



DEPARTMENT OF IRON RANGE RESOURCES & REHABILITATION

Iron Range Resources & Rehabilitation Board Meeting
Tuesday, June 7, 2022
1:00 p.m.

AGENDA

- I. Call to Order
- II. Roll Call
- III. Approval of the April 5, 2022, Meeting Minutes
- IV. Commissioner Comments
- V. FY22 Development, Broadband & Community Infrastructure Projects with FY22 Budget Amendment
- VI. FY22 Regional Trail Projects
- VII. Iron Range Higher Education Account
- VIII. Giants Ridge Recreation Tax
- IX. Iron Range School Consolidation Account – Ely – I.S.D. 696
- X. FY23 Budget
- XI. Other
- XII. Adjournment

I. Call to Order



II. Roll Call



III. Approval of the April 5, 2022, Meeting Minutes



IV. Commissioner Comments



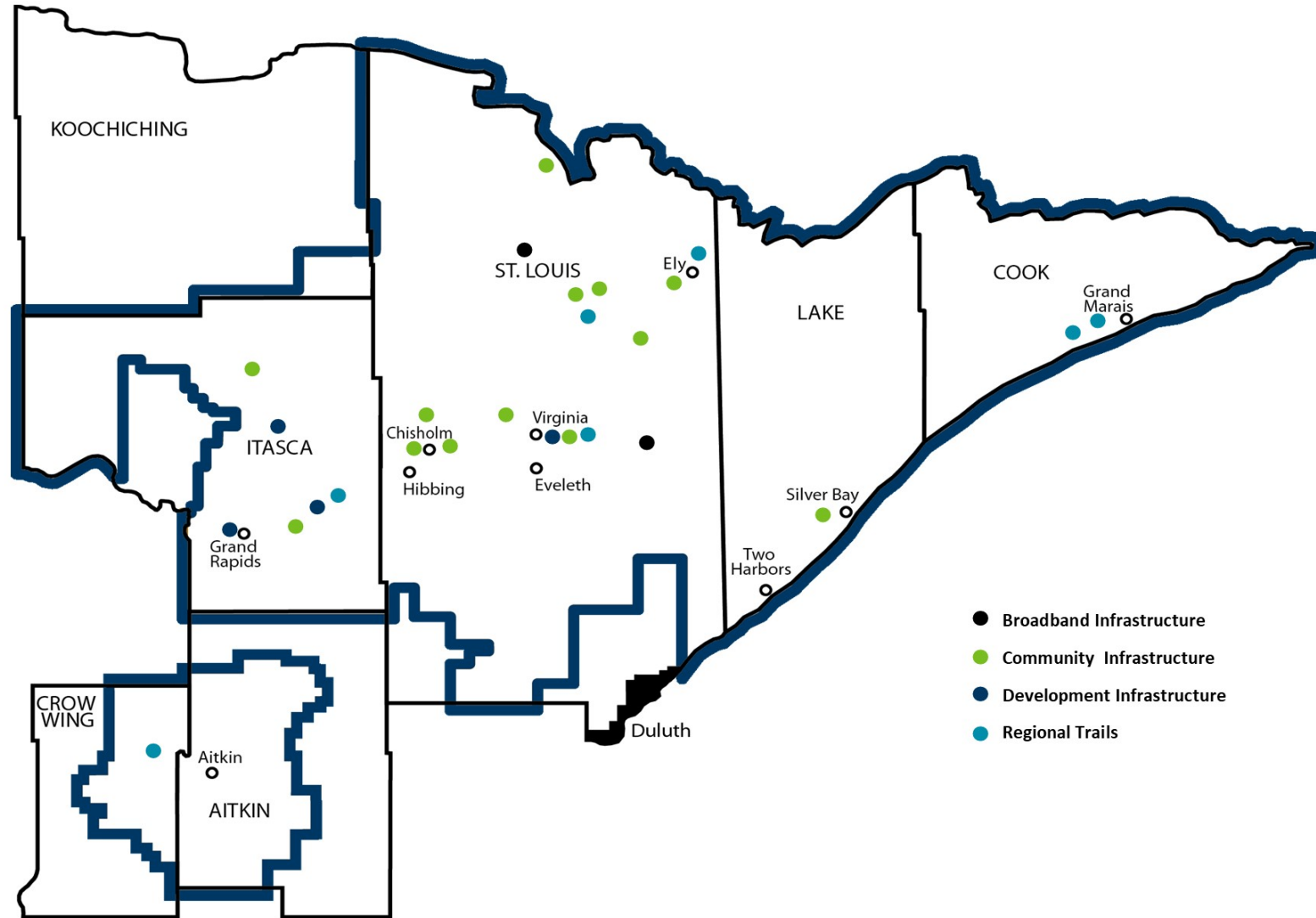
IRRR Board Meeting

Tuesday, June 7, 2022 – 1:00 p.m.

Program	Agency Investment	Total Project Investment
FY22 Infrastructure (Development, Broadband & Community)	\$5,650,000	\$81,090,457
FY22 Regional Trails	\$828,024	\$1,922,474
Iron Range Higher Education Account	\$600,000	\$600,000
Giants Ridge Recreation Tax	\$70,000	\$70,000
TOTAL	\$7,148,024	\$83,682,931

IRRR Board Meeting

Tuesday, June 7, 2022 – 1:00 p.m.



