

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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SPECIAL MEETING OF THE FAYAL TOWN BOARD

MAY 16, 2017

The Special Meeting of the Fayal Town Board of Supervisors was called to order at 6:01 PM by Chairman Tammaro. Present were: Supervisor Sather, Chairman Tammaro, Supervisor Ziegler and Clerk/Treasurer Coldagelli. Supervisor Branville was absent and Supervisor Ochis arrived at 6:25 PM.

The Apparatus Purchasing Committee consisting of Steve Shykes, Matt Hoffmann and Bryan Sampson were also present to discuss the water tender.

Water Tender- Steve Shykes provided the previous history with Engine 81 and new water tender research history. Chief Shykes questioned why the water tender that was presented was not acted upon. Chairman Tammaro stated that the water tender presented is too expensive and the Fire Department was asked to lower the cost. Chairman Tammaro added there is a financial committee that determines what money is available. An affordable amount would be within the \$200,000 range. Clerk Coldagelli added that there were numerous water tenders that she was able to locate online that all were under \$200,000. Matt Hoffmann added that Fayal Township does not have a history purchasing used equipment or off-lease equipment and the department heads have been entrusted to purchase the apparatus that is deemed necessary to operate their program.

Chairman Tammaro stated that leasing cannot be done and two sealed bids are needed. Chief Shykes informed the Board that the HGAC plan doesn't need sealed bids and can go to the vendor direct per state policy. Clerk Coldagelli added that State statutes didn't specify any term for leasing. In speaking with two different township attorneys, there were no terms specified for leasing, but it was determined that sealed bids are necessary. Clerk Coldagelli went on to say that per state statute, sealed bids are not required when purchasing fire department emergency equipment, but the attorney stated that with leases the sealed bid process needs to be followed. Captain Hoffmann stated that was okay because the spec could be sent to appropriate vendors and unfortunately that is what an apparatus costs. Chairman Tammaro was not in favor of spending more than \$200,000 because in a few years the fire truck will need to be replaced. Supervisor Ziegler stated Engine 91 will need to be replaced as a bonding issue within an unknown time frame. Chief Shykes added that \$200,000 is not a realistic number and a completely stripped down truck would be about \$225,000. With Fayal's rural areas, there is not a mutual aid fire department that could respond.

Clerk Coldagelli asked if there was a list of the specs that could be scaled down. Captain Hoffmann added that the water tender has no additional accessories that are not necessary. Chief Shykes stated they could go back to find a spec within a \$225,000 mark, but do not want to waste their personal time if it is something that the Board is ultimately not interested in. There will be some legalities to look at as far as State statutes of what can and cannot be done. Supervisor Ziegler asked if it was justified to spend \$225,000 on a truck just because the Fire Department needs a water tender? He added that he did not want to spend that money just to haul water if it will not serve the purpose of the Fire Department. Chief Shykes asked if the truck can go for a vote. Supervisor Sather suggested having specs for a truck for \$225,000 and a truck for \$290,000 and having a pros and cons lists developed for both to allow the Board to make a more educated decision. Right now it could be sticker shock and when seeing it on paper the group may be able to come to a consensus. Chairman Tammaro was concerned as to how to pay for it. In July, the first half of the apportionment money will be received for Fire Truck Fund. Supervisor Ochis arrived at 6:25 PM.

Chief Shykes added that at the Annual Meeting, the public appeared to support funding for public safety and funding the level of services that the Fire Department provides. Chairman Tammaro added that a fund may need to be created for the First Responders and there are many large dollar projects coming up. Chief Shykes added their budget is so bare bones as it is because anything done on the trucks is so expensive. If a truck is purchased, it would be about 9 months until delivery. Chief Shykes educated the Board how the HGAC works, which is similar to the state bid, but has multiple vendors. Base price is fixed and options are

then added. Chairman Tammaro added that we need to be careful with the Capital Equipment Fund because there is a balloon payment that is owed for the grader. Discussion led to financing. The Fire Department received a quote for financing the full amount for 15 years with a payment of \$24,000 per year. In Clerk Coldagelli's experience, any financing for the Township would need to be done through a financial institution with a government financing program. Locally, that may only apply to US Bank and Wells Fargo. The longer the term, the higher the interest rate. During the lease, a new fire truck will most likely need to be purchased. Engine 91 is already 26 years old and Engine 2 is 11 years old. The pickup truck was purchased to help with hauling department members. At this point, if the co-op were to be in place there are no water tenders and a fire truck would likely stay out here to maintain an ISO rating. The Fire Department will have some information for the next meeting. Chairman Tammaro suggested doing another special meeting before the Town Board meeting and then bring it up at the regular Town Board meeting for approval.

Motion to adjourn made by Chairman Tammaro.

Chairman Tammaro adjourned the Special Meeting at 6:47 PM.

Respectfully submitted,

Heidi M. Coldagelli

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Clerk/Treasurer Town of Fayal

Approved: *Andy Tammaro*

Chair

Date: 6-20-17

Attest: *Heidi M. Coldagelli*

Clerk