

**TOWN OF FAYAL**  
**4375 SHADY LANE, EVELETH, MN 55734**

*Heidi M. Coldagelli, Clerk/Treasurer*

*Anthony Tammaro, Chairman*

*Supervisors: Lee Branville, Dave Ochis, Richard Sather, Patrick Ziegler*

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**FAYAL TOWNSHIP ANNUAL MEETING**

**MARCH 14, 2017**

The Town of Fayal Annual Meeting was called to order at 7:00 PM by Clerk Heidi Coldagelli. According to the sign-in sheet, 31 persons were in attendance. A list of those attending is attached to these minutes.

Clerk Coldagelli welcomed everyone to the Annual Meeting and introduced herself as Town Clerk/Treasurer and Diane Dickson as the Deputy Clerk/Treasurer. She then asked everyone to stand and recite the Pledge of Allegiance. Clerk Coldagelli addressed the first agenda item, nominations for Moderator.

***Motion to nominate Steve Shykes as Moderator, made by Pat Ziegler, support from unknown. Clerk Coldagelli asked if there were any more nominations, there being none, Coldagelli called for the question. Motion carried unanimously.***

Steve Shykes introduced himself and welcomed the citizens to the Annual Meeting. Moderator Shykes read the agenda for the Annual Meeting to the audience.

**APPROVAL OF THE 2016 ANNUAL MEETING MINUTES**

***Motion to approve the minutes of the March 8, 2016 Annual Meeting, made by Scott Smith, support from Dale Dickson. Motion carried unanimously.***

**FINANCIAL AND TREASURER'S REPORT**

Moderator Shykes then called upon Clerk/Treasurer Coldagelli to report on the financial status of the Town. The General Fund began 2016 with \$569,726 and ended the year with a \$569,309 balance. The Road & Bridge Special Revenue Fund began 2016 with \$182,896 and ended the year with a \$292,839 balance. The Town of Fayal Net Position total as of December 31, 2016 was \$12,780,894. A complete report is attached to these minutes.

Mike Erjavec questioned the \$37,000 difference regarding administrative costs from 2015 compared to the lower cost in 2016. Clerk Coldagelli explained that in 2015 a retired employee's accumulated sick leave had been paid out, which was the majority of that difference.

***Motion to approve the 2016 Financial & Treasurer's Report, made by Ed Vest, support from Denny Bone. Motion carried unanimously.***

**FINANCIAL NEEDS FOR THE TOWN**

Tony Tammaro, Town Board Chair, welcomed everyone and thanked Steve Shykes for agreeing to serve as Moderator this year. He recognized the Town Board members: Lee Branville-Buildings and Grounds; Dave Ochis- Road & Bridge; Rich Sather- PUC and Recreation; Pat Ziegler- Police and Fire; and staff members, Heidi Coldagelli- Clerk/Treasurer; Diane Dickson- Deputy Clerk/PUC Coordinator; Joe Zavodnik- Foreman, Al Jurenic- Equipment Operator; Dale Dickson-Wastewater Operator; Jesse Linde- Eveleth Police Department; Matt Reid- SEH and Trevor Thompson- SEH, for all the work they do for the Township. Mr. Tammaro added that presentations would follow by SEH and the Fayal Fire Department.

Chairman Tammaro and the Board are recommending the following for the 2018 Levy: General- \$95,000, Buildings & Grounds- \$53,000, Fire Department- \$72,000, Police- \$47,000, Recreation- \$30,000, Capital Equipment- \$60,000, Road & Bridge- \$290,000, Town Hall- \$10,000. Last year \$10,000, was created for a Fire Truck Fund. Chairman Tammaro added that \$30,000 was added to Capital Equipment to account for \$10,000 towards the new grader, a \$10,000 increase to the Fire Truck Fund and to move that fund into the Capital Equipment Fund, for a total of \$657,000, or a 3.96% increase over the 2017 levy.

**ROAD PROJECTS 2017- SHORT ELLIOT HENDRICKSON**

Matt Reid, Senior Project Manager, from SEH provided a presentation regarding 2017 road projects. In 2014, the Town Board created a capital improvement plan inventorying all of the roads from a surface view as a

means to create guidance as to how to plan financially and future maintenance for the roads. There are 14-15 miles of bituminous roads within the Township and 39% were rated as fair to poor, 35% fair and 26% good condition, with those in fair to poor condition continuing to increase as time moves on. Over the past several years, the Township has done a diligent job of being fiscally responsible while maintaining roads. Construction costs increase and the Town is continuing to fall further behind. Many of the roads are over 30 years old with no maintenance and are still in good condition. Per Road Foreman Joe Zavodnik's calculations, it will take 50-60 years to have all the roads completed if continuing maintenance at current rate.