FY22 INFRASTRUCTURE PROJECTS

(Development, Broadband & Community)

Matt Sjoberg

Executive Director of Development

(218)735-3037

Matt.Sjoberg@state.mn.us

Chris Ismil

Community Development Representative

(218)735-3010

Chris.Ismil@state.mn.us

Whitney Ridlon

Community Development Representative

(218)735-3004

Whitney.Ridlon@state.mn.us

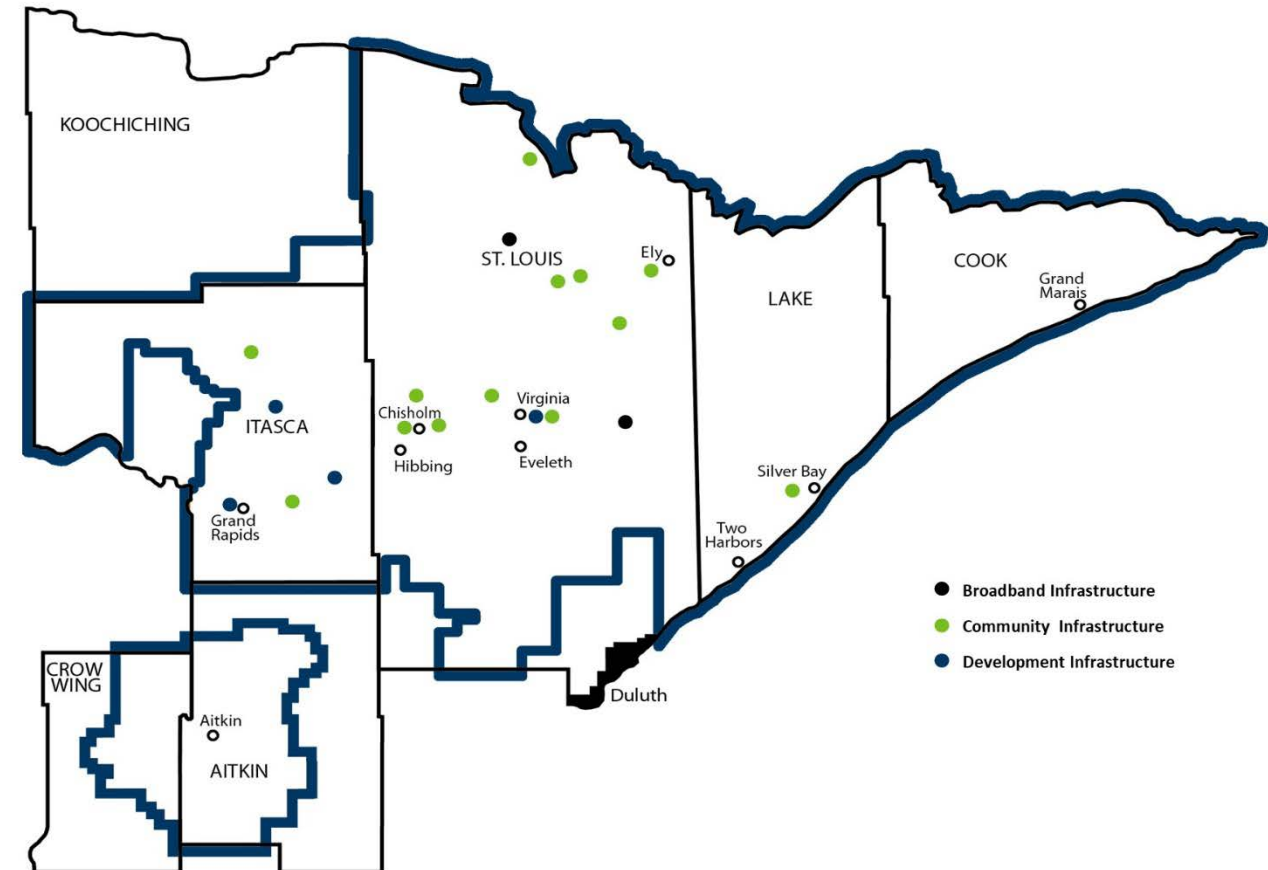
FY22 Infrastructure Projects

Purpose

- Development Infrastructure grants assist communities with projects that support economic development.
- Broadband Infrastructure grants assist communities with projects that support households and businesses reaching the State of Minnesota broadband Speed Goal.
- Community Infrastructure grants assist communities with projects that support residential and public facility development.

Economic Impact

- # of Infrastructure Projects: 19
- Agency Investment: \$5,650,000
- Total Investment: \$81,090,457
- Leverage: 13:1



City of Grand Rapids

Agency Investment: \$150,000

Total Project Investment: \$12,022,460

Project: Infrastructure and site work for the Cambium Development project which will utilize a cleared downtown parcel resulting from a fire in March of 2020, to construct a five-story mixed use commercial building with a restaurant and lobby on the street level, four stories (39-rooms) of boutique hotel and an arts venue in the basement level.

