

TOWN OF FAYAL
4375 SHADY LANE, EVELETH, MN 55734

Judy M. Sersha, Clerk/Treasurer

Anthony Tamaro, Chairman

Supervisors: Lee Branville, Heidi Coldagelli, Dave Ochis, Richard Sather

PHONE (218)744-2878

FAX (218) 744-5986

REGULAR MEETING OF THE FAYAL TOWN BOARD

FEBRUARY 17, 2015

The Regular Meeting of the Fayal Board of Supervisors was called to order at 7:00 PM by Chairman Tamaro. Present were: Chairman Tamaro, Supervisor Sather, Supervisor Branville, Supervisor Ochis, Supervisor Coldagelli, Clerk Sersha and Deputy Clerk Salin.

Audience members in attendance were Scott Smith, Steve Shykes, Jerry Ulman, Emily Major, Dave Bastianelli and Commissioner Keith Nelson.

SCHEDULED GUESTS

Dave Bastianelli was in attendance regarding his purchase of a tax-forfeit parcel (340-0010-01847) located adjacent to property he currently owns (340-0010-01848) and is paying a sewer special assessment. Mr. Bastianelli wants to combine the parcels and sell them as one, and pay only the current special assessment. The request was forwarded to the PUC, and their recommendation is to allow one special assessment as long as the parcels are combined.

Motion by Supervisor Sather, support from Supervisor Ochis to allow one special assessment if both parcels are made contiguous. Motion carried unanimously.

REPORTS

Clerk/Treasurer's Report- For the period of January 1, 2014 through December 31, 2014:

General Fund- Beginning balance was \$150,111.58, there were \$470,850.69 in revenues and \$355,687.80 in expenditures and a \$5,000 transfer to Employee Benefits, leaving an unreserved balance of \$260,274.47.

Buildings & Grounds- Beginning balance was (\$16,490.91), revenues received were \$29,694.82 in levy funds, taconite municipal aid of \$20,305.18, \$2,040.00 in town hall rent, Mining Effects of \$8,200.00, and insurance reimbursements of \$16,255.26 for a total of \$76,495.26 in revenues. Expenditures were \$60,003.93, leaving of reserve of 0.42.

Fire Dept.- Beginning balance was (\$19,268.84). Revenues were: \$65,200.00 in levy funds, State Fire Aid of \$12,446.53, refunds/reimbursements of \$3,950.00, DNR grant of \$2,500.00 and Mining effects of \$29,973.00 for a total of \$114,069.53 in revenues. Expenditures were \$94,055.36, leaving a reserve of \$745.33.

Rec- Beginning balance was \$4,415.20. Revenues received were levy funds of \$22,500.00 and donations of \$1,000.00 for the ballfield project. Total revenues were \$23,500.00 Expenditures were \$17,161.76, leaving a reserve of \$10,753.44.

Capital Equipment- Beginning balance was \$137,074.90, revenues were \$30,000 in levy funds. Expenditures were \$25,505.00 for the sweeper and bucket for Road & Bridge, leaving a reserve of \$141,569.90.

Police- Beginning balance was \$2,494.03. Levy funds received were \$36,000.00, fines received were \$371.81 for a total of \$36,371.81. Expenditures were \$37,065.23, leaving a reserve of \$1,800.61.

Town Hall- This is a newly created department for the purpose of setting aside funds for future expansion and/or maintenance of the Fayal Town Hall building. Set aside for the year 2014 is \$10,000.

Road & Bridge- Beginning balance was \$246,320.00, revenues were \$220,156.62 in levy funds, fiscal disparities of \$7,929.66, taconite aid of \$35,637.30, town road aid of \$15,347.85, unmined taconite of \$1,537.61, IRRRB grant of \$32,801.93, mining effects of \$18,155.00 and miscellaneous of \$103.41 for total revenues of \$331,669.38. Expenditures were \$275,551.99, leaving a reserve in this fund of \$302,437.39.

Public Utilities- Beginning balance was (\$2,315.23) franchise fees received were \$10,019.93. Expenditures were \$12,549.27, leaving a negative reserve of (\$4,844.57).

Mining Effects- Beginning balance was \$0.00. Revenue received was \$56,328.00, expenditures were: Transfer to Buildings & Grounds to cover deficit \$8,200.00, Fire Department to cover deficit \$29,973.00 with the remaining \$18,155.00 allocated to Road & Bridge for road projects. Total expenditures \$56,328.00, leaving a reserve of \$0.00.

Employee Benefits- Beginning balance was \$133,376.65, revenues were a transfer in from general of \$5,000 for a total of \$138,376.65. Expenditures were \$20,417.00 for retiree health savings account, leaving a reserve of \$117,959.65.

Lodging tax- Beginning balance was \$9,063.84, revenues were \$1,178.45 for a total of \$10,387.90. Expenditures were \$9,730.18 to Iron Range Tourism and \$512.11 to the general fund for administration of the funds, leaving a reserve of \$0.00.