In an effort to attempt to catch up, the engineers and the Town came up with a plan to improve eight roads and the Town Hall parking lot. The engineers will take a closer look at the estimates to drive down those costs. Total project cost is estimated at \$750,000. Township is currently looking at different financial options to accomplish that with an annual affordable payment. Grants are much more difficult to come by in regards to road projects and low interest loans are currently being researched.

Joe Sopp suggested that one of the streets that is in the road project has had individuals interested in a water extension and before work is done to it, water should be extended there first. Mr. Sopp asked why water and sewer are never presented in the annual budget? His understanding was the funds are going to pay down the loan and going into a fund for replacement of the system. He was wondering why no water or sewer extensions are ever discussed? There are funds available from the IRRRB for those types of projects. Tony Tammaro added that the road in question, other residents turned down the request and were not interested in water services. Mr. Sopp stated that he was not given an option when the sewer went in and he had to connect. Mr. Tammaro added that the money that was available from the IRRRB was used for the purchase of the solar panels when the residents on Lakeside Drive were not interested in a water extension. Clerk Coldagelli clarified that she was only going on past precedent and providing the financials in regards to the General and Road and Bridge Funds that are reflected the levy. The Fayal Sewer and Fayal Water Companies are enterprise funds and revenues are generated from sewer and water sales. Clerk Coldagelli can include those in the future. Becky Bone asked if assessments would be placed to pay for the roads? Matt Reid stated that the Township is not intending to do so. Ed Vest brought forth requesting for upgrades on St. Mary's Court, that the current gravel has too much clay and anytime upgrades have been discussed assessments have been brought up. Mike Erjavec commented about the sewer extension on Golf Course Road that Kunnari's had two hookups for \$14,000, the line cost \$35,000 to be put in and that project only cost the sewer company money. Denny Bone asked if the gravel roads were addressed in the plan and what is their plan for those roads? At this time, they have not been discussed and Mr. Reid suggested submitting a request to the Town Board. Mr. Bone stated that his road has issues with drainage that need addressing before any upgrades can take place.

#### **DESIGNATING POSTING PLACES**

Moderator Shykes explained the present location of our posting places are as follows: 1) Fayal Town Hall, 2) West Long Lake Road, 3) East Long Lake Road, 4) Ely Lake Shortstop, 5) At Your Convenience, 6) Differding Point, 7) Fayal Website.

***Motion to keep the posting places the same, made by Joe Sopp, support from Dale Dickson. Motion carried unanimously.***

#### **SETTING TOWN BOARD SALARIES**

Moderator Shykes stated the next order of business was setting compensation for Town Board members. Currently, the salaries are as follows: Supervisor- \$4,128 per year, or \$344 per month, plus mileage and expenses as incurred; and Chair- \$4,524 per year, or \$377 per month, plus mileage and expenses as incurred.

Keith Nelson questioned when the last increase occurred? Clerk Coldagelli responded that it was approximately two years ago, possibly three, and was increased by \$25.00.

***Motion to increase the existing salaries by \$25.00 per month effective January 1<sup>st</sup>, 2018, made by Keith Nelson, support from Mike Erjavec. Motion carried unanimously.***

#### **FIRE DEPARTMENT BUSINESS**

***Motion for Moderator Shykes to step out of the moderator role to present the Fire Department Report, made by Joe Sopp, support from Scott Smith. Motion carried unanimously.***

Chief Shykes presented the 2016 Fire Department Report. No injuries to any members and were very busy. Fire Chief Steve Shykes reported there were a total of 171 calls in 2016 from 911 dispatch. Presently there are 18 firefighters on the Department, 7 openings and two new firefighters that were hired, Greg Chad and Josh

Wheatman. Nels Myklebust retired from the Fire Department after 30 years of service. There are 4 EMS first responders on the Fire Department. The Fire Department had 650 hours of in-house training, 280 hours of outside training and received two grants for training. 2016 Levy was \$68,000 for Fire Department, but \$112,000 was the budget as \$44,000 came from grants. The agreement between the Fayal Fire Department and the Eveleth Fire Department for a simulcast page system is still in effect. They have also worked with a dispatch system for mutual aid partners called a box alarm system. The system reduces response time for mutual aid departments. The Fire Department is continuing with a feasibility study to merge with the Eveleth and Gilbert Fire Departments. They are waiting for an IRRRB grant for funding the study. The Fire Department participated in Fire Prevention Week, National Night Out and the Boy Scouts.