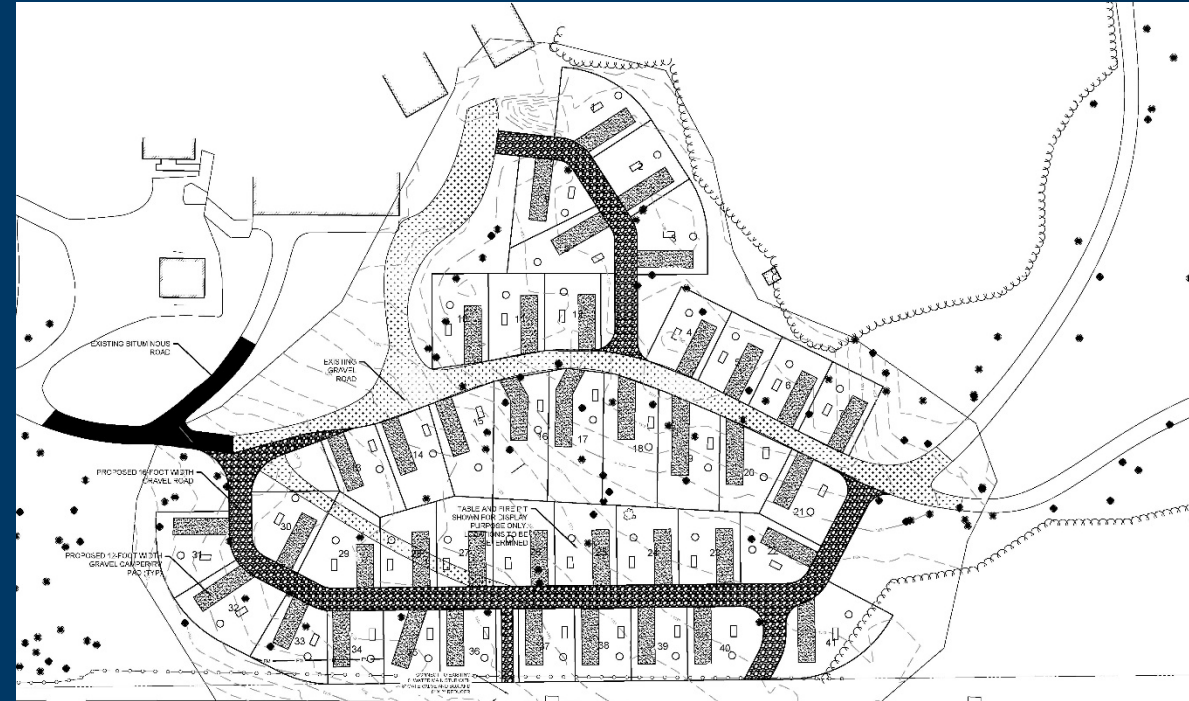


Itasca County

Agency Investment: \$100,000

Total Project Investment: \$644,597

Project: Infrastructure and roads for a campground redevelopment. The Itasca County Campground is located at the County Fairgrounds and has been in existence for years as a rudimentary RV and camping site. The redevelopment will allow for the construction of 41 RV camp sites with full pads. Thirty-seven sites will have electric, water and sewer, while four additional sites will have water and electric.



City of Keewatin

Agency Investment: \$279,000

Total Project Investment: \$2,617,472

Project: Infrastructure and site work for two redeveloped main street sites. Spire Credit Union is constructing a new 3,000-square-foot facility in downtown Keewatin. The new modern building and drive-thru will allow for increased tax base for the city.



Agency Investment: \$1,500,000
Total Project Investment: \$30,667,942

City of Virginia

Project: Infrastructure, site work and structural reinforcement for the development of a new hotel in Virginia. The newly constructed 166,000-square-foot hotel and extended stay facility will feature 132 rooms with future development potential. The property is adjacent to the recently established 130,000-square-foot Iron Trail Motors Event Center.



Development Infrastructure Projects

Grantee	Project Description	Agency Investment	Total Project Investment
City of Grand Rapids	Infrastructure for the development of a five-story mixed use commercial building.	\$150,000	\$12,022,460
Itasca County	Infrastructure and roads for the redevelopment of Itasca County Campground.	\$100,000	\$644,597
City of Keewatin	Infrastructure for two redeveloped main street areas sites.	\$279,000	\$2,617,472
City of Virginia	Infrastructure and structural reinforcement for the development of a new 166,000-square-foot hotel.	\$1,500,000	\$30,667,942

Broadband Infrastructure Projects

Grantee	Project Description	Agency Investment	Total Project Investment
White Township	Broadband infrastructure to expand fiber optic to serve up to 25 unserved households.	\$65,000	\$180,165
Paul Bunyan Communications – Ash Lake Area	Broadband infrastructure to expand fiber optic to serve up to 75 unserved households.	\$101,000	\$270,000



Community Infrastructure Projects

Grantee	Project Description	Agency Investment	Total Project Investment
City of Babbitt	Construct phase II of a new wastewater treatment facility in order to modernize essential water services and meet permit limits.	\$250,000	\$10,350,000
City of Bigfork	Construct infrastructure and a new facility for a community wellness addition to Bigfork School and ISD 318.	\$250,000	\$2,872,735
Breitung Township	Upgrade water meters, construct water and sewer infrastructure, and reconstruct roads in several community areas.	\$200,000	\$1,010,000
City of Chisholm	Construct phase I infrastructure and site work for a new 23,000-sqaure-foot public safety facility that will house fire, police and ambulance services for 63 emergency personnel staff and provide services to the city and the surrounding townships.	\$400,000	\$4,000,000
City of Chisholm	Replace the utilities, reconstruct a road and repave several streets throughout the city.	\$400,000	\$2,457,025
Chisholm HRA	Renovate the interior and exterior of eight units at Maplevue Apartments to meet code compliancy.	\$210,000	\$710,000
Crane Lake Township	Reconstruct part of Bayside Drive leading to the public boat access point on Crane Lake which serves Crane Lake, Voyageurs National Park, Quetico Provincial Park and the Boundary Waters Canoe Area Wilderness.	\$250,000	\$3,837,000

