

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

*Heidi Coldagelli, Clerk/Treasurer*

*Anthony Tammaro, Chairman*

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

**PHONE (218)744-2878**

**FAX (218)744-5986**

**REGULAR MEETING OF THE FAYAL TOWN BOARD**

**MARCH 7, 2017**

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 Ochis and Clerk/Treasurer Coldagelli. Supervisor Sather and Supervisor Ziegler were absent.

Audience members in attendance were Jerry LaCousier, Nick Preiner, Matt Reid, Steve Shykes and Trevor Thompson.

***Motion to approve the minutes of the Regular Town Board Meeting of February 21<sup>st</sup>, 2017, made by Supervisor Branville, support from Supervisor Ochis. Motion carried unanimously.***

**SCHEDULED GUESTS**- None at this time.

**AUDIENCE CONCERNS-**

Matt Reid from SEH shared an update regarding Thunderbird Trail borings. The out of date quotes that Road and Bridge had showed a 10-ton road would not be supported. SEH sent requests to Braun, NTS, and Twin Ports Testing. Braun came in at \$2,850, NTS-\$2,865 and Twin Ports-\$2,100. Engineer's recommendation was to use Twin Ports Testing.

Mr. Reid went on to add that Chairman Tammaro and the Mayor of Eveleth have had very preliminary talks discussing the potential of Eveleth developing their property on Thunderbird Trail. Eveleth would be interested in water and sewer services and it would be an opportunity to look at funding for road improvements. The soil borings will need to be done anyway if the road were to be done. Supervisor Ochis had the understanding that Ms. Nephew would be covering the boring costs. Fayal can always do the borings and then ask for reimbursements later.

***Motion to have the borings done by Twin Ports Testing, made by Supervisor Ochis, support from Supervisor Branville. Motion carried unanimously.***

Chairman Tammaro added that the water/sewer lines could run down Miller Trunk Rd. to the airport, around to the gravel pit and from Golf Course Road to IRRRB or Thunderbird Trail across the highway. Maybe the school trust land would be more appealing for someone to buy. Would need to meet with employee Dickson and employee Rosati in Eveleth.

Mr. Reid also presented the Professional Services agreement for the 2017 Road Projects. Pricing was \$32,900 for design and bids and \$34,940 for construction services. Chairman Tammaro added that at this time Fayal does not have the financing in order and would only like the first part approved. If plans fall through, the project would be engineered to complete. Mr. Reid will be present at the annual meeting to discuss to the Townspeople the proposed road project.

***Motion to approve the \$32,900 portion for the design and bids of the 2017 Road Project, made by Supervisor Branville, support from Supervisor Ochis. Motion carried unanimously.***

Mr. LaCousier was present to discuss that when the airport took over South Airport Drive that it was going to be a recreational trail for walking, hunting and blueberry picking. The road is still blocked off. He added that the airport had stated the public could come off of Bodas Trail for deer hunting, but it is all posted private property. Chairman Tammaro stated that Fayal will reach out to them to ask.

Chief Shykes informed the Board that another stove is going to be hauled in for the spaghetti feed.

**REPORTS-**

**Clerk/Treasurer's Report**- For the period of January 1, 2016 through December 31, 2016:

**General Fund**- Beginning balance was \$295,216.38, there were \$203,218.83 in revenues and \$167,957.43 in expenditures and a \$5,000 transfer to Employee Benefits, leaving an unreserved balance of \$325,477.78.

**Buildings & Grounds**- Beginning balance was \$9,868.09, revenues received were \$53,000 in levy funds, \$35,800 from 2015 and 2016 Mining Effects, \$870 in Town Hall rent, MN Power rebate of \$803.54 and sale of capital assets on Do-Bid for \$3,445.85 for a total of \$93,919.39 in revenues. Expenditures were \$78,629.53, leaving of reserve of

\$25,157.95. Of that reserve, approximately \$22,049 is dedicated to expenditures regarding blacktop, emergency lighting and security cameras approved in 2016 that are still awaiting final billing.

**Town Hall-** Beginning balance was \$20,000. Revenues were \$10,000 in levy funds, leaving a reserve of \$30,000.

**Police-** Beginning balance was \$668.64. Levy funds received were \$40,000, Federal computer grant of \$2,495.43, fines received were \$2,757.11 and reimbursement from the City of Eveleth for the In-Squad grant was \$2,617.52 for total revenues of \$47,870.06. Expenditures were \$55,710.31, leaving a negative reserve of \$7,171.61.

**Fire Dept.-** Beginning balance was a negative \$1,606.05. Revenues were: \$68,000 in levy funds, \$2,475 of federal training grant, State Fire Aid of \$13,044.42, refunds/reimbursements of \$6,224.71, DNR fire reimbursement of \$11,550 and Mining Effects of \$11,903.52 for a total of \$113,197.65 in revenues. Expenditures were \$112,496.74, leaving a negative reserve of \$905.14.

