

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

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REGULAR MEETING OF THE FAYAL TOWN BOARD

AUGUST 16, 2016

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 Sather, Supervisor Ochis and Clerk/Treasurer Coldagelli. Supervisor Ziegler was absent as he was asked to attend the City of Gilbert's special city council meeting regarding taking action on the waste water treatment facility improvements design contract proposal from Stantec Consulting Services, INC.

Audience members in attendance were Deputy Police Chief Jesse Linde, Chris Erickson, Ron Erjavec, Jamie Lindseth, Matt Reid and Scott Smith.

Motion to approve the minutes of the Regular Board Meeting of July 5th, 2016, made by Supervisor Branville, support from Supervisor Ochis. Motion carried unanimously.

SCHEDULED GUESTS- Jamie Lindseth was in the audience to present the renewal for the Town's insurance policy with League of Minnesota Cities. Overall insurance cost for 2016 is actually lower than the past two years for a total of \$34,080. Chairman Tammaro questioned the water damage in the storage room and the leak in the roof. Mr. Lindseth was going to work with Clerk Coldagelli to determine if a claim should be filed.

AUDIENCE CONCERNS- Chris Erickson was representing the Planning Committee to discuss the recommendation to purchase property near the ballfield. The item was on the agenda under New Business and Chairman Tammaro added that it would be a great idea and would address the lack of parking issue. Scott Smith was present to discuss the Fire Department Coop which was listed under Old Business.

REPORTS-

Clerk/Treasurer's Report-

Bank statements for the month of June have been received and all accounts have been reconciled. Revenues were \$58,468.90 and expenditures were \$79,198.76.

Ending balances for the month of June are:

Miners Checking- \$744,895.87
Assessment Savings- \$456,967.53
Mt Iron Checking- \$8,054.97

Bank statements for the month of July have been received and all accounts have been reconciled. Revenues were \$604,078.33 and expenditures were \$436,070.84. St. Louis County apportionment money was received for \$538,156.59 and the Minnesota Public Facilities Authority loan payment for August was sent for \$342,794.30.

Ending balances for the month of July are:

Miners Checking- \$912,902.33
Assessment Savings- \$456,967.53
Mt Iron Checking- \$8,056.00

For the month of August to date revenues are \$28,453.60 and expenditures are \$297,195.69. Of those expenditures there is a transfer from checking to savings for \$177,739.80 from the St. Louis County apportionment money.

Chairman Tammaro asked if all departments received their allotted 50% funding and Clerk Coldagelli clarified that the taxes did half-fund all departments.

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

Other Reports-

Motion to accept the Public Utilities Commission Meeting Minutes of July 12th, 2016 and the Delinquency Report, made by Supervisor Sather, support from Chairman Tammaro. Motion carried unanimously.

Motion to accept the Wastewater Operator Report from July, made by Supervisor Sather, support from Supervisor Branville. Motion carried unanimously.

Motion to accept the E.F.G.S.D. Joint Powers Recreation Board Meeting Minutes from July 13th, 2016, made by Supervisor Sather, support from Supervisor Branville. Motion carried unanimously.

Motion to accept the E.F.G.S.D. Joint Powers Recreation Board Meeting Minutes from August 10th, 2016, made by Supervisor Sather, support from Supervisor Branville. Motion carried unanimously.

Motion to accept the Fayal Planning Committee Meeting Minutes of June 15th, 2016, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

Motion to accept the Joint Cable Television Access Board Meeting Minutes from July 6th, 2016, made by Supervisor Branville, support from Chairman Tammaro. Motion carried unanimously.

Motion to accept the Fayal Fire Department Business Meeting Minutes of June 8th, 2016, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

CORRESPONDENCE

July 14th - Letter from George Wilbur, Greater Insurance Service. Procure Group Life Insurance open enrollment is August 1st to September 15th. Placed on file.

July 18th - Letter from St. Louis County Planning Commission regarding vacancy. Deadline to apply was August 12th. Placed on file.

July 25th - Fax from City of Eveleth. Aquaduct was open between St. Marys and Ely Lakes on July 25th. Placed on file.