Chief Shykes continued that one of the water tenders was removed from service in 2015 as it was deemed to be in an unsafe condition. Two FEMA grants were applied for, but due to funding cut backs in this program, it has become very difficult to be awarded a grant. Current Officers are Steve Shykes- Chief, Scott Smith- Assistant Chief, Bryan Sampson- Battalion Chief, Matt Hoffmann- Captain, Nick Preiner- Lieutenant, Tim Coates- Secretary/Treasurer and Therese Elverum-EMS Director. Chief Shykes invited everyone to attend the Annual Fire Department Relief Association Spaghetti Feed scheduled for March 26<sup>th</sup>. Joe Sopp commended the Fire Department on a job well done.

Therese Elverum, EMS Director, discussed that at one time Fayal had eleven first responders and now they are down to four. In 2016, there were 88 calls for first responders and Fayal was able to make 51 of those calls. Mrs. Elverum was tasked with creating a proposal for splitting the first responder group from the Fire Department. Right now they need to be fully trained as a firefighter before you can be a first responder. Has heard some residents are interested, but not as a firefighter. Pricing is \$6,300 per person for someone with no training at all. Of that pricing, radio- \$2,500, AED- which the township has a few extras, pagers- \$750, re-certification fee is \$500 every two years and equipment is usually replaced by the responding ambulance. EMS current budget is \$1,500 and if breaking away would need to significantly increase the budget. Encourages residents to sign up and to reach out to Mrs. Elverum. First responders were able to have Fayal designated as a Heartsafe Community due to our AEDs located with the community. Fayal Township a few years ago purchased 11 AEDs at \$1,100 each. In the last year, two of our residents are alive because of those AEDs.

Amy Jackson questioned who monitors the AEDs, which Mrs. Elverum does all the inspections and maintenance, and those that have them maintain their own. Ed Vest asked where to go from here to separate from the Fire Department. A flyer is going out in the sewer bills asking for interested individuals. Based upon interest then the Town Board will be presented with a proposal. Denny Bone questioned what if members were lost and unable to operate? Mrs. Elverum is afraid that is going to happen and doing this to stop that from happening. The first responder group has saved many lives over the years and expressed it would be detrimental to the community to lose them. Amy Jackson asked what is the difference between a first responder and EMT? First responder is a two credit class, EMT is a six credit class and paramedic is a two-year degree. Pat Brascugli praised the first responders for the care of her husband. Gina Brascugli praised the notes that were taken by the first responders for her father.

***Motion by Joe Sopp to reverse his previous motion in order to allow Chief Shykes to return as moderator, support from Scott Smith. Motion carried unanimously.***

Moderator Shykes added that the burnout rate for EMS is very high compared to the Fire Department. It is very stressful to do for an extended period of time.

Matt Hoffmann, Captain, is the chair of the apparatus committee. In 2015, the water tender was taken out of service after 20 years. The water tender was also used as a personnel carrier and in wildland urban interface areas. A 2016 GMC was purchased to use for delivering personnel. A committee was formed to look for a replacement apparatus. Pat Ziegler searched for used water tenders but unable to locate one that would meet the Township's needs. Design was based off the 2006 baseline spec with some changes and can carry 2,300 gallons. The cost is \$290,000, the truck itself is shy of \$90,000 with a life expectancy of 20 years but could even be 40 plus years. Joe Sopp asked what the tank is made of? Mr. Hoffmann added the tank is poly and the body is stainless steel. Mr. Sopp added that in 2003 they had a fire and lost everything, but if Fayal had this then, there may have been a different outcome. Matt Hoffmann added that in older hydranted areas the pressure is lacking and that the tender could truly be used on every single call. Keith Nelson asked where is the ask? Moderator Shykes added that they have researched funding avenues and with the 2018 Levy it will almost make the annual payment. They were looking for support from the citizens of the Township. Chris Petrack wanted to make a motion to work with the Town Board at looking at getting something like this. Moderator Shykes asked to wait until open from the floor. Becky Bone asked if it was the same truck that has been requested for 2-3 years, which was yes. Joe Sopp asked where the shortfall was? Moderator Shykes

added that it was \$4,000 that was needed. Denny Bone asked if there were any other Capital Equipment needs in the near future for the existing fleet? Moderator Shykes added even if the merger occurs, Eveleth and Gilbert do not have any water tenders. Engine 91 is 26 years old and in order to maintain ISO rating, needs to be tested yearly. The Town Board graciously paid to replace the pump for \$30,000 outside of the budget. If the merger took place could possibly eliminate or postpone replacement of Engine 91 which would cost \$500,000. At this time it is in good shape and well taken care of.

