

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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REGULAR MEETING OF THE FAYAL TOWN BOARD

FEBRUARY 20, 2018

The Regular Meeting of the Fayal Town Board of Supervisors was called to order at 7:00 PM by Vice-Chair Branville. Present were: Vice-Chair Branville, Supervisor Ochis, Supervisor Sather, Supervisor Ziegler and Clerk/Treasurer Coldagelli. Chairman Tammaro was absent.

Audience members in attendance were Deputy Police Chief Jesse Linde, Matt Hoffmann, Stony Jespersen, Nick Preiner and Bryan Sampson.

Motion to approve the minutes of the Regular Town Board Meeting of February 6th, 2018, made by Supervisor Ziegler, support from Supervisor Ochis. Motion carried unanimously.

SCHEDULED GUESTS- None at this time.

AUDIENCE CONCERNS- Stony Jespersen brought forward his concerns with his neighbor, Julie Olson. Mr. Jespersen stated that the neighbor has trespassed on his property while transporting her horses to access her property in Gilbert. The animals are no longer there, but Mr. Jespersen has concerns that at the last Gilbert City Council Meeting, Mrs. Olson stated her interest in asking Fayal to annex her property. Mr. Jespersen expressed his opinion that the Board not support the annexation of her property and that Mrs. Olson use Highway 97 to access her property, not Differding Lane. Clerk Coldagelli added that Mrs. Olson did stop into the office with questions regarding annexation and Clerk Coldagelli informed her that another group of area residents a few years back tried to accomplish the same thing, but the request was denied by a judge. Mr. Jespersen wanted it on record that he is opposed to the annexation of her property and driveway access from Differding Lane. A few of the neighbors have made complaints to the Clerk's Office regarding the issue.

REPORTS-

Clerk/Treasurer's Report- For the period of January 1, 2017 through December 31, 2017:

General Fund- Beginning balance was \$325,477.78, there were \$230,712.76 in revenues, including an escrow reserve balance for the Fire Department water tender for \$121,037.19. There were \$191,784.91 in expenditures, leaving an unreserved balance of \$485,442.82.

Buildings & Grounds- Beginning balance was \$25,157.95, revenues received were \$53,000 in levy funds, \$40,110.34 from 2016 and 2017 Mining Effects, \$1,170 in Town Hall rent, MN Power rebate of \$603.89 and deposit \$159,500 for the Certificate of Indebtedness for parking lot improvements for a total of \$254,404.23 in revenues. Expenditures were \$227,274.61, leaving of reserve of \$52,287.57. Of that reserve, approximately \$12,253.95 is dedicated to expenditures for the parking lot improvements that are still awaiting final billing and the first interest only payment on the Certificate of Indebtedness for \$4,679.77.

Town Hall- Beginning balance was \$30,000. Revenues were \$10,000 in levy funds, leaving a reserve of \$40,000.

Police- Beginning balance was a negative \$7,171.61. Levy funds received were \$43,000, fines and forfeits received were \$4,075.84, reimbursement for an insurance claim for \$1,906.59 and a transfer from the General Fund of \$9,300 for total revenues of \$58,282.43. Expenditures were \$48,725.48, leaving a reserve of \$2,385.34.

Fire Dept.- Beginning balance was a negative \$905.14. Revenues were: \$71,000 in levy funds, State Fire Aid of \$14,812.16, refunds/reimbursements of \$4,469.00, DNR fire reimbursement of \$1,000, Mining Effects of \$13,089.36, and a transfer from the General Fund of \$2,102.51 for a total of \$106,473.03 in revenues. Expenditures were \$105,567.89, leaving a reserve of zero.

Rec.- Beginning balance was \$23,788.26. Total revenues were levy funds of \$30,000. Expenditures were \$23,773.16 leaving a reserve of \$30,015.10.

Capital Equipment- Beginning balance was \$106,584.51. Revenues were \$40,000 in levy funds, leaving a reserve of \$146,584.51.

Mining Effects- Beginning balance was \$10,319.70. Revenue received were Mining Effects 2017 of \$42,880. Expenditures were: Transfer to Building and Grounds for \$10,319.70, transfer to Fire Department for PPE \$10,000, transfer to Fire Department for truck tires \$3,089.36, transfer of \$12,300 to Building and Grounds for parking lot paving, \$17,490.64 transferred to Building and Grounds to cover final projects from parking lot improvement project, leaving a reserve in this fund of \$0.

Road & Bridge- Beginning balance was \$286,838.66, revenues were \$242,928.26 in levy funds, fiscal disparities of \$9,361.73, taconite aid of \$6.52, taconite credit of \$35,961.00, town road aid of \$16,713.53, unmined taconite of \$1,435.80, refunds/reimbursements of \$572.94, certificate of indebtedness deposit of \$390,500 and a \$13,297.34 transfer from the employee benefit cd for total revenues of \$710,777.12. Expenditures were \$739,388.33, leaving a reserve in this fund of \$258,227.45.

Road & Bridge Truck Reserve- Beginning balance was \$6,000. There was \$9,000 designated for the year for an ending balance of \$15,000.

