

TOWN OF FAYAL
4375 SHADY LANE, EVELETH, MN 55734

Heidi M. Coldagelli, Clerk/Treasurer

Anthony Tammaro, Chairman

Supervisors: Lee Branville, Mark Chad, Richard Sather, Patrick Ziegler

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REGULAR MEETING OF THE FAYAL TOWN BOARD

MARCH 5, 2019

The Regular Meeting of the Fayal Town Board of Supervisors was called to order at 7:00 PM by Chairman Tammaro. Present were: Chairman Tammaro, Supervisor Branville, Supervisor Chad, Supervisor Sather and Clerk/Treasurer Coldagelli. Supervisor Ziegler was absent. Chairman Tammaro began with the Pledge of Allegiance.

Audience members in attendance were Deputy Police Chief Jesse Linde, Steve Shykes and Keith Maloney.

Motion to approve the minutes of the Regular Town Board Meeting of February 19th, 2019, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

SCHEDULED GUESTS- None at this time.

AUDIENCE CONCERNS- None at this time.

REPORTS-

Clerk/Treasurer's Report- For the period of January 1, 2018 through December 31, 2018:

General Fund- Beginning balance was \$485,442.82. There was \$221,023.01 in revenues and \$326,457.90 in expenditures. Revenues included \$30,000 transfer in from Fayal Water Company, Fayal Sewer Company and Road & Bridge for employee benefits to be transferred to the Employee Benefit CD. Expenditures included utilizing an escrow reserve balance for the Fire Department water tender for \$121,037.19, leaving an unreserved General Fund balance of \$380,007.93.

Buildings & Grounds- Beginning balance was \$52,287.57, revenues received were \$53,000 in levy funds, \$18,125.55 from 2018 Mining Effects, \$1,350 in Town Hall rent, Misc. Revenues of \$1,204.48 for reimbursement of an insurance claim less deductible for water main break for a total of \$73,680.03 in revenues. Expenditures were \$114,448.18, leaving of reserve of \$11,519.42. In 2019, Buildings & Grounds is responsible for their portion of the Certificate of Indebtedness payment for \$18,592.27.

Town Hall- Beginning balance was \$40,000. Revenues were \$10,000 in levy funds, leaving a reserve of \$50,000.

Police- Beginning balance was \$2,385.34. Levy funds received were \$47,000, fines and forfeits received were \$3,075.51, reimbursement for an insurance claim of \$5,206.48 for total revenues of \$55,281.99. Expenditures were \$52,722.27, leaving a reserve of \$4,945.06.

Fire Department- Beginning balance was zero. Revenues were \$72,000 in levy funds, State Fire Aid of \$12,818.87, refunds/reimbursements of \$11,917.20, State Fire Grant of \$26,331.98, reimbursement from the cities of Eveleth and Gilbert for Fire Department Co-op Grant of \$1,950.52, Mining Effects of \$20,614.45 and a transfer from the Capital Equipment Fund for the water tender of \$62,500 for a total of \$208,133.02 in revenues. Expenditures were \$205,582.66, leaving a reserve of \$2,550.36.

Recreation- Beginning balance was \$30,015.10. Total revenues were levy funds of \$30,000. Expenditures were \$26,577.15 leaving a reserve of \$33,437.95.

Capital Equipment- Beginning balance was \$146,584.51. Revenues were \$60,000 in levy funds, expenditures were \$62,500, leaving a reserve of \$144,084.51.

Mining Effects- Beginning balance was zero. Revenues received were Mining Effects 2018 of \$41,740. Expenditures were: transfer to Fire Department for water tender change order for \$2,488.90, payment for Emergency Operations Plan of \$3,000, transfer to Building and Grounds to assist with generator costs for \$18,125.55 and a transfer to Fire Department for PPE costs of \$18,125.55, leaving a reserve in this fund of \$0.

Road & Bridge- Beginning balance was \$258,227.45, revenues were \$247,720.22 in levy funds, fiscal disparities of \$10,686.59, unmined taconite of \$1,316.07, taconite aid of \$5.70, taconite credit of \$32,829.65, town road aid of \$19,774.96, IRRRB grant for the sand/salt dome of \$28,189.00 and transfer in for retiree benefits of \$14,251.86 for total revenues of \$354,774.05. Expenditures were \$433,295.70, leaving a reserve in this fund of \$179,705.80.

