

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

PHONE (218)744-2878

FAX (218)744-5986

FAYAL TOWNSHIP ANNUAL MEETING

MARCH 12, 2019

The Town of Fayal Annual Meeting was called to order at 7:00 PM by Clerk/Treasurer Heidi Coldagelli. According to the sign-in sheet, 19 persons were in attendance. A list of those attending is attached to these minutes.

Clerk Coldagelli welcomed everyone to the Annual Meeting and introduced herself. She then asked everyone to stand and recite the Pledge of Allegiance. Clerk Coldagelli addressed the first agenda item, nominations for Moderator.

Motion to nominate Scott Smith as Moderator, made by Lee Branville, support from Patrick Ziegler. Clerk Coldagelli asked if there were any more nominations, there being none, Clerk Coldagelli called for the question. Motion carried unanimously.

Scott Smith introduced himself and welcomed the citizens to the Annual Meeting. Moderator Smith read the agenda for the Annual Meeting to the audience.

APPROVAL OF THE 2018 ANNUAL MEETING MINUTES

Motion to approve the minutes of the March 13, 2018 Annual Meeting, made by Ron Erjavec, support from Patrick Ziegler. Motion carried unanimously.

FINANCIAL AND TREASURER'S REPORT

Moderator Smith then called upon Clerk/Treasurer Coldagelli to report on the financial status of the Town. The General Fund began 2018 with \$802,883 and ended the year with a \$692,278 balance. The Road & Bridge Special Revenue Fund began 2018 with \$273,227 and ended the year with a \$203,706 balance. The Town of Fayal Net Position as of December 31, 2018 was \$12,460,988. The Fayal Water & Sewer Enterprise Funds Net Position as of December 31, 2018 was \$9,381,090. A complete report is attached to these minutes.

Motion to approve the 2018 Financial & Treasurer's Report, made by Denny Bone, support from Ed Vest. Motion carried unanimously.

FINANCIAL NEEDS FOR THE TOWN IN 2020

Chairman Tony Tammaro thanked everyone for attending the Annual Meeting and thanked Scott Smith for agreeing to serve as Moderator this year. He recognized the Town Board members and staff for all the work they do for the Township: Lee Branville- Buildings & Grounds; Pat Ziegler- Road & Bridge; Rich Sather- Police and Fire; Mark Chad- Blight, RAMS & Joint Cable; Tony Tammaro- PUC and Finance Committee; and staff members, Heidi Coldagelli- Clerk/Treasurer; Diane Dickson- Deputy Clerk/PUC Coordinator; Joe Zavodnik- Foreman; Al Jurenic- Equipment Operator; Dale Dickson- Senior Wastewater Operator and Mike Erjavec- part-time casual labor.

The Town Board is recommending the following for the 2020 Levy: General- \$95,000, Buildings & Grounds- \$53,000, Fire Department- \$75,000, Police- \$50,000, Recreation- \$27,000, Capital Equipment- \$75,000, Road & Bridge- \$305,000, Town Hall- \$10,000 and Public Safety- \$5,000, which is dedicated towards the purchase of a new squad car when the time comes. This is a total of \$695,000, or a 2.96% increase over the 2019 levy.

Denny Bone questioned why the increases? Chairman Tammaro answered that Capital Equipment would increase \$5,000 to nearly cover the grader payment. The \$15,000 added to Road & Bridge would account for the levy dollars not received due to those that do not pay their taxes. Expenses are also increasing. Recreation was lowered just slightly. Mark Peterson asked what the fund for the Town Hall was for? Chairman Tammaro added that in the future could use it to expand the Town Hall and building up a fund. Currently, all departments are building up funds by setting aside depreciation and vehicle replacements funds.

DESIGNATING POSTING PLACES

Moderator Smith explained the present location of our posting places are as follows: 1) Fayal Town Hall, 2)

West Long Lake Road, 3) East Long Lake Road, 4) Ely Lake Shortstop, 5) At Your Convenience, 6) Differding Point, 7) Fayal Website- www.fayaltp.org.

Motion to keep the posting places the same, made by Mark Chad, support from DeLyle Pankratz. Motion carried unanimously.