### **SUPERVISORS REPORTS**

**Road & Bridge-** Supervisor Dave Ochis presented the Road Report. Joe Zavodnik assumed the foreman duties. Culvert changes on Shady Lane and culvert removal Long Lake Road West. 1100 yards of gravel was applied to our dirt roads. Road improvement plans for 2017 were discussed. A new John Deere grader was purchased. Road and Bridge duties included some repairs, snowplowing and sanding, grading, graveling, dust control on dirt roads, drainage work, roadside mowing, tree removal, culvert steaming and replacement, shouldering, sweeping and patching blacktop roads, replenishing the sand piles behind the hall, operating and maintaining a yardwaste site, and assisting in Building and Grounds, Recreation, and Public Utility Departments. Work this summer will include culvert replacement and possible crack sealing. This was done by the County and much cheaper than doing ourselves. Black top work and all street signs will be replaced with state mandated larger ones.

**Buildings & Grounds-** Supervisor Lee Branville reported the year 2016 saw a number of improvements and additions to the Town Hall complex. Concrete aprons were installed in front of the overhead doors on the PUC building. Blacktopping for the parking area near the PUC was approved, funded and project will be completed this summer. A concrete sidewalk was installed from the fire hall to the fire stall in the PUC building for safer and easier access. A roof de-icing and improved drainage system was approved and funded over the Fire Hall and the contractor will complete with the agreed price. LED light upgrades inside and outside of the Town Hall for brighter and cost efficient lighting. An emergency indoor lighting system was upgraded with new fixtures. A security camera system was installed to monitor the exterior parking, driveways and entrances to the Town Hall. The Town Hall kitchen was upgraded with a new stove/oven and refrigerator/freezer. Long-time employee Charlie Erickson retired so the Town also has an opening for a part-time casual employee.

**Police-** Deputy Police Chief Jesse Linde reported on the Police Department. For the year 2016, there were 674 case numbers generated by City of Eveleth. There were 88 arrests, which could also be a ticket. There were 31 theft calls, 5 burglaries, 6 fraud calls, 11 DUI's, 65 traffic stops for speed, 22 alarms calls, 21 service calls and 58 medical calls. For Eveleth, Fayal and Leonidas combined, Eveleth Police generated 5,502 cases in 2016. Deputy Chief Linde invited anyone who needed any more information to call at any time.

He also encouraged citizens to call them at any time. The largest complaint from his officers is no one calls or when citizens do call it is several days after something occurs. He stated that it is so important to prevent crime by reporting it right away. There has been a few thefts over the past few days from unlocked vehicles in Fayal. Ed Vest asked if this was an ongoing problem and Deputy Linde clarified that seven complaints were just received the day prior and the many of the victims were not even going to call. Tony Tammara added that joining forces with the Eveleth Police Department is one of the best things that Fayal has done and they have done a tremendous job. Therese Elverum added that they made nearly every one of their EMS calls and it has been so helpful. Deputy Chief Linde stressed the importance of locking up your belongings.

**Planning Committee-** Supervisor Patrick Ziegler introduced himself as the liaison for Police, Fire Department and the Planning Committee. The Committee is made up of Alex Peritz, Chairman; Chris Erickson, Vice-chairman; Heidi Coldagelli, Secretary; member Vickie Tuskan and one vacant position. The Committee has been working hard focusing on the tasks located within the Comprehensive Plan and working with St. Louis County regarding planning and zoning issues within the Township. The Committee has a strong focus on maintaining Fayal Township's rural character and protecting our amenities. They focused a great deal of attention in 2016 on the ballfield and will continue that focus into 2017.

**Recreation-** Supervisor Richard Sather informed all that a second pickleball net was added and some rackets purchased. The Township purchased 3 acres where the ballfield runs through because it posed a problem to potential buyers and spectators parking on private property. Plans for this year include adding ballfield signage, bleachers of some sort at the field for spectators, some ballfield dugouts and new hockey nets at the rink. Becky Bone asked if there were any thoughts about cross country ski trails? Mr. Sather stated he would share that with Supervisor Ziegler for the Planning Committee.