**Rec.-** Beginning balance was \$11,958.29. Revenues were levy funds of \$30,000 and \$20,410.26 in Mining Effects for the ballfield purchase for a total of \$50,410.26. Expenditures were \$38,580.29 leaving a reserve of \$23,788.26.

**Capital Equipment-** Beginning balance was \$106,584.51. Revenues were \$30,000 in levy funds. Expenditures were \$30,000 for a grader down payment, leaving a reserve of \$106,584.51.

**Mining Effects-** Beginning balance was \$25,476.00. Revenue received were Mining Effects 2016 of \$47,560.00 and unused SCADA Mining Effects from 2015 of \$5,397.48. Expenditures were: Transfer to Fire Department for \$10,000, Transfer to Fire Department for FDIC training \$1,903.52, Transfer \$20,000 to Building and Grounds for Kitchen Improvements, Transfer of \$20,410.26 for ballfield property purchase, \$15,800 transferred to Building and Grounds to cover outstanding projects of emergency lighting and bituminous, for an expenditure total of \$68,113.78, leaving a reserve in this fund of \$10,319.70.

**Road & Bridge-** Beginning balance was \$182,895.69, revenues were \$234,143.21 in levy funds, fiscal disparities of \$9,400.27, taconite aid of \$36,733.99, town road aid of \$16,486.37, unmined taconite of \$1,347.30, culvert sales of \$557.40, Do-Bid sales of \$1,842.66, refunds/reimbursements of \$72.40, \$30,000 capital equipment transfer and a transfer from the employee benefit cd of \$45,304.84 for total revenues of \$375,888.44. Expenditures were \$271,945.47, leaving a reserve in this fund of \$286,838.66. There is also a truck reserve of \$6,000.

**Public Utilities-** Beginning balance was negative \$3,883.89, franchise fees received were \$9,777.01. Expenditures were \$8,633.19, leaving a negative reserve of \$2,740.07.

**Employee Benefits-** Beginning balance was \$104,242.00, revenues were a transfer in from general of \$5,000 for total revenues of \$5,000. Expenditures were retiree benefits paid for the period of 2013-2016 for \$50,444.33, leaving a reserve of \$58,797.67.

**Lodging Tax-** Beginning balance was \$1,201.70 of which a check was issued to Iron Range Tourism in early 2016 less 5% leaving a balance of \$0. Money will be issued before year end going forward so there will no longer be a reserve tracked for this fund. For 2016, \$1,522.59 was collected in revenues and \$1,446.46 was distributed to the Iron Range Tourism Bureau in early 2017.

**Fayal Water Company Contingency-** Beginning balance was \$47,316.60, designated for the year was \$4000.08, leaving a reserve of \$51,316.68.

**Fayal Sewer Company Contingency-** Beginning balance was \$59,123.31, designated for the year was \$9,000, leaving a reserve of \$68,123.31.

**Fayal Water Company Depreciation-** Beginning balance was \$77,956.06. Designated for the year was \$4,330.80, leaving total funded depreciation of \$82,286.86.

**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 \$3,328.80 designated for the year was \$5,326.08, for an ending balance of \$8,654.88.

**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 \$2,755.68. Set aside for the 2016 year was \$2,918.91 for an ending balance of \$5,674.59.

**Fayal Water Company-** For the year January 1, 2016-December 31, 2016, the Fayal Water Company had revenues of \$76,263.46 and expenditures of \$57,063.09. Reserves within the checking account are: Water Test Fees- \$112.31, Maintenance Contingency of \$51,316.68, Depreciation not in CD \$17,323.20 and Standby Water Fees of \$24,099.34, leaving a cash balance of \$52,793.51. This compares with a cash balance for the year of 2015 ending with \$40,001.91.

**Fayal Sewer Company-** For the year January 1, 2016-December 31, 2016, the Fayal Sewer Company had revenues of \$537,749.41 and expenditures of \$490,192.53. Reserves within the checking account are: Maintenance Contingency of \$68,123.31, Depreciation not in CD of \$80,000.04, PUC Truck Depreciation- \$8,654.88, Sewer Access Charges

\$3,036.71, leaving a cash balance of \$223,502.32. This compares with a cash balance for the year ending 2015 of \$182,025.37.

**Reconciled Balances of 12-31-2016 for all accounts:**

**As of 12-31-2015**

Miners National Bank-	\$1,086,657.06	\$918,373.25
Mt. Iron Bank Checking-	\$0	\$16,548.59
Assessment Savings-	\$456,158.28	\$455,011.17
CD Savings	\$496,674.11	\$490,931.72
<b><u>Total, All Accounts</u></b>	<b><u>\$2,039,489.45</u></b>	<b><u>\$1,880,864.73</u></b>

Bank statements for the month of February have been received and all accounts have been reconciled. Revenues were \$111,770.85 and expenditures were \$81,922.48. Mining Effects funds (1<sup>st</sup> half) were deposited for \$21,440 and Town Road Aid was received for \$16,713.53.

