUNDING APPROVAL**

**Resolution No.: 09-001**

**IT IS HEREBY RESOLVED**, that the Board approves the continuation of funding for the State Fiscal Year 2009 (FY09) 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 indicated for such operational expenditures in the projected FY08 budget, with such approval to remain effective until the earlier of the date of September 1, 2008, or the date the Board formally approves a FY09 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 FY08.

**BE IT FURTHER RESOLVED** that the Board ratifies and approves those FY09 operational expenditures made and incurred by the agency since July 1, 2008 that are in character consistent with the operational expenditure authorization given in the first paragraph of this Resolution.

**BE IT FURTHER RESOLVED** that the Board approves the expenditure of up to \$150,000 of Douglas J Johnson Economic Protection Trust Fund (“DJJ Fund”) monies to contract for business recruitment services, which is an expenditure included in the Development Strategies Division’s Operations Budget line item for Professional Services expenditures, as contained on Page 18 of the proposed FY 2009 Iron Range Resources Investment Plan budget.

**PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND**

**REHABILITATION BOARD THIS 16th DAY OF JULY, 2008.**

<b>Member</b>	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>	<b>Absent</b>
Senator Tom Bakk	<b>X</b>			
Senator Tom Saxhaug	<b>X</b>			
Senator Rod Skoe				<b>X</b>
Senator Yvonne Prettner Solon	<b>X</b>			
Senator Dave Tomassoni				<b>X</b>
Representative Tom Anzelc				<b>X</b>
Representative Dave Dill	<b>X</b>			
Representative Tom Rukavina	<b>X</b>			
Representative Tony Sertich				<b>X</b>
Representative Loren Solberg				<b>X</b>
Citizen Joe Begich	<b>X</b>			
Citizen Shelley Robinson	<b>X</b>			
Citizen Jack Ryan	<b>X</b>			
<b>TOTAL</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>5</b>

Signed: \_\_\_\_\_  
 Representative David Dill, Chair

**V. Taconite Economic Development Fund (TEDF)**

*Action required: project approval requires a majority vote of the quorum present*

- a. Northshore Mining Company – Resolution No. 09-002**
- b. Hibbing Taconite Company – Resolution No. 09-003**

Motion by Senator Prettner Solon to remove from the table (which had been tabled at the June 19, 2008, Board meeting), the Northshore Mining Company TEDF project, as presented in Resolution No. 09-002, and the Hibbing Taconite Company TEDF project, as presented in Resolution No. 09-003. Senator Tom Bakk requested that representatives from Cleveland-Cliffs be invited to attend a future meeting to discuss the TEDF projects prior to voting on Resolution No. 09-002 and Resolution No. 09-003. In addition, Bakk mentioned he would like to hear from all mining companies regarding the “state of the industry” at a future meeting. Senator Prettner Solon withdrew her motion.

**VI. Adjournment**

Meeting adjourned at 11:52 a.m.