Road & Bridge Truck Reserve- Beginning balance was \$15,000. There was \$9,000 designated for the year for an ending balance of \$24,000.

Public Utilities- Beginning balance was negative \$2,511.87, franchise fees received were \$9,412.03. Expenditures were \$10,088.42, leaving a negative reserve of \$3,188.26.

Employee Benefits- Beginning balance was \$48,679.01. Revenues were a transfer in from General of \$10,000, Road & Bridge for \$15,000, Water for \$5,000 and Sewer for \$10,000, for total revenues of \$40,000. Expenditures were retiree benefits paid for the 2018 for \$19,757.77, leaving a reserve of \$68,921.24.

Lodging Tax- This is no longer a reserve fund. For 2018, \$1,467.26 was collected in revenues and \$1,393.90 was distributed to the Iron Range Tourism Bureau at the end of 2018.

Fayal Water Company Contingency- Beginning balance was \$55,316.76, designated for the year was \$4,000.08, leaving a reserve of \$59,316.84.

Fayal Sewer Company Contingency- Beginning balance was \$45,510.90, designated for the year was \$9,000. Expenditures for significant pump maintenance and repair were \$33,531.36 and a televising and cleaning project was \$39,632.36 leaving a reserve of zero. This fund will not go into a negative balance and the \$18,652.82 difference was accounted for within the expenditures in the Fayal Sewer Company.

Fayal Water Company Depreciation- Beginning balance was \$86,617.66. Designated for the year was \$4,330.80, leaving total funded depreciation of \$90,948.46.

Fayal Sewer Company Depreciation- Beginning balance was \$273,000.00 designated for the year was \$20,000, leaving total funded depreciation of \$293,000.00.

PUC Truck Depreciation- Beginning balance was \$13,980.96 designated for the year was \$5,326.08, for an ending balance of \$19,307.04.

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 \$8,546.49. Set aside for the 2018 year was \$2,610.98 for an ending balance of \$11,157.47.

Fayal Water Company- For the year January 1, 2018-December 31, 2018, the Fayal Water Company had revenues of \$82,086.74 and expenditures of \$79,449.47. Reserves within the checking account are: Water Test Fees- \$50.50, Maintenance Contingency- \$59,316.84, Depreciation not in CD- \$4,330.80 and Standby Water Fees- \$29,255.16, leaving a cash balance of \$55,549.10. This compares with a cash balance for the year of 2017 ending with \$60,098.98.

Fayal Sewer Company- For the year January 1, 2018-December 31, 2018, the Fayal Sewer Company had revenues of \$599,044.78 and expenditures of \$626,446.14. Reserves within the checking account are: Maintenance Contingency-\$0, Petty Cash of \$65.00, 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 \$247,045.40. This compares with a cash balance for the year ending 2017 of \$245,958.83.

<u>Reconciled Balances of 12-31-2018 for all accounts:</u>		<u>As of 12-31-2017</u>
Miners National Bank-	\$1,146,116.19	\$1,197,444.42
Assessment Savings-	\$450,872.08	\$463,093.31
CD Savings-	\$525,301.13	\$535,619.31
<u>Total, All Accounts</u>	<u>\$2,122,289.40</u>	<u>\$2,218,517.13</u>

Bank statements for the month of February have not yet been received so this report is tentative. Revenues were \$124,519.35 and expenditures were \$129,800.20. Tentative ending balances for the month of February are:

Miners Checking- \$1,060,469.14
Assessment Savings- \$451,595.01
CD Savings- \$517,912.11

For the month of March to date, revenues are \$29,679.32 and expenditures are \$50,008.95.

Motion to approve the Clerk/Treasurer's Report, made by Supervisor Branville, support from Supervisor Chad. Chairman Tammaro wanted to clarify that the certificate of indebtedness for the Buildings and Grounds Department was for the parking lot. The question was also posed why the large balance in the Recreation Department, which Clerk Coldagelli made the Board aware that the tennis court rehabilitation project would take place in the spring and would use a large portion of that remaining balance. Discussion moved to the negative reserve balance in the Public Utilities and Chairman Tammaro stated that Diane Dickson's wages for the PUC should be paid out of the water and sewer department and then the fund should maintain itself. Chairman Tammaro believed that a portion of the standby water charges had been used more recently, to which no one could recall they had. ***Motion carried unanimously.***

Other Reports-

Motion to accept the Employee Meeting Minutes from February 25th and March 4th, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

Motion to accept the Public Access Television Meeting Minutes from February 21st, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

Motion to accept the Planning Commission Meeting Minutes from January 16th, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

Motion to accept the December, January and February Road Report, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

CORRESPONDENCE-

February 19th- Letter from Eveleth-Gilbert PTA seeking donations for 10th Annual Gold Fever Bingo to be held on April 7th. Moved to New Business.