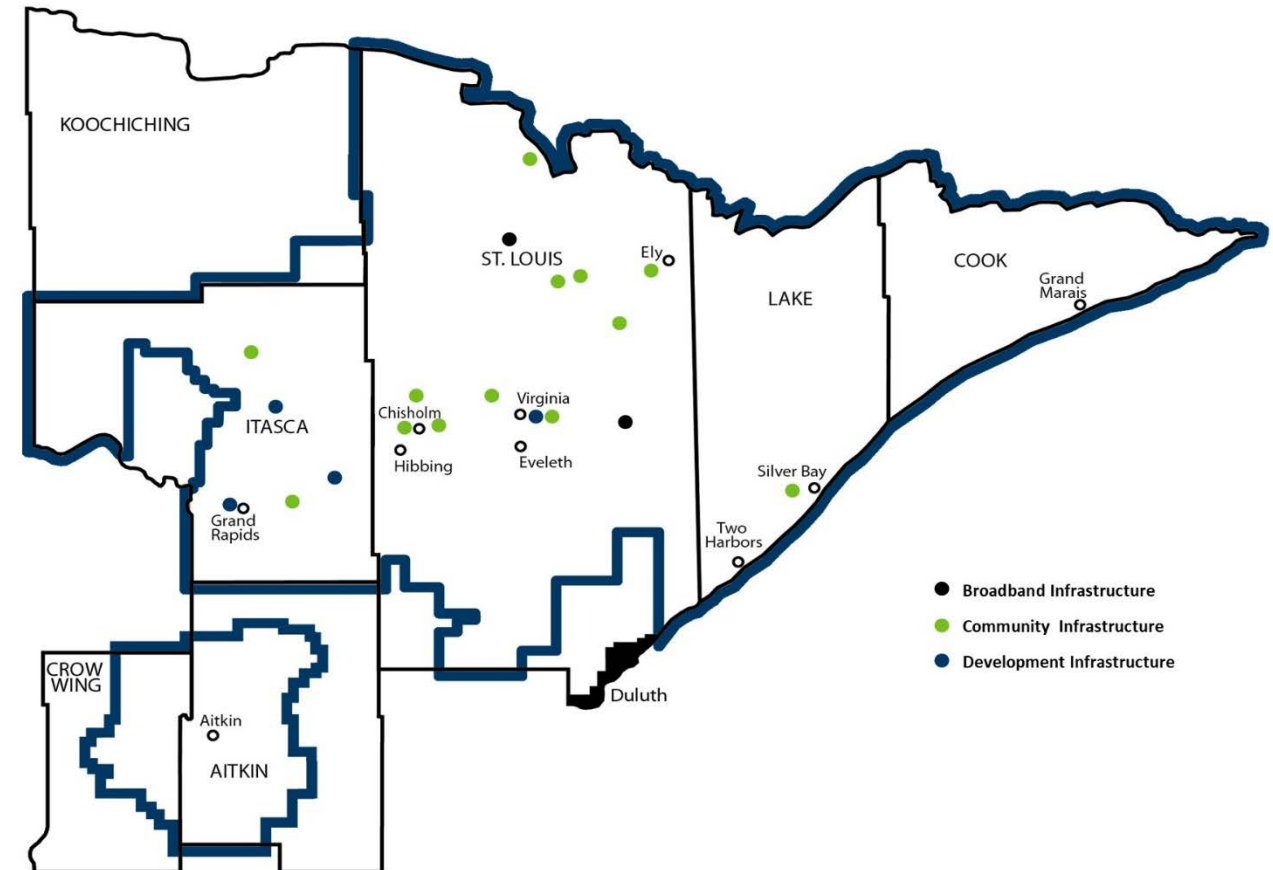
Community Infrastructure Projects

Grantee	Project Description	Agency Investment	Total Project Investment
City of Ely	Reconstruct three city streets and extend utilities, construct a new roadway and new sanitary sewer and water mains to support the development of 11 affordable residential housing lots.	\$150,000	\$1,304,892
Greenway Township	Complete ADA accessibility and OSHA-complaint infrastructure upgrades at Pengilly Swan Lake Country Club and Community Center which serves Pengilly and the surrounding communities.	\$70,000	\$140,250
Lake Vermilion Fire Brigade	Construct a helipad and docking system for Lake Vermilion Fire Brigade's emergency response whose service area covers 61 square miles with approximately 3,000 residents.	\$165,000	\$205,000
City of Mountain Iron	Modify each of the Quad Cities (Eveleth, Gilbert, Mountain Iron, Virginia) wastewater treatment facilities in order to accommodate a portable belt press donated by Saint Louis County.	\$360,000	\$1,297,000
City of Silver Bay	Reconstruct a road that serves the newly developed Black Beach park and campground.	\$250,000	\$2,400,000
City of Virginia	Reconstruct streets and sidewalk, and replace water and sewer infrastructure, which is phase II of city-wide capital improvements.	\$500,000	\$4,103,919

FY22 Infrastructure Projects

Economic Impact

- # of Infrastructure Projects: 19
- Agency Investment: \$5,650,000
- Total Investment: \$81,090,457
- Leverage: 13:1



Resolution No. 22-023 Budget Resolution
Resolution No. 22-024 Project Resolution

FY22 REGIONAL TRAILS PROJECT

Jim Plummer
Economic Development Coordinator
(218)274-7006
Jim.Plummer@state.mn.us

FY22 Regional Trails Projects

Purpose

Regional Trails grants provide funding to assist with design, engineering and construction of various types of trails.

Economic Impact

- # of Regional Trails Projects: 7
- Agency Investment: \$828,024
- Total Investment: \$1,922,274
- Leverage: 1:1



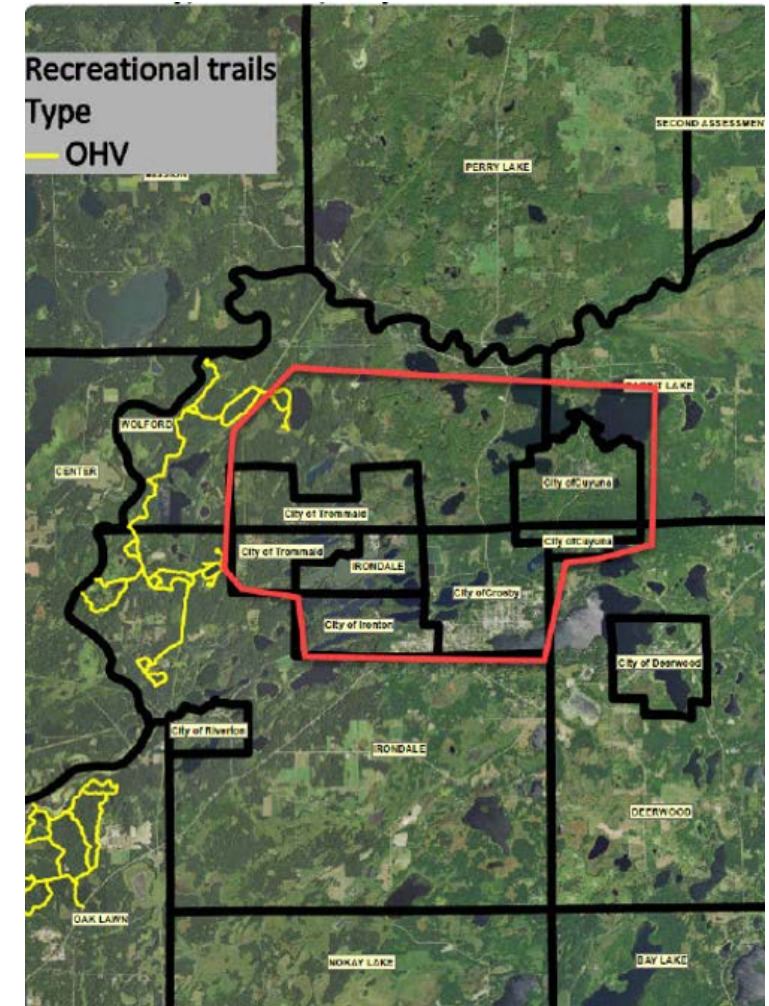
FY22 Regional Trails Projects

Grantee	Project Description	Agency Investment	Total Project Investment
Cook County Grand Marais Joint Economic Development Authority	Construct new and rebuild old mountain bike trails at the Pincushion System.	\$25,000	\$100,000