SETTING TOWN BOARD SALARIES

Moderator Smith stated the next order of business was setting compensation for Town Board Officials. As of January 1, 2019 the mileage rate is the Conus Rate currently at .58 cents per mile and the salaries are as follows: Supervisor- \$4,428 per year, or \$369 per month, plus mileage and expenses as incurred; and Chair- \$4,824 per year, or \$402 per month, plus mileage and expenses as incurred.

Motion to keep the salaries and conus rate the same, made by Denny Bone, support from Mark Peterson. Motion carried unanimously.

FIRE DEPARTMENT BUSINESS

Assistant Chief Bryan Sampson presented the 2018 Fire Department Report. Assistant Chief Sampson reported there were a total of 164 calls in 2018. There were 38 structure fires, 7 wildland fires, 7 vehicle fires, 18 fire alarms, 9 carbon monoxide alarms, 52 EMS calls, 11 motor vehicle accidents, 16 hazards, 3 rescues, 1 aircraft crash and 2 Hazmat calls. Presently there are 18 firefighters on the Department. There were three new firefighters hired in 2018: Cory Christianson, James Heitzman and Jeremy Widmer. At this time there are seven openings on the Fire Department. If anyone knows of anyone interested in joining, applications can be picked up at the Town Hall. There were five retirements in 2018, they are Scott Smith, Therese Elverum, Tim Tammaro, Mike Pluskwik and Eric Garman. There are twelve EMS first responders on the Fire Department. In 2018, the Department had 830 hours of in-house training and 440 hours of outside training. The Fire Department has one Mesabi Community Coilege fire instructor on the Department and training is very important. The Fire Department received two grants for training in 2018.

The agreement between the Fayal Fire Department and the Eveleth Fire Department for a simulcast page system for all dispatches is still in effect. The box alarm that automatically dispatches three fire departments to a structure fire is working very well. The shared service grant from the Minnesota Fire Marshal's Office was received. A consultant was hired and they gathered data and interviewed all parties. The final report from the consultant on the feasibility study to merge with the Eveleth and Gilbert Fire Departments is complete and reviewed. The findings of the study will be presented tomorrow, March 13th at 6:00 PM at the Fayal Town Hall. Everyone is welcome to attend. The consultant's recommendation is that the three fire departments merge into a district fire department.

The Fire Department participated in two community events in 2018, fire prevention in the Eveleth-Gilbert Schools and National Night Out at Veterans Park. The Department is also the sponsor of the local Boy Scout Troop. In April of 2018, the Fire Department took delivery of a new 2,400 gallon water tender that is used in areas that do not have fire hydrants. The Department is seeking two FEMA grants in 2019. Due to funding cut backs in this program, it has become very difficult to be awarded a grant. The Fire Department has received a grant from the Fire Marshal's Office for a turnout gear extractor and dryer. Studies have shown that firefighters are getting cancer at a higher rate than the general population. This way of cleaning the fire gear removes the carcinogens that are absorbed in the gear during fire activities. This grant was for \$17,850.

Current Fire Department Officers are: Chief- Steve Shykes, Assistant Chief- Bryan Sampson, Battalion Chief- Matt Hoffmann, Captain- Nick Preiner, Lieutenant- Rich Sather, Secretary/Treasurer- Jamie Reberg and EMS Director- Sandy Turnow. The Annual Fire Department Relief Association Spaghetti Feed is scheduled for March 31st from 11:00 AM to 5:00 PM.

Ed Vest asked who decides the merging of the departments and when, to which Assistant Chief Sampson answered that it will be discussed tomorrow. The study found that the departments should merge and they will discuss those options and the reasons why. Scott Smith asked if it would be brought to the voters of each community? Tony Tammaro stated that it hasn't been determined yet, but it probably will. Tomorrow night's meeting will decide whether to move forward or not with the recommendation and next moves.