**Public Utilities-** Supervisor Sather reported on the Public Utility Department that there was a rate increase of \$1 per residential per month and \$1.50 per month for commercial. The Long Lake gas line extension is

complete. Thank you to Donna O’Conner for her years of service on the PUC. PUC members this year are Dennis Pernu-Chairman, Greg Buckley- Vice-chair, Chris Erickson-Secretary/treasurer, Cal Turner and new member Amy Jackson. Denny Bone asked for an update on the delinquencies. Supervisor Sather stated that those delinquent dollar amounts are submitted to the taxes and when the taxes are paid that money is received. Tony Tammaro added that there is a 10% fee for the delinquent balance and then another \$200 fee to certify to the taxes. The new increased penalties did result in a few to start paying. The delinquents are still there but coming down. Joe Sopp asked what would happen to the bills when Gilbert completes their project? Supervisor Sather stated that with the current PUC committee, that possibly we could work with other communities to curb the cost. Mr. Sopp asked if a figure has been determined? Pat Ziegler added that if Gilbert can get USDA funding it will significantly drop the cost. Right now it is unknown if they can secure the funding. Ed Vest asked if Fayal was looking at going to Eveleth? Supervisor Sather added that there has been talk about forming a sewer district, but it is in its infancy. Denny Bone stated that at some point the cost will be prohibited if the cities do not start to work together to protect the residents. Supervisor Sather stated that the current PUC committee is diligently working on that.

#### **SETTING THE TIME FOR THE 2018 ANNUAL MEETING**

***Motion to set 2018 Annual Meeting on the second Tuesday in March at 7:00 PM, made by Pat Ziegler, support from Dale Dickson. Motion carried unanimously.***

#### **ANY OTHER BUSINESS TO COME BEFORE THE MEETING**

Moderator Shykes called for New Business from the public.

Joe Sopp commented back to Kunnari’s former property. Another party had wanted sewer services, but had to install themselves. There are many dead end lines that will never be paid for by the party and the Town needs to look at the cost as a whole and cannot dwell on the cost of one person. Would like to see money put aside for future extensions if there are parties interested.

Ron Lampinen questioned if any work was being done to bring broadband to the area. Moderator Shykes stated that he knew Century Link had brought fiber optic in and that Mediacom was expanding to the Long Lake area with the grant money they had received. Heidi Coldagelli added that she had been in touch with Mediacom and by end of the summer/fall there should be services available to approximately 375 residents in the Long Lake area. Ed Vest asked if the franchise fee was based on a number of customers? Heidi Coldagelli added that yes it was.

Chris Petrack wanted to personally thank the Fire Department and that their Department is quality and top notch. He questioned making a motion regarding the fire apparatus. Steve Shykes added that yes he would like to see that support and a great deal of work went into research. They cut cost best as they could and pricing is only going to increase for an apparatus.

***Motion to support the Fire Department to work with the Town Board regarding acquisition of an apparatus, made by Chris Petrack, support from Ed Vest.*** Discussion followed: Keith Nelson asked what was the Town Board level of support and can it be built into the levy? Steve Shykes clarified that a \$20,000 increase was added to Capital Equipment for a fire truck and payment would be a \$24,000 annual payment. A company in Nebraska does the financing. Tony Tammaro, Board Chair, was not in favor, but was not opposed to getting a truck. He expressed the Fire Department belongs to a coalition and is opposed to this large amount and then in 5-6 years will the Fire Department need another \$600,000-\$700,000 to buy a fire truck? Patrick Ziegler added that it was much easier to find a used fire truck than a water tender. Supervisor Ziegler expressed he supports the Fire Department and added they are one of the best, if not the best, Fire Department when he had a recent fire. Janet Sopp asked where is the time line in the coalition at? Moderator Shykes answered it is most likely 2-3 years out and they don’t have any water tenders. Mr. Tammaro added that its hard to justify purchasing a truck that is only utilized 6-8 times a year. Mrs. Sopp added the box alarm system has made a huge difference. Joe Sopp reiterated that a water tender is needed to deliver people and water. Scott Gripp questioned why a transport truck was purchased before the water tender? Wouldn’t that money have been better spent to put towards the water tender? Moderator Shykes added that it was necessary to get people to the fire because the water tender would take at least a year to get. Matt Hoffmann clarified that it would cost \$64,000 to accommodate 6 people versus 5 on the water tender. The Department opted to purchase a truck for \$44,000 to use as a multi-use response vehicle. This was able to lighten the usage on Engine 91. He went on to address Chairman Tammaro that the vehicle use is reflective to the numbers in the packet and as a multi-use vehicle. Mr. Hoffmann also added that a used water tender is very difficult to find. Mr. Nelson asked if the truck was a component of the levy and have numbers been calculated? Mr. Tammaro explained that a \$30,000 increase is proposed in the Capital Equipment Fund, with \$20,000 for the fire truck and \$10,000 for the grader and the following year add a little bit more. Mr. Nelson asked if there is a need for the