FY22 Regional Trails Projects

Grantee	Project Description	Agency Investment	Total Project Investment
Crow Wing County	ATV route master plan.	\$15,000	\$30,000



FY22 Regional Trails Projects

Grantee	Project Description	Agency Investment	Total Project Investment
City of Ely	Construct the Bear Run ATV trail and fund environmental planning and design.	\$130,755	\$280,755

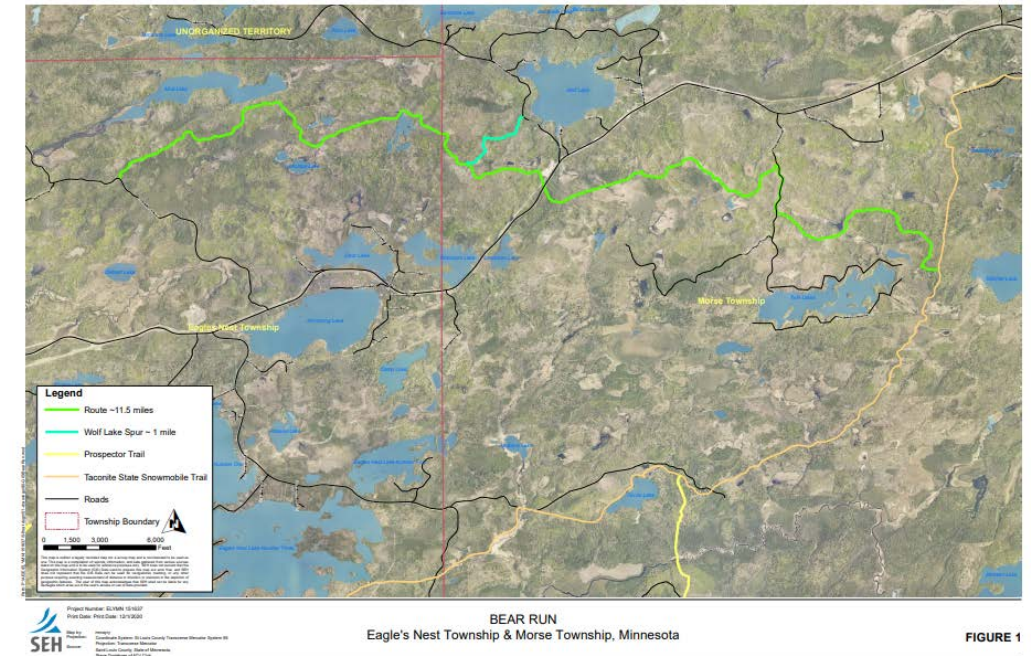


FIGURE 1

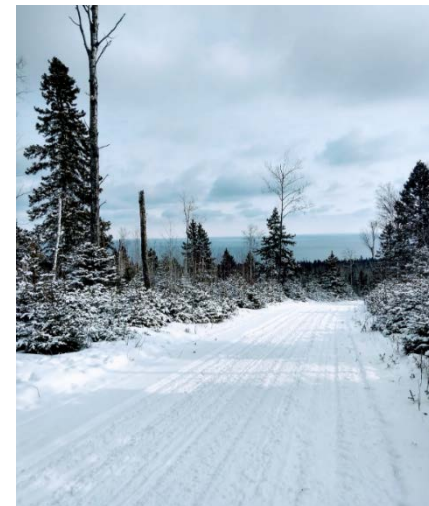
FY22 Regional Trails Projects

Grantee	Project Description	Agency Investment	Total Project Investment
Lawron Trail Riders Snowmobile club	Construct trail head, parking lot, signage and training course.	\$40,000	\$139,080



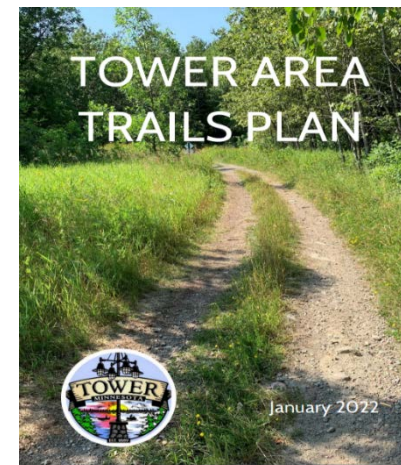
FY22 Regional Trails Projects

Grantee	Project Description	Agency Investment	Total Project Investment
Lutsen Trailbreakers Snowmobile club	Reconstruct snowmobile trail segments.	\$12,500	\$25,000