Fayal Water Company Contingency- Beginning balance was \$41,316.44 designated for the year was \$4000.08. Expenditures for hydrant repair were \$2,000.00, leaving a reserve of \$43,316.52.

Fayal Sewer Company Contingency- Beginning balance was \$50,141.83, designated for the year was \$9,000.00, total \$59,141.83. Expenditures were \$9,018.52 for ABS pump replacement, leaving a reserve of \$50,123.31.

Fayal Water Company Depreciation- Beginning balance was \$80,139.25. Designated for the year was \$4,330.80, leaving total funded depreciation of \$84,470.05

Fayal Sewer Company Depreciation- Beginning balance was \$241,060.90, designated for the year was \$20,000.00, leaving total funded depreciation of \$261,060.90.

PUC Truck Depreciation- Beginning balance was \$22,508.34 designated for the year was \$4,354.08 for an ending balance of \$27,216.50.

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 \$44,531.67. Set aside for the year was \$2,882.88, ending balance is \$47,414.55.

<u>Reconciled Balances of 12-31-2014 for all accounts:</u>		<u>As of 12-31-2013</u>
Miners National Bank-	\$635,995.78	\$501,542.34
Mt. Iron Bank Checking-	\$322,102.22	\$185,619.95
CD Savings	\$537,791.67	\$557,377.43
Assessment Savings-	\$458,207.58	\$457,049.88
Total, All Accounts	\$1,954,097.25	\$1,701,589.60

For the month of January 2015 all bank statements were received and reconciled. Revenues were \$140,989.34 and expenditures were \$210,363.63. Balances as of 1-31-2015-

Miners Bank-	\$691,367.23
Mt. Iron Checking-	\$213,612.87
Assessment Savings-	\$441,991.15
CD Savings-	\$537,791.67

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

Motion to accept the February 4, 2015 E-F Cable TV Regular Meeting minutes, made by Supervisor Branville, support from Supervisor Ochis. Supervisors Branville and Tammaro will attend the Broadband Meeting at Northeast Service Cooperative. Meetings will be March 17, 10 AM and March 19, 5:30 PM. Broadband will be brought into Fayal Township. Motion carried unanimously.

Motion to accept the February 11, 2015 EFGSD Joint Rec Regular Meeting minutes, made by Chairman Tammaro, support from Supervisor Ochis. Motion carried unanimously.

Motion to accept the January 14, 2015 Fire Department Regular Business Meeting minutes, made by Supervisor Coldagelli, support from Supervisor Branville. Motion carried unanimously.

Motion to accept the January 2015 Water/Wastewater Operator's Report, made by Supervisor Sather, support from Supervisor Branville. Motion carried unanimously.

Motion to accept the January 13, 2015 Public Utilities Commission Regular Meeting minutes, made by Supervisor Sather, support from Supervisor Branville. Motion carried unanimously.

CORRESPONDENCE

IIRRB- Grant agreement for SCADA project. Referred to New Business.

SEH, Matt Reid- Thank you for appointment as Fayal engineer. Placed on file.

SLC Assessor- Board of Appeal and Equalization training will be held in Cotton, Mar. 24, 6-9 pm. Board of Appeal for Fayal will be April 22, 1-2 pm. Placed on file.

SLCATO- Regular meeting minutes of Jan. 28, 2015 next meeting Feb. 25, Cotton, 7 pm. Placed on file.

MAT- ShortCourse will be held April 2 in Grand Rapids and April 3 in Carlton. Placed on file.

At this point in the meeting, Chairman Tammaro acknowledged Commissioner Keith Nelson and gave him the floor. Commissioner Nelson stated he is visiting every entity he represents to inform them on two very important issues that have become law. Commissioner Nelson explained the new septic ordinance that was adopted by the county recently. Nelson stated we have more options today than we did 20 years ago with this new ordinance, and they are good options based on what the MPCA allows.

The second issue Commissioner Nelson reported on was the implementation of a ½ percent sales tax in St. Louis County. All of the tax collected will be dedicated to roads and bridges within the county. No funds will be used for hiring personnel, and all work will be contracted out. Commissioner Nelson then gave examples of how many bridges need repair or replacement, and roads that will be paved or reconstructed. The board thanked Commissioner Nelson, and at this point, Commissioner Nelson left to attend another meeting in his district.

OLD BUSINESS

SCADA Project- SEH Engineer Emily Major reported the project is moving along and on schedule.

Woodlawn East Road Project- Emily Major reported the soil borings that were taken on the road show there is three inches of bituminous, but no good indication of the aggregate base or how much of it there is. Estimated cost for the reconstruction project are \$125-150,000, including the engineering. Discussion. Consensus of the board is they would like the project not to exceed \$125,000, and if it does the project will have to be done in stages.