SUPERVISORS' REPORTS

Road & Bridge- Supervisor Patrick Ziegler reported that in 2018, shouldering and landscaping were performed in order to complete the 2017 road project. New wood chips and landscaping fabric were installed on the playground. New signs were constructed to replace the existing ones at the Ely Lake Drive and Miller Trunk intersection. A salt/sand dome was constructed at the gravel pit to store road sand. A new concrete pad was poured for the new Town Hall generator. The remaining street signs were installed in order to meet reflectivity standards. Employees also engaged in contractual negotiations with the Town Board.

Road & Bridge employees' work includes operation and maintenance of heavy and light equipment for roads, Buildings & Grounds, Recreation, Public Utilities, gravel pit operations and other Township projects that may arise. They also carry a pager for the sewage system, perform utility locates and fill in for the Water/Wastewater Operator. Road work for 2019 will include installing new signs at the Ely Lake Drive and Miller Trunk intersection, multiple culvert replacements, blacktop patching, ditching and drainage and right-of-way brushing and mowing.

Planning Committee- Supervisor Ziegler reported that the Commission is made up of Alex Peritz, Chairman; Chris Erickson, Vice-chair; Heidi Coldagelli, Secretary and member William Maki. There is currently one open position. For 2018, the Commission continued to focus on ensuring that goals within the Comprehensive Plan were addressed and/or met. The Commission submitted an application and the Town was awarded a \$37,000 aquatic invasive species prevention grant through St. Louis County for boat inspections at the Ely Lake boat landing as well as a decontamination unit placed at Lake Ore-Be-Gone in Gilbert. The Commission also focused on the Ballfield and the Recreation complex at the Town Hall. The Commission has wanted to encourage the formation of a civic committee and in February of 2018 organized a skating event, which unfortunately was not well attended due to a snowstorm. The group was recently tasked by the Town Board to create a Complete Count Committee to assist with promotion of the 2020 Census. The Commission also worked cooperatively with St. Louis County regarding planning and zoning issues within the Township.

Buildings & Grounds- Supervisor Lee Branville reported that the playground wood chips were replaced as the area had become more or less a mud pit. There was also an extensive thinning out of trees and removal of dead brush at the Town Hall complex. There is now a clear line of site all the way to Ely Lake Drive. The old generator was replaced with a newer, larger one as it was not able to handle all of the needs at the Town Hall. The old generator will be put to good use and will go out to one of the lift stations. It was a quieter year for Buildings & Grounds in comparison to past years, but the buildings are maintained at a high level to provide a long future for the existing buildings.

Police- Supervisor Branville delivered the Police Department report on behalf of Deputy Chief Jesse Linde. The Eveleth Police have done a wonderful job out here and Deputy Chief Linde was commended for attending the majority of the Town Board meetings. For the year 2018, the Eveleth Police Department responded to 468 calls for service in Fayal Township compared to 502 calls in 2017. In 2018, the Eveleth Police Department conducted 158 traffic stops in Fayal Township with a high focus on Ely Lake Drive and Miller Trunk Road. The following is a small list of some of the calls in Fayal Township: 20 suspicious activity calls, 63 medical calls, 10 gas drive offs, 4 felony thefts, 14 welfare checks, 6 burglary calls and 14 disturbance calls.

On behalf of the Eveleth Police Department, Deputy Police Chief Linde would like to thank the Fayal Township Supervisors, their employees and the citizens of Fayal for their continued support and partnership in reducing crime in Fayal. If any has any questions about the yearly report or any other law enforcement concerns please contact Chief Tim Koivunen or Deputy Chief Jesse Linde at the Eveleth Police Department.

Recreation- Supervisor Mark Chad presented the Recreation report. In 2018, the Recreation Department received \$16,000 in grant funds to rehabilitate the tennis courts. The courts are currently on the schedule in the late spring for complete crack repair, paint, post replacement and new nets. In 2018, the Tennis for All program hosted youth lessons for Fayal residents during the summer, utilizing the Fayal courts. Pickleball also continued to be popular, with the courts used twice a week during the summer months. A new pickleball net was purchased so there are now two pickleball courts. The Rec Department repainted the exterior of the rink boards, with the interior to be completed in 2019. A new snowblower was also purchased for use at the rink. The playground received some much needed attention with removal of the old wood chips and replacement with new engineered ones. Fayal is still a member of the Eveleth, Fayal, Gilbert & School District 2154 Joint Powers Recreation Board with two members, Jamie Lindseth and Paul Coombe, representing Fayal. The Joint Powers Recreation Board handles staffing the rink as well as coordinating youth activities in the area.