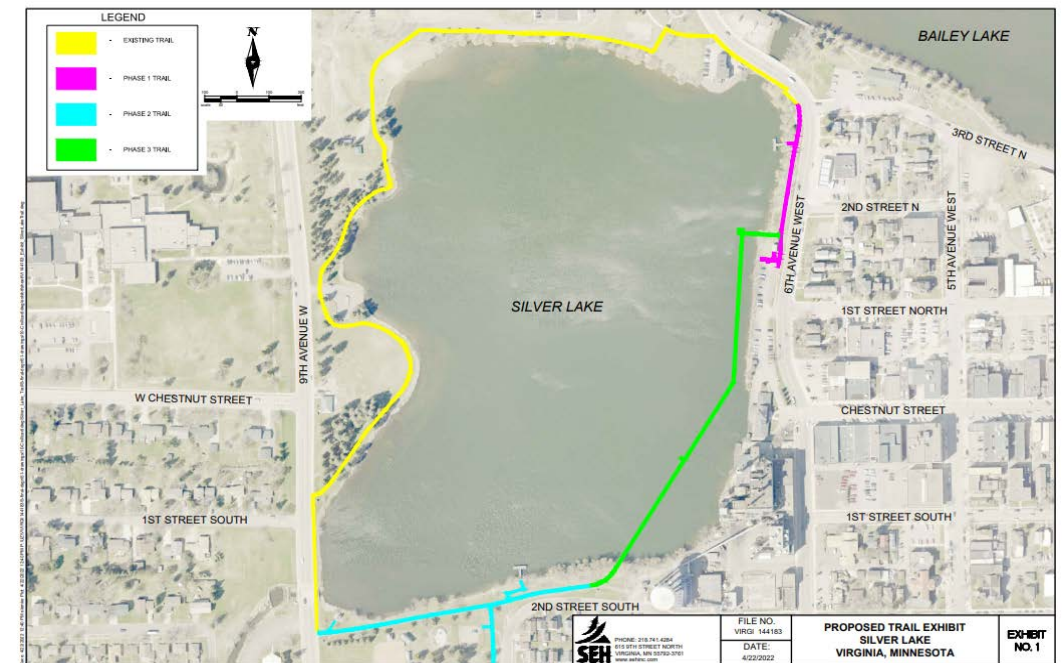
FY22 Regional Trails Projects

Grantee	Project Description	Agency Investment	Total Project Investment
City of Tower	Construct trails, trail head, restroom and signage.	\$461,900	\$1,061,900



FY22 Regional Trails Projects

Grantee	Project Description	Agency Investment	Total Project Investment
City of Virginia	Construct phase II of the Silver Lake trail project.	\$142,869	\$285,739



Iron Range Higher Education Account

Roy Smith
Director of Education and Talent Development
(218)274-7006
Roy.Smith@state.mn.us

Iron Range Higher Education Account

Created by the 2008 Minnesota Legislature, the Iron Range Higher Education Committee advises the Commissioner on providing higher education programs to the service area. Programs are funded by five cents of the Taconite Production Tax that are placed in the Iron Range Higher Education Account.

Upon recommendation of the Commissioner and the Iron Range Higher Education Committee, the Board approves expenditures from the account.

Minnesota Statutes Section 298.28 Subd. 9d

Iron Range Higher Education Account

Grantee	Project Description	Agency Investment
Minnesota North Colleges	Iron Range Engineering	\$600,000



GIANTS RIDGE RECREATION TAX

Linda Johnson
Property Development - Mining
(218)274-7007
Linda.L.Johnson@state.mn.us

The Giants Ridge Recreation Area (GRRRA) taxes (lodging, admissions, food and beverage), which were implemented by the City of Biwabik in 2010, are dedicated to construction, renovation, improvement, expansion or maintenance of public recreation facilities located within those portions of the City of Biwabik that lie within the GRRRA.


The Giants Ridge management team in conjunction with the president of the Master Association, has provided the agency with recommendations for the use of these tax dollars.

Current total amount as of May 31, 2022: \$603,375.

Past projects include:

- Climbing wall.
- Children's outdoor play area.
- Gravity mountain bike trails.
- Hiking trail design.
- Walking path and interpretive loop.
- Trail connection to the Villas.

Giants Ridge Recreation Tax

Project Description	Agency Investment
<p>Purchase mini excavator for bike/hike trail maintenance. This piece of equipment is essential to maintaining the mountain bike trails as they age and are in need of more in-depth work i.e. rebuilding berms, digging out drainage, and reconstructing trails sections.</p>	<p>\$70,000</p> 



Iron Range School Consolidation Account Ely – I.S.D. 696

Roy Smith
Director of Education and Talent Development
(218)274-7006
Roy.Smith@state.mn.us

Iron Range School Consolidation Account – Ely – I.S.D. 696



FY2023 Budget

Bob Scuffy
Accounting Director
(218)735-3035
Bob.Scuffy@state.mn.us



m1 IRON RANGE RESOURCES & REHABILITATION

FY 2023 Budget

*Investing resources to foster vibrant growth and
economic prosperity in northeastern Minnesota.*

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Introduction

As a new fiscal year approaches, we are looking forward with a strong sense of optimism for the future of our region. Our business and community development programs have been receiving increasing numbers of funding requests for quality, innovative projects. Unprecedented levels of federal funding are also coming into the region, creating leverage that will help accelerate economic growth and post pandemic transformation.

Iron Range Resources & Rehabilitation's FY23 spending plan of \$52 million positions the agency to respond directly to these needs and opportunities. We have significant financial support dedicated for business development as well as public works infrastructure and broadband. Community funding in a diverse array of programs and services helps support asset development that sets the stage for growth and makes this region a desirable place to work and play.

The agency funds projects that:

- Retain and create jobs.
- Leverage our agency's investment with state, federal and philanthropic funding.
- Improve the region's quality of life.

Working in collaboration with our public and private partners, Tribal Nations and stakeholders, Iron Range Resources & Rehabilitation is committed to creating a brighter future for northeastern Minnesota.

Strategic Priorities & Funding

Strategic priorities in this budget support long-term economic growth and the well-being of all people in northeastern Minnesota.

- Supporting public works infrastructure and business and industry with spending of \$21.3 million, 40% of the budget. The agency is poised to fill funding gaps for one-time federal dollars that are currently available.
- Setting the table for economic development with \$22.5 million of resources flowing through our community and workforce development programs and supporting Giants Ridge to provide a high quality of life for everyone.
- Producing a fiscally sound spending plan that includes reserve funds for unforeseen needs.