Motion to authorize SEH to develop plans and specifications for the Woodlawn East Road Project, made by Supervisor Ochis, support from Supervisor Sather. Matt Reid will bring a contract for signature to the next meeting. Motion carried unanimously.

Supervisor Sather-

Revision of Ordinance 93-1- Clerk Sersha explained the motion made to change the PUC by-laws at the last meeting was insufficient.

The PUC was created by ordinance, and to change any part of it, it must be done by revision and the revision must be published. The revision then takes effect on the date of publication.

Motion to adopt and publish Revision 2 to Ordinance 93-1, made by Supervisor Sather, support from Supervisor Ochis. Motion carried unanimously.

Supervisor Branville-

Casual Labor Pay Rate- Discussion on how much to raise the hourly rate of pay which is currently \$9 per hour.

Motion to set the casual labor rate of pay at \$12.00 per hour, effective upon passage of this motion, made by Supervisor Branville, support from Supervisor Ochis. Motion carried unanimously.

Chairman Tammaro-

Annual Meeting Directives- Chairman Tammaro asked that the committee appointed at the last Annual Meeting to look into police costs submit their report to the board by the March 3 meeting. The report was to be submitted by January 30 to be considered in levy discussions. Supervisor Branville stated he will contact the committee members.

NEW BUSINESS

Supervisor Sather submitted three quotes for the replacement of the PUC truck. Currently there is over \$27,000 in funded depreciation to pay for the vehicle.

Supervisor Sather stated the current truck is in good condition with only 54,000 miles, and there are other town vehicles that are older. Sather asked if we could keep the PUC truck to use in another department instead of trading it in? Chairman Tammaro stated if we keep the PUC truck, the department that gets it will have to pay the trade-in value to the sewer department.

Motion to trade-in and replace the PUC truck per the Lundgren's low bid of \$25,380, with the other bids being Waschke's- \$27,352 and Iron Trail- \$30,087, made by Supervisor Sather, support from Supervisor Branville. Motion carried unanimously.

Supervisor Coldagelli submitted a quote from Arrow Auto to glass in the area in the public area of the clerk and utility office, due to safety concerns. Referred to the employees for their input.

Supervisor Coldagelli reported there is a firefighter that would like to come back on the department on limited duty. The fire department has approved his return.

Chairman Tammaro reminded the board of the Board of Equalization meeting, to be held April 22, 1-2 pm. Training is also being provided March 24, Cotton, 6-9 pm for town board members.

Motion to accept and authorize the signatures of the chair and clerk for the IRRRB Grant in the amount of \$110,000 for the SCADA project, made by Supervisor Ochis, support from Supervisor Branville. Motion carried unanimously.

Chairman Tammaro reported on a meeting held with Mike Larson of SEH to discuss the township portion of funding the SCADA project. Attending the meeting was Chairman Tammaro, Clerk Sersha and PUC Treasurer Chris Erickson. Recommendation from the meeting is we use the PFA sewer replacement funds, which has already been approved by the PFA and the sewer access funds. Using those funds will still leave us short on funding, but the attendees at the meeting propose to use the funded depreciation and pay it back with mining effects funds over the next 3-5 years or take out a loan. Loans for the project are running at about 3.5 percent interest, and the depreciation is only making about a half percent interest in savings. If we are going to take a loan, the process must begin soon. Discussion.

Motion to use the sewer access charges, the PFA sewer replacement funds and funded depreciation for the SCADA project, and determine yearly how much of the mining effects will be used to pay back the depreciation account, made by Chairman Tammaro, support from Supervisor Ochis. Motion carried unanimously.

2016 Levy- At the last meeting, the board had tentatively agreed to present a 2016 levy of \$616,000 at the Annual meeting.

Motion to present to the people at the Annual Meeting a 2016 levy recommendation of \$616,000, made by Supervisor Branville, support from Supervisor Ochis. Chairman Tammaro suggested cutting the rec by \$10,000 since the department has a carryover this year of over \$10,000 and to cut the fire department funding by \$2,000. Fire Chief Shykes stated the fire department is only asking for an increase of \$2,000 and there have been many things that the department has put off buying that are needed. Chief Shykes stated our department has always been top notch with dedicated members, but if the board wants the department to deteriorate, that is up to them.

Supervisor Branville then made a motion to present to the people at the Annual Meeting a 2016 levy recommendation of \$606,000. Supervisor Ochis supported this motion. Motion carried unanimously.

Motion to pay the bills made by Supervisor Branville, support from Supervisor Ochis. Motion carried unanimously.

Motion to adjourn by Supervisor Sather.

Chairman Tammaro adjourned the Regular Meeting at 8:37 PM.

Respectfully submitted,

Judy M. Sersha
Clerk of Fayal

Approved: _____
Chair

Date: _____

Attest: _____
Clerk