February 20th- Email from Northeast Service Cooperative. The Border to Border project provided 24 months free of charge for broadband service. If Fayal would like to extend their service, there is 20 MBPS at a rate of \$40 per month for a 36 month term with the option to increase. Discussion followed that not pleased with services thus far. Placed on file.

February 21st- Flyer from Minnesota Association of Townships. 2019 Spring Short Courses will be held April 4th in Grand Rapids and April 5th in Duluth. Registration is \$50 per person. Placed on file.

February 22nd- Letter from League of Minnesota Cities seeking nominations for 2019 City of Excellence Awards, C.C. Ludwig Award and James F. Miller Leadership Award. Deadline to nominate an individual or a city is May 6th. Placed on file.

February 25th- Letter from Camp Chicagami thanking us for supporting them. Placed on file.

February 25th- Letter from the CARE Commission seeking donations for the 31st Annual Chemical Free Post-Graduation Party to be held May 30th. Moved to New Business.

February 26th- Letter from St. Louis County Association of Townships with meeting minutes from January 23rd. Placed on file.

OLD BUSINESS

Supervisor Sather-

Fire Department Co-op- Meeting rescheduled for March 13th at 6:00.

Employee Hours- Chairman Tammaro set the hours and shared them with the employees last week. Good feedback thus far from the employees. Will continue to monitor and keep in communication with the employees.

Water Damage Claim- Chief Shykes informed the Board that the extractor fits where the two lockers on the side of the room are. Those two lockers can move to replace the two most damaged by the water main break. Might be an idea in the future to discuss if this could be a project for the tech school to build new lockers if we provide the supplies. For the time being, will not be ordering new replacement lockers. Power tools have been replaced. Just waiting for the contractor to replace the damaged insulation, which the insurance company has already issued a check to cover those costs. Have not received a check from the insurance company yet regarding reimbursement for the fire department damage.

Supervisor Branville-

Generator- Hometown has been working on it and it is nearly complete.

Office Manager 2019 Contract- Supervisors Branville and Ziegler met and agreed upon contract with Clerk Coldagelli. Wages were in line with the union contract. Added PTO time and an increase to out-of-pocket medical costs.

Motion to approve Office Manager contract as written and retroactive the pay to January 1, 2019, made by Supervisor Branville, support from Supervisor Chad. Motion carried unanimously.

Supervisor Chad-

Old Bullfrogs Building- Fayal's attorney will reach out to Mr. Toman's attorney for a letter of intent. Chairman Tammaro suggested we ticket him because how long do we wait? There has been little movement there and the fear is someone trespassing is going to get hurt.

Motion to issue a blight ticket to Mr. Toman, made by Chairman Tammaro, support from Supervisor Branville. Motion carried unanimously.

Will need to check with the attorney whether Fayal reissues the blight ticket or start the process over and reissue the noncompliance order.

Chairman Tammaro-

Eveleth Water Agreement- Waiting for receipt of the agreement from Eveleth.

MnDOT Relocation- Received a message from Andy Johnson regarding MnDOT needing more information. Mr. Johnson needed to speak with Wastewater Operator Dickson to verify if the City of Gilbert could handle the additional wastewater volume.

Committee Vacancies- Vacancies on the Planning and Public Utilities Commissions.

MPFA Loan Payoff- PUC will discuss at the next meeting. Board approved at the last meeting to payoff, but the PUC worried about utilizing cash balances. Could pay it off from the depreciation fund.

NEW BUSINESS

AED Quote- Would need seven units at \$1,672.25 each. Chairman Tammaro would like to table and decide at the next meeting how to pay for it. Batteries have already been purchased for the existing units.

Supervisor Sather brought forward that the Fire Department would like the Board's approval to send four department members to FDIC training this year. Training is in April and estimated at \$3,000-\$4,000. Chief Shykes would like to have some different members go to gain the training and experience.