FY23 Budget

Iron Range Resources & Rehabilitation Board			
	FY 2022 Budget	FY 2022 Projected	FY 2023 Budget
Resources			
Carryforward In	\$16,708,392	\$20,632,229	\$21,929,378
Current Resources			
Taconite Production Taxes	\$23,730,271	\$23,730,271	\$24,634,699
Investment Earnings	658,755	409,214	409,197
Loan Revenues	3,439,663	6,862,615	2,711,782
Facilities Revenues	5,509,542	6,740,519	6,522,442
Occupation Tax Region 3	531,706	531,706	529,972
** DJJ Corpus Trust	14,910,000	14,910,000	10,913,000
Subtotal Current Resources	\$48,779,937	\$53,184,325	\$45,721,092
Total Resources	\$65,488,329	\$73,816,554	\$67,650,470
Estimated Expenditures			
Projects			
Development Projects	5,000,000	5,000,000	5,300,000
** Development Projects - DJJ Corpus Trust	2,500,000	2,500,000	2,500,000
Public Works	6,500,000	6,500,000	6,500,000
** Public Works - DJJ Corpus Trust	7,650,000	7,650,000	3,500,000
** Regional Trails Program - DJJ Corpus Trust	3,500,000	3,500,000	3,500,000
Total Projects	\$25,150,000	\$25,150,000	\$21,300,000
Programs			
Program Grants	9,370,000	9,370,000	9,725,000
Occupation Tax Region 3	531,706	531,706	529,972
Total Programs	\$9,901,706	\$9,901,706	\$10,254,972
Giants Ridge	9,616,851	9,609,105	10,850,800
** Giants Ridge Capital - DJJ Corpus Trust	1,260,000	1,260,000	1,413,000
Total Giants Ridge	\$10,876,851	\$10,869,105	\$12,263,800
Operations & Development Fixed Costs	\$7,328,034	\$5,966,365	\$8,220,570
Total Budget	\$53,256,591	\$51,887,176	\$52,039,342
Estimated Carryforward Out	\$12,231,738	\$21,929,378	\$15,611,128

** DJJ Corpus Trust funds to cover Development Projects, Public Works, Regional Trails Program and Giants Ridge capital.

Projects

Projects Budget

Development Projects	FY 2022 Budget	FY 2022 Projected	FY 2023 Budget
Development Projects	\$5,000,000	\$5,500,000	\$5,300,000
Development Projects - DJJ Corpus Trust	2,500,000	2,500,000	2,500,000
Public Works	6,500,000	6,500,000	6,500,000
Public Works – DJJ Corpus Trust	7,650,000	7,650,000	3,500,000
Regional Trails Program	3,500,000	3,500,000	3,500,000
Total Development Projects	\$25,000,000	\$25,000,000	\$21,300,000

Development Projects - \$5,300,000

These funds are designated for economic development projects to promote business development opportunities and attract new investments to the region. To streamline approvals, improve timeliness, and better serve businesses, the Commissioner, with approval of the IRRR Board Chair, is authorized to approve development projects of \$500,000 and less for projects that meet the following conditions:

- Qualify for Iron Range Resources & Rehabilitation financing under established guidelines.
- Approved by the Technical Advisory Committee (TAC).

This budget also includes an additional \$300,000 for the Loan Guaranty Program.

Development Projects – DJJ Corpus Trust - \$2,500,000

These funds cover additional Development projects.

Public Works - \$6,500,000

Public works grants help cities, townships, airport authorities, public safety facilities, hospital boards, utility commissions and collaborative organizations complete projects that support community and economic development. Eligible projects include, but are not limited to, publicly owned infrastructure such as wastewater, drinking water, storm water and utility systems, health care and airport facility improvements and renewable energy, energy efficiency initiatives, and broadband infrastructure.

Public Works – DJJ Corpus Trust - \$3,500,000

These funds cover additional Public Works projects.

Regional Trails Program - \$3,500,000

The Regional Trails Grant Program provides funding to assist cities and townships with trail planning, design and construction of various types of trails within the region. Trail types may include: bike, hiking, ATV and snowmobile.

Programs

Programs Budget

Program Grants	FY 2022 Budget	FY 2022 Projected	FY 2023 Budget
Community Development			
Commercial Redevelopment	\$1,000,000	\$1,000,000	\$1,000,000
Residential Redevelopment	275,000	275,000	775,000
Development Partnerships	1,000,000	1,000,000	1,650,000
Downtown Streetscapes	200,000	200,000	0
Business Energy Retrofit	1,250,000	1,250,000	1,500,000
Downtown Building Rehabilitation	250,000	250,000	500,000
EDA Partnership	300,000	300,000	0
Minnesota Dental Foundation	240,000	240,000	120,000
Natural Resources Research Institute Partnership	250,000	250,000	0
Film Incentive Production Program	500,000	500,000	0
Total Community Development	\$5,265,000	\$5,265,000	\$5,545,000
Workforce Development	\$400,000	\$400,000	\$450,000
Mineland Reclamation	\$1,100,000	\$1,100,000	\$900,000
Culture & Tourism			
Culture & Tourism	\$375,000	\$375,000	\$600,000
Minnesota Discovery Center	1,900,000	1,900,000	1,900,000
Total Culture & Tourism	\$2,275,000	\$2,275,000	\$2,500,000
Commissioner Program	\$300,000	\$300,000	\$300,000
Application Fund	\$30,000	\$30,000	\$30,000
Total Program Grants	\$9,370,000	\$9,370,000	\$9,725,000

Community Development

Commercial Redevelopment - \$1,000,000

Commercial Redevelopment grants fund partial and full demolition of commercial or publicly-owned structures or the clean-up of brownfield sites, making way for new development.

Residential Redevelopment - \$775,000

Residential Redevelopment grants help create cleaner and safer communities and encourage new construction by assisting in the demolition of residential structures.

Development Partnerships - \$1,650,000

The program funds partnerships for research, education and development-based initiatives which support long term economic growth within the region and are consistent with the Iron Range Resources & Rehabilitation mission, vision, and goals.

Business Energy Retrofit - \$1,500,000

The program is funded by Iron Range Resources & Rehabilitation and administered through a partnership with Arrowhead Economic Opportunity Agency (AEOA) to assist business owners with energy efficient improvements to their buildings.

Downtown Building Rehabilitation - \$500,000

The program is funded by Iron Range Resources & Rehabilitation and administered through a partnership with Arrowhead Economic Opportunity Agency (AEOA) to assist business owners with code compliance improvements to buildings located in downtown areas.