Ending balances for the month of February were:

Miners Checking- \$1,091,016.15  
Assessment Savings- \$443,574.68  
CD Savings- \$496,674.11

For the month of March to date, revenues are \$8,443.75 and expenditures are \$46,893.19.

***Motion to approve the Clerk/Treasurer's Report, made by Supervisor Branville, support from Supervisor Ochis.***

Chairman Tammaro asked if it made sense to look into CD's again now that rates could be increasing. Clerk Coldagelli agreed that it would if the rates do increase. ***Motion carried unanimously.***

**Other Reports-**

***Motion to accept the Channel 12 Cable Commission Meeting Minutes of March 1<sup>st</sup>, made by Supervisor Branville, support from Chairman Tammaro. Motion carried unanimously.***

**CORRESPONDENCE**

Fayal Garden Club is planning their annual flower show July 21<sup>st</sup> and July 22<sup>nd</sup>. They were wondering if the Town Board had any objections if they were to hold a car show the same day in the parking lot to try to help drive attendance at their show.

***Motion to allow Fayal Garden Club to hold a car show during their flower show, made by Supervisor Branville, support Supervisor Ochis. Motion carried unanimously.***

February 23<sup>rd</sup>- Email from Jennifer Bourbonais at St. Louis County. John Torma's variance request has been postponed until April to allow Mr. Torma more time to have the property surveyed and work with the staff on a different proposal that they may find more favorable. Placed on file.

February 27<sup>th</sup>- Email from Matt Reid regarding requests for proposals sent to Braun Intertec, Northeast Technical Services and Twin Ports Testing for soil boring on Thunderbird Trail. On March 2<sup>nd</sup> received another response from Mr. Reid with the three proposals from said companies. Discussed during audience concerns.

February 27<sup>th</sup>- Agreement for professional services from Short Elliott Hendrickson for 2017 Road Improvements project. Discussed during audience concerns.

February 27<sup>th</sup>- Clerk/Treasurer Bond Certificate from Minnesota Association of Townships for the 2017 year. Placed on file.

February 27<sup>th</sup>- Range Association of Municipalities and Schools Board Meeting Minutes of January 26<sup>th</sup>. Placed on file.

February 28<sup>th</sup>- Jayme Lautigar from Lake Country Power stopped into the office. In June or July Lake Country Power will be coming down Ely Lake Drive from Hwy 97 up to Woodlawn Drive East. Lake Country Power will be running underground lines and possibly looking for easements from individuals. They have already mailed letters to those residents affected. Share with employee Dickson and file.

March 1<sup>st</sup>- Minnesota Association of Townships Legal Short Course will be April 20<sup>th</sup> at Rockwoods Conference Center in Otsego, MN. Placed on file.

March 3<sup>rd</sup>- Email from Tim Hoshal, AFSCME Council 65. Reminder that Day on the Hill will be held on Thursday, March 9<sup>th</sup> in St. Paul at the capitol. Placed on file.

March 6<sup>th</sup>- Letter from Federal Home Loan Bank regarding Irrevocable Standby Letter of Credit issued on behalf of Miners National Bank. Placed on file.

March 6<sup>th</sup>- Postcard from Northern Clearing, Inc. notifying us that they have been contracted by Minnesota Power to do routine vegetation management in the Eveleth area. Work will begin March 13<sup>th</sup> and completed June 9<sup>th</sup>. Share

with Road and Bridge.

March 6<sup>th</sup>- Thank letter from Iron Range Tourism Bureau for allowing them the opportunity to speak with us. Placed on file.

March 6<sup>th</sup>- Email from Minnesota Management and Budget Department that additional information is requested for our Pay Equity Report. Changes were made to job points and job titles as well as a new job title and a job no longer on the report. Management and Budget needs a response as to why the changes occurred by April 6<sup>th</sup>. Clerk will correct.

### **OLD BUSINESS**

#### **Supervisor Branville-**

**Joint Cooperation with Eveleth, Gilbert, Leonidas, ISD 2154-** Eveleth Clerk arranged a meeting April 12<sup>th</sup> 5:00-7:00 PM.

**Security Cameras-** Supervisor Branville requested a quote for two more cameras for \$3,875 to be located at the west end of the building. Clerk Coldagelli added the company's original quote was another \$1,000 more but Roger's Online would rather do the installation of additional ports, cleaning up of the cords, etc. for approximately \$700.00. Supervisor Branville questioned where the funding would come from. Could pay from Building and Grounds and see if any 2017 Mining Effects left at the end of the year.