Motion to send four firefighters to FDIC training, made by Supervisor Sather, support from Supervisor Chad. Discussion followed that can spend up to \$4,000 to be paid from the Fire Department budget. Motion carried unanimously.

2018 Audit-

Motion to approve the 2018 audit draft, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

"CD" Savings Funds Transfer- Transfer to move the 2018 balances, \$49,899.11, to the "CD" savings. These balances include the employee benefits CD contribution, Fayal Sewer Company Depreciation, PUC Truck and Fayal Water Company Depreciation.

Motion to transfer \$49,899.11, made by Chairman Tammaro, support from Supervisor Branville. Motion carried unanimously.

Resolution 2019-01 & 2019-02- Residents Nick & Trina Hoff and Megan Henderson's parcels have been split. These residents requested waiving the Sewer Access Charge because their newly purchased parcels were contiguous to their existing properties.

Motion to approve Resolution 2019-01: A Resolution Recognizing a Parcel not Subject to a Sewer Access Charge, made by Chairman Tammaro, support from Supervisor Sather. Motion carried unanimously.

Motion to approve Resolution 2019-02: A Resolution Recognizing a Parcel not Subject to a Sewer Access

Charge, made by Chairman Tammaro, support from Supervisor Branville. Motion carried unanimously.

PTA Bingo-

Motion to donate \$100 to PTA Bingo, made by Supervisor Branville, support from Supervisor Chad. Motion carried unanimously.

CARE Commission-

Motion to donate \$200 to CARE Commission, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

Chairman Tammaro brought forward an issue involving one of the Supervisors. When Mr. Ziegler connected to the sewer, his Sewer Access Charge was placed on his bill. He received a late charge of \$660.95 on his March bill. Chairman Tammaro does not agree that the Sewer Access Charge should be added to the regular utility bills and should not be subject to the late charges when the Sewer Access Charge should have been on its own separate bill. Mr. Ziegler has come in and paid the \$6,625.

Motion to remove the \$660.95 late charge from Patrick Ziegler's sewer bill for the Sewer Access Charge that should not have been placed on his bill, made by Supervisor Branville, support from Supervisor Chad. Chairman Tammaro added that the Utilities Department will need to look into setting up the Sewer Access Charges on their own separate bill. **Motion carried unanimously.**

Items for Annual Meeting- Would the Supervisors like to present the question at the Annual Meeting of a recognition program for volunteers and funding Summer BBQ?

Motion to add the items to the Annual Meeting agenda, made by Supervisor Sather, support from Supervisor Chad. Motion carried unanimously.

4M Fund- Clerk Coldagelli would like to transfer several items from the "CD" savings to the 4M Fund. The savings is earning approximately .15% and the 4M Fund is at about 2.15%. The items to transfer and their approximate balances are the Fayal Sewer Company Depreciation \$293,000; Fayal Water Company Depreciation \$91,000; PUC Truck Depreciation \$19,000; Employee Benefits \$68,000; and Road and Bridge Truck Fund \$24,000. Any of these funds can be transferred back at any time to the checking or savings as the 4M Fund is a money market. All funds can be tracked separately and the auditor would prefer that we track on a spreadsheet and keep all in one fund.

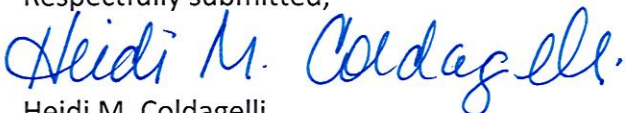
Motion to transfer funds up to \$500,000.00, made by Chairman Tammaro, support from Supervisor Sather. Motion carried unanimously.

Motion to pay the claims in the amount of \$80,289.97 made by Supervisor Branville, support from Supervisor Chad. Motion carried unanimously.

Motion to adjourn, made by Supervisor Branville, support from Supervisor Sather.

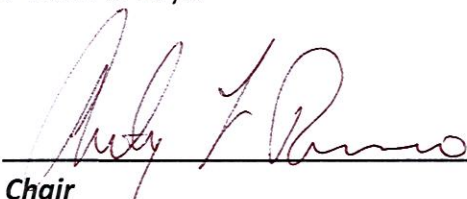
Chairman Tammaro adjourned the Regular Meeting at 8:00 PM.