July 25th - Letter from Asurion that covers the AT&T mobile insurance in regards to three deductible tiers changing. Placed on file.

July 28th - Letter from St. Louis County. Planning Commission Public Hearing regarding proposed ordinance amendments was held August 11th. Send to Planning Committee. Placed on file.

July 28th - Letter from Wex Bank (Short Stop card) with changes to the card agreement. Placed on file.

August 1st - Letter from Mediacom notifying us that effective September 1st the digital transport adapters will be increasing by \$1.00. Placed on file.

August 8th - Letter from MN Power notifying us that our monthly electricity usage will necessitate a change in rate. When a customer uses greater the 2,500 kilowatt hours for three consecutive months or when the connected load indicates customer demand may be greater than 10 kilowatts the customer is placed on a "demand rate." The energy charge is reduced when demand charges are implemented. At this time it is uncertain whether our bill will increase or decrease because it will depend on actual monthly electricity consumption. Placed on file.

August 8th - Letter from St. Louis County regarding a variance application received for parcel 340-0010-04200 located at 4036 Bodas Trail owned by Bradley Edworthy. St. Louis County Board of Adjustment has scheduled a meeting Thursday, September 8th. Refer to Planning Committee.

August 10th - Letter regarding Township Legal Seminar held Saturday, October 1st, 2016. Placed on file.

OLD BUSINESS

Supervisor Sather-

Long Lake Gas Line- Moving forward on installation.

Park Drive Water Extension- Matt Reid from SEH informed the Board that the IRRRB has money available for projects. Possible project to get water to the ballfield, Park Drive and maybe revisiting Pine Drive Sewer Extension. Refer to PUC to evaluate. Clerk Coldagelli had one more response from a resident on Park Drive not interested in connecting to water services.

Differding Lane Possible New Water/Sewer Customer- No updates.

Kaleva Island- Chairman Tammaro read Resolution 2016-05.

Motion to adopt Resolution 2016-05 A Resolution to Remove A Special Sewer Assessment, made by Chairman Tammaro, support from Supervisor Ochis. Motion carried unanimously.

John Shaleen- Gilbert Water Customer- Chairman Tammaro read Resolution 2016-07.

Motion to adopt Resolution 2016-07 A Resolution to Remove an Extraterritorial Access Fee and add the total amount owing of \$1,957.95 to the resolution, made by Chairman Tammaro, support from Supervisor Sather. Motion carried unanimously.

Erkkila Property- Research discovered that originally the parcel was listed in the wrong project number. The project number was changed but the assessment was never moved to the correct parcel. Chairman Tammaro read Resolution 2016-06.

Motion to adopt Resolution 2016-06 A Resolution to Remove a Special Sewer Assessment Levied in Error and Transfer to Correct Parcel, made by Chairman Tammaro, support from Supervisor Ochis. Motion carried unanimously.

Supervisor Branville-

Part-time Help-

Motion to adopt Resolution 2016-08 A Resolution to Establish Policy Concerning the Employment of Temporary, Seasonal and Casual Labor, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

Kitchen Improvements- In Supervisor Branville's experience, most town halls that he has visited have consumer style appliances. The cost efficiency and ease of operation leads him to purchase consumer appliances versus commercial. State of Minnesota does not require commercial appliances in our building and a statute exemption for nonprofits works for the Fire Department's use for their fundraisers. A good consumer side by side stainless steel fridge will still accommodate the catering trays and freezer space will be available. Supervisor Branville stated that the consumer fridges run from \$1,200-\$2,000 and consumer double oven runs \$500-\$1,000. Supervisor Branville can go ahead and purchase the appliances.

Parking Lot Improvements- Supervisor Branville spoke with Equipment Operator Jurenic and the fluorescent edging came in and will be placed on those signs to draw attention to them. Quote has still not been received for blacktopping.