***Motion to install cameras from Arrowhead Radio and Security and to be paid from Building and Grounds, made by Supervisor Branville, support from Supervisor Ochis. Motion carried unanimously.***

**2018 Levy & Annual Meeting 3/14-** Ready to present to Townspeople.

#### **Chairman Tammaro-**

**Fire Department/EMS-** A flyer was drawn up to post at the posting sites and will look at response. Therese Elverum can do a presentation at the annual meeting.

**Fire Department Co-op-** Eveleth Clerk arranged a meeting April 12<sup>th</sup>. Clerk Coldagelli has not heard a response back from the IRRRB and will follow up with Chris Ismil.

**Old Bullfrogs Building-** Not sure if the property went back to the bank. Will request Deputy Chief Linde follow up on the status.

**Generator-** Table until next meeting.

**Emergency Procedures-** Table until next meeting.

**Pine Drive and St. Mary's Court Signage-** The roads are on MnDOT's speed study schedule for fall of 2017.

**Water Tender-**To be presented at annual meeting.

**Lift Station Maintenance-** Chairman Tammaro stated that the Board made a mistake when they made the motion to have the lift station repairs done. Legally, two quotes need to be attained for any contract over \$25,000. Fayal would have to pay for another company to come in for an inspection, which would cost several thousands of dollars, in order to get a bid. Minnesota Pump Works has been doing the work on the lift stations for years and knows everything about our system. Senior Wastewater Dickson is very comfortable working with them and the original plan was to only do a portion of the work this year and complete the other part at a later date.

***Motion to rescind last month's motion to approve Minnesota Pump Works awarding of two estimates, made by Chairman Tammaro, support from Supervisor Branville. Motion carried unanimously.***

***Motion to approve the estimate for Minnesota Pump Works for \$24,813.45 with the funds coming out of the Sewer Maintenance Contingency Fund, support from Chairman Tammaro, support from Supervisor Branville. Motion carried unanimously.***

**Mediacom Agreement-** Clerk Coldagelli read through the agreement and it looked like standard language. She still wanted to review it to ensure that it will not conflict with any other company within Fayal. Mediacom wanted to update their agreement with Fayal as the prior 15-year agreement expired.

**Regional Safety Group-** March 22<sup>nd</sup> is the next Regional Safety Group meeting and everyone covered under our work comp policy can attend.

***Motion to approve Resolution 2017-03 A Resolution to Establish a Regional Safety Group, made by Chairman Tammaro, support from Supervisor Ochis. Motion carried unanimously.***

### **NEW BUSINESS-**

**Motion to approve the Fire Department hiring of new member Joshua Wheatman, pending outcome of his physical, made by Supervisor Branville, support from Supervisor Ochis.** This would bring membership up to 18. **Motion carried unanimously.**

Supervisor Branville brought forth the Fire Department request to attend FDIC training in Indianapolis March 25<sup>th</sup>-29<sup>th</sup>. Chief Shykes stated that the Fire Department has a training budget of \$2,800 and travel expense budget of \$2,000, which would not be exceeded. Grant is not available this year and tuition is \$550. Instate training is covered by the state.

**Motion to approve the Fire Department attend training in Indianapolis within their budget, made by Supervisor Branville, support from Supervisor Ochis. Motion carried unanimously.**

**Motion to pay the grader payment of \$11,372.42, made by Chairman Tammaro, support from Supervisor Ochis.** To be paid from Road & Bridge Fund. **Motion carried unanimously.**

The audit was complete and went well. Results were the normal demerits for lack of control due to our small staff.

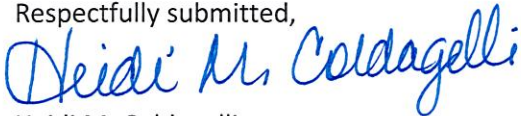
**Motion to accept the 2016 Audit prepared by Walker, Giroux & Hahne, made by Supervisor Branville, support from Supervisor Ochis. Motion carried unanimously.**

**Motion to pay the current claims, the Fire Department bills and any another typical claims in March made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.**

**Motion to adjourn made by Supervisor Branville.**

Chairman Tammaro adjourned the Regular Meeting at 7:51 PM.

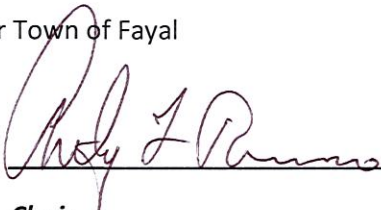
Respectfully submitted,



Heidi M. Coldagelli

Clerk/Treasurer Town of Fayal

Approved:



Chair

Date:

4-7-17

Attest:



Clerk