Respectfully submitted,



Heidi M. Coldagelli
Clerk/Treasurer Town of Fayal

Approved:


Chair

Date:

4-5-19

Attest:


Clerk

FAYAL TOWNSHIP

03/05/19 1:08 PM

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*Check Summary Register©

Cks 2/22/2019 - 3/8/2019

Name	Check Date	Check Amt	
10100 MINERS BANK			
Paid Chk# 002121E MN REVENUE	2/25/2019	\$387.61	Vendor Liability
Paid Chk# 002122E IRS	2/25/2019	\$2,247.90	Vendor Liability
Paid Chk# 002123E MN STATE RETIREMENT SYSTE	2/25/2019	\$425.00	Vendor Liability
Paid Chk# 002124E MN STATE RETIREMENT SYSTE	2/25/2019	\$164.54	Vendor Liability
Paid Chk# 002125E PERA	2/25/2019	\$1,353.29	Vendor Liability
Paid Chk# 002126E TOWN OF FAYAL	2/27/2019	\$6,355.12	TRANSFER TO ASSESS SAVINGS FRO
Paid Chk# 002129E FLEET SERVICES	3/4/2019	\$344.82	
Paid Chk# 002130E NORTHEAST SERVICE COOPER	3/4/2019	\$406.00	Judy Dental
Paid Chk# 006905 COLDAGELLI, HEIDI M	2/25/2019	\$1,326.30	
Paid Chk# 006906 DICKSON, DALE LEE	2/25/2019	\$1,128.94	
Paid Chk# 006907 DICKSON, DIANA C.	2/25/2019	\$975.75	
Paid Chk# 006908 ERJAVEC, MICHAEL F.	2/25/2019	\$201.46	
Paid Chk# 006909 JURENIC, ALBERT	2/25/2019	\$1,486.06	
Paid Chk# 006910 OCHIS, ROBERTA L.	2/25/2019	\$146.61	
Paid Chk# 006911 ZAVODNIK, JOSEPH V	2/25/2019	\$1,599.01	
Paid Chk# 025058 LAKE COUNTRY POWER	2/26/2019	\$673.32	
Paid Chk# 025059 MINNESOTA POWER	2/26/2019	\$1,397.21	
Paid Chk# 025060 USBANCORP	2/26/2019	\$10,412.90	Water Tender Payment
Paid Chk# 025062 BAKER FIRE EQUIPMENT	3/4/2019	\$725.00	Fire Extinguishers for Apparat
Paid Chk# 025063 CITY OF EVELETH	3/4/2019	\$3,333.33	March Police Services
Paid Chk# 025064 CONTENTED CRITTERS	3/4/2019	\$600.00	June Animal Control Services
Paid Chk# 025065 EVELETH PUBLIC UTILITIES	3/4/2019	\$3,188.60	
Paid Chk# 025066 CITY OF GILBERT	3/4/2019	\$25,136.65	
Paid Chk# 025067 GOPHER STATE ONE CALL	3/4/2019	\$4.05	
Paid Chk# 025068 HEIDI COLDAGELLI	3/4/2019	\$882.55	Healthcare Premium 2/22
Paid Chk# 025069 LAWSON PRODUCTS	3/4/2019	\$517.50	masks/gloves
Paid Chk# 025070 MEDIACOM	3/4/2019	\$89.95	
Paid Chk# 025071 MENARDS	3/4/2019	\$137.34	
Paid Chk# 025072 MN DEPT OF HEALTH	3/4/2019	\$326.00	
Paid Chk# 025073 MINNESOTA POWER	3/4/2019	\$1,037.51	
Paid Chk# 025074 MT IRON CARQUEST	3/4/2019	\$757.25	OBDII Code Scanner
Paid Chk# 025075 USBANCORP	3/4/2019	\$11,385.84	Grader Payment
Paid Chk# 025076 VOLUNTEER FIREFIGHTERS BE	3/4/2019	\$28.00	Insurance Christianson, Widmer
Paid Chk# 025077 CENTURY LINK	3/5/2019	\$10.08	
Paid Chk# 025078 RANGE PAPER	3/5/2019	\$98.48	Towels
Paid Chk# 025079 VAN IWAARDEN ASSOCIATES	3/5/2019	\$1,000.00	Preparation 12/31/19 "off-year
Total Checks		\$80,289.97	