equipment and desire by the Board what would the change in amount be? Ed Vest added that the unfunded payment amount would be only \$4,000-\$5,000. Matt Hoffmann added that a 15-year lease payment was \$24,574.76 per year. Mr. Tammaro stated that in the event a tender was purchased, a \$30,000 down payment could come from Capital Equipment as what was done for the grader purchase. Mr. Hoffmann added that could bring the payment below the \$20,000. Scott Gripp asked if not having a tanker affects the ISO rating? Steve Shykes could not speak on that for certain, but stated it could. Denny Bone questioned how many pieces of equipment does the Fire Department have now? Moderator Shykes added that Engine 91 carries 1,000 gallons of water, 2006 International that carries 2,000 gallons of water, 4-door 1-ton flatbed with a pump, pickup and a trailer. Mr. Bone questioned the \$10,000 Fire Truck Fund in 2017, which Moderator Shykes and Chairman Tammaro clarified in 2018 it was increased to \$20,000 and moved to Capital Equipment. Supervisor Ziegler added for simplicity for the citizens it was all moved to Capital Equipment instead of having numerous funds. Mr. Bone asked if there is a future need for a fire truck and has that been proposed to the Board? Moderator Shykes added that it has been discussed but has been on hold due to the consolidation. Mr. Bone added there would not be money available if a truck was needed. Moderator Shykes stated that if that were to happen, bonding would be the solution. Mike Sertich spoke that he had served on the Board in Fredenberg Township and these same types of issues arose. If the issue is \$4,000 short, it seems incidental in regards to saving someone's home or life. Moderator Shykes added that the Town Board has helped them a lot and this is a big purchase. Amy Jackson questioned if the \$18,000 was the annual payment to which Mr. Hoffmann clarified that yes it was the lease to own over 15 years. Lee Branville stated that the Town Board looks at the total dollar amount and not just the yearly payment. He went on to add that the Town Board supports our Fire Department as much as possible. The \$300,000 is a big dollar amount and the Board wants to research their options properly, such as researching the consolidation, and be conservative. Possibly by waiting a year prices may increase, but if the consolidation goes through that cost could be shared. Amy Jackson questioned the risk to our citizens. Therese Elverum added that a full-time fire department with an ambulance costs a city on average 5 ½ cents per dollar per household. Fayal's entire budget is \$71,000. Matt Hoffmann added that the Board has done a phenomenal job by helping them out with several issues in the past. He went on to add that the Fire Department decided as a group that this was the piece of equipment that they desired. Mr. Nelson added that it is the Board's job to make the decision and would hope the Board could get it taken care of. He educated that Engine 61 was put to a vote of the people and the townspeople voted yes. He added that between the good minds of the Fire Department and the Town Board that it could be worked out, even if that's more dollars on his tax statement. Joe Sopp added that consolidation is the right path and duplicates would not be necessary. ***Motion carried unanimously.***

#### **SETTING OF THE 2017 LEVY**

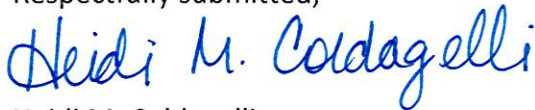
Moderator Shykes asked for a motion to set the levy for the year 2018.

***Motion to set the levy at \$657,000, a 3.96% increase, made by Scott Smith, support from Joe Sopp. Motion carried unanimously.***

***Motion to adjourn, made by Joe Sopp, support from Dale Dickson. Motion carried unanimously.***

Moderator Shykes adjourned the Annual Meeting of 2017 at 9:26 PM.