Minnesota Dental Foundation - \$120,000

The Dentist Recruitment program funds forgiveness grants within our service area. Funding will be used to administer the Martha Mordini Rukavina Loan Forgiveness Program. The purpose of this competitive program is to provide an incentive to attract dentists to practice general dentistry in the service area, which has a documented need for dentists to provide services to its communities and underserved populations.

Workforce Development - \$450,000

Grants assist in workforce development by funding sector specific customized training and career awareness initiatives that emerge from industry, industry clusters, schools or collaborative partnerships that build capacity, responsiveness or innovation to address workforce needs. Funding is also available for post-secondary educational institutions and other regional workforce development partners to develop and deliver curriculum that prepares students for a seamless transition from high school or post-secondary education to the workforce.

Mineland Reclamation - \$900,000

The Mineland Reclamation grant programs assist communities and townships with reclaiming and reuse of mine impacted lands, identify and plan new development opportunities and provide the tools to achieve these goals. This program provides funding for highly visible reclamation. The Drilling Incentive Program helps to stimulate additional mineral exploration within the region.

Culture and Tourism

Culture and Tourism - \$600,000

Culture and Tourism grants assist projects that support arts, culture, history and recreational activities, enhance the quality of life in the region and attract visitors.

Minnesota Discovery Center - \$1,900,000

Minnesota Discovery Center's mission is to "collect, preserve, interpret and promote the history and cultural heritage of northeastern Minnesota; and to manage, promote, sustain and develop the assets of the Discovery Center for the long-term benefit of area residents and visitors." The opening of the Redhead Mt. Park in Chisholm has provided MDC with additional opportunities for future growth.

Through FY 2023 the Sublease/Management Agreement provides an annual \$1,350,000 operating subsidy, the interest on an endowment fund and a \$150,000 challenge grant for operating or endowment fund raising. In addition to these financial terms, the budget includes \$400,000 for building capital improvements.

Commissioner Program - \$300,000

Grants under the Commissioner Program allow the agency to respond quickly to emergency situations or to support development opportunities that may not meet other program requirements.

Application Fund - \$30,000

The grant program reimburses communities, non-profits and educational organizations for up to one-half of the cost of applying for funding from other state, federal or private grant programs.

Region 3

Region 3 Budget

Region 3 Grant – Carlton/Koochiching	FY 2022 Budget	FY 2022 Projected	FY 2023 Budget
Region 3	\$531,706	\$531,706	\$529,972

State law directs Iron Range Resources & Rehabilitation to serve as the fiscal agent for Carlton and Koochiching County (Region 3) grants from occupation taxes for economic and environmental development projects. Iron Range Resources & Rehabilitation does not make any funding decisions, but funds pass through under the following provisions:

- The Region 3 allocation is equal to the amount that would have been generated by a 1.5-cent tax imposed on each taxable ton for the preceding production year.
- By law, one-third of the portion allocated for Koochiching County must be used to fund the Koochiching County Economic Development Commission.

Giants Ridge

Giants Ridge Budget

Giants Ridge	FY 2022 Budget	FY 2022 Projected	FY 2023 Budget
Revenue			
Operating Revenues	\$5,362,200	\$6,600,000	\$6,375,000
Investment by Type			
Operations	\$3,245,546	\$2,950,000	\$3,000,000
*New Capital / Projects	1,769,105	1,319,105	2,388,800
Deferred Maintenance Account	500,000	0	500,000
Total Investment	\$5,514,651	\$4,269,105	\$5,888,800
Total Expense Budget	\$10,876,851	\$10,869,105	\$12,263,800

Giants Ridge Recreation Area promotes destination tourism and offers a variety of recreational opportunities that enhance the quality of life for visitors and area residents. It also supports the agency's mission to enhance and diversify the economy of the Iron Range Resources & Rehabilitation service area. Multiplier economic impacts from Giants Ridge on the local economy are estimated to be over \$55 million. Continued investments in the facility help meet customer expectations and keep Giants Ridge competitive.

Giants Ridge is a destination for amateur and high school sports and is currently the host site for the Minnesota State High School League alpine and cross country state championship races. Private sector lodging partners help fulfill hospitality needs in the recreation area and it is also home to a growing residential development population.

The facility has a single operator management contract for all recreational amenities. The model provides for expanded revenue opportunities and provides more flexibility. This budget supports reinvestment at Giants Ridge to build a better future.

Operational Costs

Operational Costs Budget

Operational Costs	FY 2022 Budget	FY 2022 Projected	FY 2023 Budget
Payroll			
Wages and Benefits	\$4,766,707	\$4,311,813	\$4,868,861
Retirement Insurance	233,207	208,026	153,430
Unemployment Compensation	12,000	0	10,000
Workers Compensation	59,401	59,401	53,738
Other Payroll Costs	11,590	4,648	234,225
Total Payroll	\$5,082,905	\$4,583,887	\$5,320,254
Purchased Services			
Rentals and Utilities	\$82,600	\$61,853	\$80,400
Printing and Advertising	60,500	42,280	80,500
Professional/Technical Services	438,500	263,018	496,000
Computer and Computer Services	198,500	249,504	286,000
Communications	152,000	148,331	155,000
Travel	179,250	38,498	176,000
Employee Development	58,500	22,640	49,500
Total Purchased Services	\$1,169,850	\$826,123	\$1,323,400
Supplies and Equipment	\$379,550	\$187,823	\$327,550
Repairs and Maintenance	\$363,270	\$29,766	\$690,000
Indirect Costs			
Statewide Indirect Costs	\$108,298	\$108,297	\$283,066
Attorney General Costs	15,000	18,687	19,000
Total Indirect Costs	\$123,298	\$126,984	\$302,066
Other Operating Costs	\$209,161	\$211,782	\$257,300
Total Operational Costs	\$7,328,034	\$5,966,365	\$8,220,570

Operational costs include day-to-day general and administrative expenses for running the agency: payroll, purchased services, supplies and equipment, repairs and maintenance, indirect costs and other operating costs.

Thank you!

Commissioner Mark Phillips
Iron Range Resources & Rehabilitation
PO Box 441
4261 Hwy 53 South
Eveleth, MN 55734

(218)735-3000 Ext. 2
Mark.Phillips@state.mn.us