Public Utilities- Beginning balance was negative \$2,740.07, franchise fees received were \$9,613.13. Expenditures were \$9,384.93, leaving a negative reserve of \$2,511.87.

Employee Benefits- Beginning balance was \$58,797.67, revenues were a transfer in from general of \$10,000 for total revenues of \$10,000. Expenditures were retiree benefits paid for 2017 for \$20,118.66, leaving a reserve of \$48,679.01.

Lodging Tax- This is no longer a reserve fund. For 2017, \$1,414.06 was collected in revenues and \$1,343.36 was distributed to the Iron Range Tourism Bureau at the end of 2017.

Fayal Water Company Contingency- Beginning balance was \$51,316.68, designated for the year was \$4000.08, leaving a reserve of \$55,316.76.

Fayal Sewer Company Contingency- Beginning balance was \$68,123.31, designated for the year was \$9,000. Expenditures for significant pump maintenance and repair were \$31,612.41, leaving a reserve of \$45,510.90.

Fayal Water Company Depreciation- Beginning balance was \$82,286.86. Designated for the year was \$4,330.80, leaving total funded depreciation of \$86,617.66.

Fayal Sewer Company Depreciation- Beginning balance was \$233,000.00 designated for the year was \$20,000, leaving total funded depreciation of \$253,000.

PUC Truck Depreciation- Beginning balance was \$8,654.86 designated for the year was \$5,326.08, for an ending balance of \$13,980.94.

Sewer Replacement Fund- This is a fund required by the PFA to allocate ten cents per thousand gallons of wastewater to be placed in a special sewer replacement fund. Beginning balance was \$5,674.59. Set aside for the 2017 year was \$2,871.90 for an ending balance of \$8,546.49.

Fayal Water Company- For the year January 1, 2017-December 31, 2017, the Fayal Water Company had revenues of \$79,964.70 and expenditures of \$68,845.22. Reserves within the checking account are: Water Test Fees- \$93.05, Maintenance Contingency- \$55,316.76, Depreciation not in CD- \$4,330.80 and Standby Water Fees- \$26,902.69, leaving a cash balance of \$60,098.98. This compares with a cash balance for the year of 2016 ending with \$52,793.51.

Fayal Sewer Company- For the year January 1, 2017-December 31, 2017, the Fayal Sewer Company had revenues of \$541,489.84 and expenditures of \$533,465.31. Reserves within the checking account are: Maintenance Contingency-\$45,510.90, Depreciation not in CD- \$20,000.04, PUC Truck Depreciation not in CD- \$5,326.08, Sewer Access Charges \$6,302.75, leaving a cash balance of \$245,958.83. This compares with a cash balance for the year ending 2016 of \$223,502.32.

Reconciled Balances of 12-31-2017 for all accounts:

As of 12-31-2016

Miners National Bank-	\$1,197,444.42	\$1,086,657.06
Assessment Savings-	\$463,093.31	\$456,158.28
CD Savings	\$535,619.31	\$496,674.11
Total, All Accounts	\$2,218,517.13	\$2,039,489.45

For the month of February to date, revenues are \$54,088.37 and expenditures are \$77,057.08. Current balances for the month of February are:

Miners Checking- \$1,142,653.86
Assessment Savings- \$454,809.27
CD Savings- \$535,619.31

Motion to approve the Clerk/Treasurer's Report, made by Supervisor Sather, support from Supervisor Ochis. Motion carried unanimously.

Other Reports-

Motion to accept the Fire Department Business Meeting Minutes for January 10th, made by Supervisor Sather, support from Supervisor Ochis. Motion carried unanimously.

Motion to accept the February 12th and February 20th Employee Meeting Minutes, made by Vice-Chair Branville, support from Supervisor Ochis. Motion carried unanimously.

Motion to accept the Public Access Channel Meeting Minutes from February 7th, made by Vice-Chair Branville, support from Supervisor Ziegler. Motion carried unanimously.

Motion to accept the Public Utility Commission Meeting Minutes from January 9th, made by Supervisor Ziegler, support from Supervisor Ochis. Motion carried unanimously.

Motion to accept the Wastewater Operator Report from January and the Delinquency Report, made by Supervisor Ziegler, support from Supervisor Sather. Motion carried unanimously.

CORRESPONDENCE

February 7th- Email from Tom Esselman, Minnesota Benefit Association, with information regarding Minnesota Township Officer Benefit Program. Placed on file.

February 8th- Email from Range Association of Municipalities and Schools with Board Meeting Minutes of December 28th and Annual Membership Meeting Minutes of January 10th. Placed on file.

February 9th- Website comment from Steve Salzer requesting the Township build two bocce ball courts. The material cost is approximately \$1,200 per court and a suggested location would be next to the volleyball court. Refer to Building and Grounds, Recreation and Planning Committee.

February 12th- Letter from Mediacom. Local broadcast station surcharge will increase \$0.27 to a new rate of \$12.05 effective around March 1st. Placed on file.

February 15th- St. Louis County Association of Townships Meeting Minutes from January 24th. Placed on file.