Fire Hall Roof- Ice damage occurs every year and waiting for estimates from contractors. One estimate came in at \$9,000. Looking at an electrical system to assist in melting and diverting the runoff. Supervisor Ochis asked about the PUC building and if Wastewater Operator Dickson removed the snow blocks off of the roof in the event that those may have caused the leak in the roof.

Chairman Tammaro-

Fire Department Co-op- Assistant Chief Smith brought forward to the Board that the fire chiefs and clerks/city administrators met with the IRRRB regarding holding a feasibility study.

Motion to support the feasibility study of combining Eveleth, Fayal and Gilbert Fire Departments and possibilities with other towns, made by Supervisor Branville, support from Supervisor Ochis. Motion carried unanimously.

Joint Powers Eveleth, Gilbert, Fayal, Leonidas Sewer- Board member Ziegler was in attendance at Gilbert's Special Meeting regarding sewer upgrades. Gilberts actions appear that this joint powers project is no longer moving forward.

Bullfrogs Building- No updates.

National Night Out- A good success. Only comment made was original intent was for neighbors to meet neighbors and while having a gathering at the park with the police and fire was very well received by the

public, it is deviating from the original intent of National Night Out.

Fayal Police Squad- Chairman Tammaro brought forward that the car needs tires and Fayal will pay for half which is about \$300.

Emergency Procedures- Clerk Coldagelli has a policy that she started on and is working with the Fire Department to expand upon that. Basically it will state if there is an emergency where do people go and what is the process.

NEW BUSINESS-

2017 Recreation Budget- No increase at the time in Fayal's contribution.

Motion to approve the 2017 Recreation Budget, made by Supervisor Sather, support from Supervisor Ochis. Motion carried unanimously.

Miller Trunk Gas Line- In order for the gas line project on Miller Trunk to move forward and not have Ron Erjavec be responsible for either paying for the entire gas line extension on his own or be the responsible party in gathering payments from his neighbors, Fayal Township needs to be the facilitator for the project. Basically Fayal would collect and hang onto the checks on behalf of the residents and when the final numbers are presented for the individual cost per household the residents are able to draft new checks for the final amount. It is approximately \$16,000 for the extension and Mr. Erjavec had about 20 neighbors express interest when he went door to door.

Motion to have Fayal Township as the facilitator in the Miller Trunk project, made by Chairman Tammaro, support from Supervisor Ochis. Motion carried unanimously.

Farm Tap Leak- Supervisor Ochis added there is a leak on the farm tap in front of the building. Fayal was notified of the leak earlier in the year by Minnesota Energy and Fayal has until the end of 2016 to have it fixed. Matt Reid suggested contacting Gulbranson Excavating.

Ballfield Property- Chairman Tammaro would like to negotiate with the owners for the purchase of the property. The current asking price is \$28,000 for 3.6 acres and he would like to work on getting the best price possible.

Election Equipment- Primary was held last week and was set up nicely. Clerk Coldagelli would like to purchase a new voting booth with four stations that runs about \$700 and instead of renting crowd control stancions to purchase our own.

Motion to spend up to \$1,000 on election equipment, made by Supervisor Sather, support from Supervisor Ochis. Motion carried unanimously.

Piano and MISC Disposal- Chairman Tammaro questioned the crowd and Board if they recalled where the piano came from. It is no longer in use and there are some other items that are no longer needed. There will be the stove, fridge and the gun safe. Someone could reach out to 2 Rivers Auctions or Do-Bid

Motion to contact businesses such as Do-Bid to dispose of surplus Township items, examples being the gun safe, kitchen stove, etc, made by Supervisor Branville, support from Supervisor Sather. Chairman Tammaro added that Road and Bridge and the Fire Department check their departments for surplus equipment.

Motion carried unanimously.

Business Permit- Chairman Tammaro brought forth Fred Gams business permit issue. St. Louis County made the Township aware that they have sent Mr. Gams two cease and desist notices regarding his dock business on Long Lake. Currently Long Lake is zoned residential and in order for him to continue his business he would need to be rezoned to commercial, which does not agree with Fayal's Comprehensive Plan. Mr. Gams has told the County that he has a business permit with Fayal but the business permit was only information that Fayal gathered on behalf of the Minnesota Department of Revenue to report businesses within the community and it is not an actual business license to operate a business in Fayal. Chairman Tammaro recommended to send to the Planning Commission to make a recommendation to the Town Board.