Respectfully submitted,



Heidi M. Coldagelli  
Clerk of Fayal



Steven Shykes, Moderator

**TOWN OF FAYAL 2016 FINANCIAL REPORT - 2017 ANNUAL MEETING**

	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>BEGINNING BALANCE JAN 1-</b>	<b>569,726</b>	<b>553,730</b>
<b>REVENUES - GENERAL FUND</b>		
General Property Taxes	267,278	266,011
Franchise Fees	9,777	9,995
Other MISC.	18,836	21,557
<b>TOTAL TAXES</b>	<b>295,891</b>	<b>297,653</b>
<b>LICENSES AND PERMITS</b>	<b>216</b>	<b>100</b>
<b>INTERGOVERNMENTAL</b>		
<b>FEDERAL</b>		
FDIC GRANT	2,475	-
Squad Computer Grant	2,495	-
<b>STATE</b>		
Disparity Aid	2,505	300
Mining Effects	47,560	55,476
Market Value Credit	841	833
Taconite Production	53,197	53,744
Taconite Municipal Aid	32,895	37,648
Taconite Homestead Credit	41,950	41,769
PERA Aid	512	512
Fire Aid	13,044	14,992
Town Aid	962	1,056
IRRRB Grant	-	5,355
<b>LOCAL</b>		
City of Eveleth Squad Computer	2,618	-
<b>TOTAL INTERGOVERNMENTAL</b>	<b>201,054</b>	<b>211,685</b>
<b>CHARGES FOR SERVICES</b>		
<b>General Government</b>		
Town Hall Rent	870	1,675
MISC.	1,000	460
<b>Public Safety</b>		
Fire Protection	11,550	7,990
Other	6,225	2,815
<b>TOTAL CHARGES FOR SERVICES</b>	<b>19,645</b>	<b>12,940</b>
<b>FINES</b>		
Court Fines	2,757	507
<b>INTEREST</b>	<b>3,006</b>	<b>3,117</b>
<b>MISCELLANEOUS</b>		
Refunds and Reimbursements	11,411	2,651
<b><u>TOTAL REVENUES</u></b>	<b><u>533,980</u></b>	<b><u>528,563</u></b>
<b><u>EXPENDITURES - GENERAL FUND</u></b>		
<b>GENERAL GOVERNMENT</b>		
Chair and Board	22,879	22,148
Administration	142,600	179,308
Administration Capital Outlay	-	51,069
Clerk	4,645	4,145
Deputy Clerk	4,175	1,041
Public Utilities	8,633	9,034
Town Hall	54,311	61,240
Town Hall Capital Outlay	24,319	-
<b><u>TOTAL GENERAL GOVERNMENT</u></b>	<b><u>261,562</u></b>	<b><u>327,985</u></b>
<b>PUBLIC SAFETY</b>		
Police	50,597	41,639
Police Capital Outlay	5,113	-
Fire	85,453	75,156
Fire Relief Association	27,044	28,992
<b><u>TOTAL PUBLIC SAFETY</u></b>	<b><u>168,207</u></b>	<b><u>145,787</u></b>
<b>CULTURE AND RECREATION</b>		
Parks and Recreation	17,820	18,795
Parks and Recreation Capital Outlay	20,760	-
	<b>38,580</b>	<b>18,795</b>
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>468,349</u></b>	<b><u>492,567</u></b>
<b>DEFICIENCY/EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>65,631</b>	<b>35,996</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
*Transfer In	5,397	-
**Transfers Out	(75,305)	(20,000)
Sale of Capital Assets	3,860	-
<b><u>TOTAL OTHER FINANCING SOURCES (USES)</u></b>	<b><u>(66,048)</u></b>	<b><u>(20,000)</u></b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(417)</b>	<b>15,996</b>
<b>FUND BALANCE DECEMBER 31</b>	<b>569,309</b>	<b>569,726</b>

<u>ROAD &amp; BRIDGE SPECIAL REVENUE FUND</u>	<u>2016</u>	<u>2015</u>
<u>BEGINNING BALANCE, Jan 1</u>	<u>182,896</u>	<u>302,437</u>
<u>REVENUES - ROAD &amp; BRIDGE</u>		
<u>TAXES</u>		
General Property	234,142	229,133
Other (Disparities aid, Unmined tac, P&I, tac mu	10,748	10,170
<u>TOTAL TAXES</u>	<u>244,890</u>	<u>239,303</u>
<u>INTERGOVERNMENTAL - STATE</u>		
Taconite Homestead Credit	36,734	37,246
Town Road Aid	16,486	15,923
<u>TOTAL INTERGOVERNMENTAL</u>	<u>53,220</u>	<u>53,169</u>
<u>MISCELLANEOUS</u>		
Refunds and Reimbursements	630	384
<u>TOTAL REVENUES</u>	<u>298,740</u>	<u>292,856</u>
<u>EXPENDITURES- ROAD AND BRIDGE</u>		
<u>CURRENT ROADS</u>		
Road Maintenance	209,257	197,486
Equipment Maintenance	26,688	36,343
Capital Outlay	218,817	178,568
<u>TOTAL PUBLIC WORKS</u>	<u>454,762</u>	<u>412,397</u>
<u>DEFICIENCY/EXCESS OF REVENUES OVER EXPENDITUF</u>	<u>(156,022)</u>	<u>(119,541)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
*Transfer In	75,305	-
Procceds from Lease Purchase	188,817	-
Sale of Capital Assets	1,843	-
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>265,965</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>109,943</u>	<u>-</u>
<u>FUND BALANCE DECEMBER 31</u>	<u>292,839</u>	<u>182,896</u>