February 16th- 2018 Spring Short Courses will be held April 5th in Grand Rapids and April 6th in Duluth. Placed on file.

OLD BUSINESS

Supervisor Sather-

Fire Department Co-op- Chief Shykes attended the grant presentation meeting on Thursday. Should receive a response in the next 30 days.

Recreation Grant- Clerk Coldagelli is applying for grants. Need to wait until spring to receive accurate quotes. Estimates range from \$85,000-\$105,000 for full reconstruct or approximately \$26,000 for major crack repair.

Supervisor Ziegler-

Old Bullfrogs Building- No updates.

Emergency Operations Procedures- In process.

Salt/Sand Dome- SEH was researching salt/sand domes options.

Vice-Chair Branville-

Speed Study Pine Drive/Ely Lake Drive/Miller Trunk- County will take care of in the spring.

Eveleth/Fayal Development Project- March 1st is the next meeting date. Supervisor Ziegler questioned if

with the new agreement from SEH if Fayal would be charged, as this project is to benefit the City of Eveleth. Clerk Coldagelli did not think this project was subject to those charges, but will follow-up with SEH.

Pine Drive Sewer Extension- On hold, no further information.

2019 Levy- No changes. Will wait until next meeting to approve to submit to Annual Meeting.

NEW BUSINESS

Water Tender Payment

Matt Hoffmann discussed the change order received from Custom Fire as well as a second change order for a hose reel. The Fire Department would like to make a few changes to add some items back in that were removed from the original proposal. They would like to ask the Township to approve the two change orders for a total of \$4,988.90. Chairman Tammara had recommended the hose reel be paid from Capital Equipment. Supervisor Ziegler questioned if Mining Effects monies could be used. Clerk Coldagelli suggested paying for change order one from the Fire Department budget and then reimburse from the Mining Effects when received.

Motion to pay \$2,500 for the hose reel from the Capital Equipment Fund and \$2,488.90 from the Fire Department budget to be reimbursed once Mining Effects funds are received, made by Supervisor Ziegler, support from Supervisor Sather. Motion carried unanimously.

Supervisor Ziegler asked if the chassis was corrected, which Hoffmann informed the Board that Skubic would not correct the issue as the truck was already in process and would not accept a change order for a change to the gear ratio. The truck order was three months delayed. The truck will still perform fine. The truck should be complete in 10-14 days.

Motion to request \$121,037.19 from the escrow funds and \$40,000 from Capital Equipment to pay for the water tender, made by Supervisor Ziegler, support from Supervisor Ochis. Motion carried unanimously.

Employee Benefit CD- Clerk Coldagelli asked if the Town Board wanted to continue to transfer funds from the employee benefit CD to reimburse the departments for the two retirees. It has been completed the last two years and for 2017 just over \$20,000 was paid out. Vice-Chair Branville stated he would like to continue the transfer. Clerk Coldagelli added that in 2017, the Board increased the annual contribution from \$5,000 to \$10,000, but it should increase more. Recommended contributions from PUC and R&B for the retirees. Supervisor Ziegler added that all the departments should assist in funding that as they will be using it. Supervisor Ziegler suggested that it may need to be looked at for future levies.

Mediacom Agreement/Ordinance- Clerk Coldagelli provided a revised Ordinance draft to replace 98-4. She also needs to complete a resolution and a summary Ordinance and will have prepared for the next meeting.

Motion to table the Mediacom agreement, made by Vice-Chair Branville, support from Supervisor Sather. Motion carried unanimously.

Supervisor Ziegler brought forward residents running water to avoid frozen service lines. He suggested adjusting bills for those residents that Fayal recommends running water. In the past, Clerk Coldagelli believed that if the residents called and asked, the Township would refund. Clerk Coldagelli said an estimate would be about \$70/month if water is running at a pencil sized stream. PUC Billing Clerk Dickson has already begun calling previously affected residents suggesting to check and monitor their water temps.

Motion for residents that PUC Billing Clerk Dickson has called to run water be placed on a run list and the excess water used be deducted from their bill for each month with an accurate meter reading, made by Supervisor Ziegler, support from Supervisor Ochis. Motion carried unanimously.

Clerk Coldagelli informed the Board that the Auditor made her aware that there could be a bill due to Walker, Giroux & Hahne for extra work done throughout 2017 with the Public Utilities Department. Unsure of amount and if they will actually bill. The extra work done throughout the year significantly cut down on the time it took to complete the audit and it will be a one-time charge.

Motion to approve a bill from Walker, Giroux & Hahne if one is presented to the Board, made by Supervisor Ziegler, support from Supervisor Ochis. Motion carried unanimously.

Motion to pay the claims, made by Supervisor Ochis, support from Supervisor Sather. Motion carried unanimously.

Supervisor Ziegler motioned to adjourn the meeting.

Vice-Chair Branville adjourned the Regular Meeting at 7:51 PM.

Respectfully submitted,

Heidi M. Coldagelli

Heidi M. Coldagelli
Clerk/Treasurer Town of Fayal

Approved:



Chair

Date:

3/6/18

Attest:

Heidi M. Coldagelli

Clerk