Supervisor Ziegler arrived at 7:58 PM.

Fire Department Sign- Chairman Tammaro commented that the sign looks really nice except the back needs to be painted. There appears to be some communication issues that Supervisor Branville approved the purchase to Building & Grounds but he was unaware of such a conversation. Supervisor Branville has no issues with paying out of the Building & Grounds budget but the back does need to be painted.

Motion to pay the bill for the new Fire Department Sign once the company paints the back, made by

Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

Grader Purchase- Chairman Tammaro brought forth the grader proposal for Road & Bridge. Clerk Coldagelli informed the Board that R & B received state bid pricing for both a John Deere and Caterpillar graders. R & B prefers the John Deere model, which came in the lowest for \$218,817 with a \$35,000 trade. Clerk Coldagelli received quotes from a few different banks and created a spreadsheet to include those quotes. The grader is currently a 1988 and has had a few major repairs over the past few years. Clerk Coldagelli recommended using US Bank for financing at the rate of 1.89% for 5 years, a \$22,000 annual payment, and overall interest cost would be about \$13,000 with a \$100,000 balloon payment at the end. At that point it could be paid for by Capital Equipment Fund or Road and Bridge, whatever the Board preferred. Chairman Tammaro added that Fayal could add \$30,000 from Capital Equipment to put down. Road & Bridge would be making the payment from their budget and the equipment needed to be looked at as it is aging. Supervisor Branville questioned Ziegler being so close for maintenance and if it was more expensive to haul the John Deere back and forth to Duluth. Foreman Zavodnik checked into those issues and there was a mobile equipment mechanic that resided in Sparta. Also both companies do offer extended warranty options which are figured into both quotes. Clerk Coldagelli added that the reason the John Deere was chosen was Caterpillar had a very small, angled windshield that limited visibility and safety was a concern. Both manufacturers sent out models to test and both were used and both were very nice machines. Clerk Coldagelli wanted to maintain a \$20,000 annual payment or the Road and Bridge budget would not be able to support a higher payment. Discussion followed regarding how to pay for the grader. Would another levy line item be added? Clerk Coldagelli added that in regards to the other departments they are operating within their budgets and the only ones that would necessitate an increase could be Road and Bridge and the Fire Department. Chairman Tammaro recommended reviewing the information and discussing at the next meeting. Clerk Coldagelli added that both Caterpillar and the John Deere contracts with the State Bid site will be going up 5%-10% at the end of September and the banks' rates should remain relatively the same.

Motion to table the discussion of the grader purchase until the next meeting, made by Chairman Tammaro, support from Supervisor Branville. Motion carried unanimously.

Speeding Pine Drive- Supervisor Ziegler had a few citizens on Pine Drive concerned about speeding on the road. He spoke with Chief Koivunen about it and he wondered if the Township would be willing to put some signs up regarding speed. Chairman Tammaro posed the question to Deputy Chief Linde regarding putting up "children at play" signs. Linde was going to research.

Chairman Tammaro questioned Mr. Reid about the chip sealing process if that was a cost saving measure to which Mr. Reid stated it was a preservation technique for new overlays.

Supervisor Ziegler updated the Board regarding the special meeting he attended in Gilbert. Gilbert passed approval of contracting with Stantec for engineering services for sewer plant upgrades and they did not ask for any audience input. There were three representatives present from the Township and they were the only audience members. They did not have a definitive plan as to how they were paying the engineer.

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

Motion to adjourn the Regular Meeting by Supervisor Branville.

Chairman Tammaro adjourned the Regular Meeting at 8:14 PM.

Respectfully submitted,

Heidi M. Coldagelli

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Clerk/Treasurer Town of Fayal

Approved:

Andy L. Tammaro

Chair

Date:

9-6-16

Attest:

Heidi M. Coldagelli

Clerk