TOWN OF FAYAL STATEMENT OF NET POSITION - DEC. 31, 2016

Includes  
Governmental  
and Business  
Type Activities

ASSETS

Cash & cash equivalents	2,033,815
Taxes Receivable	44,629
Spec. Assessments Rec.	1,157,376
Accounts Receivable	58,149
Internal Balances	-
Inventories (class 5)	43,774
Restricted Cash	5,675
Capital Assets not being depreciated	
Land	56,267
Construction in progress	56,630
Capital assets, net of accumulated depreciation	
Buildings	1,627,099
Infrastructure	9,352,246
Improvements	50,831
Machinery & Equipment	283,507
Licensed Vehicles	547,375
<u>TOTAL ASSETS</u>	<u>15,317,373</u>

DEFERRED OUTFLOWS OF RESOURCES

Related to Pensions	<u>131,296</u>
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LIABILITIES

Accounts payable	30,559
Accrued salaries	22,566
Accrued interest payable	10,498
Noncurrent Liabilities	
Due Within One Year	
Lease Purchase and MPFA	351,294
Due In More Than One Year	
Lease Purchase and MPFA	1,224,523
OPEB	648,891
PERA Net Pension Liability	316,661
Severance Payable	23,948
<u>TOTAL LIABILITES</u>	<u>2,628,940</u>

DEFERRED INFLOWS OF RESOURCES

Related to Pensions	<u>38,835</u>
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NET POSITION

Invested in capital assets	10,398,137
Restricted For:	
Debt service	1,596,820
Sewer Replacement	5,675
Unrestricted	<u>780,262</u>

<u>TOTAL NET POSITION</u>	<u>12,780,894</u>
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<u>Total Net Position 12-31-15</u>	<u>12,937,304</u>
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# Tuesday March 14<sup>th</sup>, 2017 Annual Meeting Sign-in

<u>Name</u>	<u>Address</u>
1. Steve Shykes	7450 Ely Lake Dr.
2. Nick Prosser	4692 Datterling Pl.
3. MIKE SERTICH	4401 LAKESIDE DR
4. Rich Sogler	4471 Woodlawn Blvd E.
5. Jim Senn	4402 LAKES DR
6. Rand Ellis	4350 Lady Ln
7. Scott Gripp	4463 woodlawn BLVD E.
8. Patrick Ziegler	4387 Golf Course Rd
9. SCOTT SMITH	4014 MILLER TRUNK RD
10. <del>Vol Brant</del>	4502 WARREN ST.
11. Janet Dickson	4343 Golf Course Rd
12. Mark Peterson	7798 Baldas RD
13. Diane Dickson	4343 Golf Course Rd
14. Robert J. Empey	4071 Neil St.
15. Gina N. Brasangli	7727 Airport Dr. N., Eveleth, MN
16. Therese Elverich	4459 PARK DR. EVELETH
17. Ed Vest	4153 ST. MARY'S CT.
18. Denny Bone	4163 ST. MARYS CT.
19. Jan Brasangli	7709 Dayton Drive N.
20. Becky Bone	4163 St. Marys Ct
21. Joe Sopp	3923 Horse Shoe LK CT SD
22. Janet Sopp	" " " "
23. EJay Dawson	4488 WOODLAWN DR E.
24. Ron Lampinen	7945 Long Lake Rd.
25. Alex Peritz	4544 Cedar Island Dr
26. Amy Jackson	7915 Baldas Rd
27. Mike Enjavec	7547 N. Airport Dr.
28. Keith Nelson	7751 E. Townline Rd
29. Tony Tammen	4402 Maple Ln
30. Heidi Coldagalli	7615 Ely Lake Dr
31. CHRISTOPHER PETERSEN	4459 PARK DR.