Public Utilities- Supervisor Chad also presented the Public Utilities report. The Public Utility Commissioners are Chairman Greg Buckley, Vice-chair Amy Jackson, Treasurer Chris Erickson, Commissioner Ed Vest and Secretary Diane Dickson. We have one seat open. Thank you for volunteering your time. The water and sewer enterprises are self-supporting and not funded by the General Fund. Diane Dickson is the PUC Coordinator and Billing Clerk and she has been working with the Commissioners and customers for the last 21 years. She handles the day-to-day issues and generates the monthly bills for 200 water customers and 730 sewer customers. We accept online payments using Payment Service Network. Anyone can view your bills for free. They charge \$1 for checking or savings and 2.75% for credit cards.

Dale Dickson is the Senior Water/Wastewater Operator and he has been taking care of the water and wastewater system for the last 19 years. We are a water distribution system and purchase our water from

Eveleth and Gilbert for Differding Pt. We own and maintain 60 fire hydrants, 22 valves and 7 miles of waterline. We had one major repair, a broken waterline on Cedar Island Drive. We are a wastewater collection system and our effluent is treated by the City of Gilbert. Dale maintains 30 duplex lift stations, 7 air release valves, 500 manholes, 120,000' of gravity line and 57,000' of force main, totaling 35 miles of sewer mainline. We utilize a SCADA system to monitor our lift stations 24/7. Dale, Joe, Albert and Diane split the on-call time. We had 38 call outs in 2018.

Major bills for 2018 were \$35,000 for 15 lift station inspections, replaced one pump, numerous pumps were repaired and \$39,632 for cleaning and televising section one of the sewer lines. Projects for 2019 will include cleaning and televising the second section of the sewer lines. This will take five years to get through our system and then we can go every other year to keep them in a ten-year rotation. Reminder that all flushable wipes and other products should always be put in the trash. This creates excessive wear on our pumps which are almost 20 years old now. With Gilbert sewer plant upgrades, they are charging \$7.50 per customer for the wastewater treatment upgrade. Dale does a great job being a one man operation. He keeps the lift stations running with his routine maintenance on our system of clearing miles of right-of-way through the woods and yards, and keeping access to our system by clearing the snow.

Denny Bone questioned if anything out of the ordinary had been found while cleaning the pipes, to which Patrick Ziegler answered no there was not, just minimal debris.

AUTHORIZATION TO RECOGNIZE RETIREES & VOLUNTEERS

Moderator Smith informed the audience that in order to recognize retirees or volunteers, the Townspeople would need to give permission to do such. Tony Tamaro added that there are many volunteers in the community that put in a lot of time, such as members of the PUC and there is no reward for them. It would be nice to give them a small token of appreciation such as a \$25 giftcard at Christmas for example, but at this time without authorization from the Townspeople, it would be written up on our audit. It would be nice to do something to thank them since they are not being compensated. Denny Bone questioned if we were looking for authorization up to a certain dollar amount, which Clerk Coldagelli confirmed that is how the state statute reads. DeLyle Pankratz recommended to first create a recognition program to determine the dollar amount and some details.

Motion to create a recognition program, made by DeLyle Pankratz, support from Ron Erjavec. Discussion followed from Mr. Bone clarifying that Mr. Pankratz would like to create a program that recognized volunteers with some type of monetary reward attached to it. Tony Tamaro added that the commission members receive nothing for serving and it would be nice to get some sort of thank you. Moderator Smith asked if they were looking along the lines of a \$50 giftcard, to which Mr. Tamaro agreed yes and it doesn't even have to be that, but up to. Mr. Bone suggested amending the motion assigning someone to create a program and bring it back to the Town Board within six months and the Board can decide. Discussion continued that a monetary amount needs to be established per state statutes. Mr. Bone suggested further amending for a budget of \$2,000, but Mr. Pankratz suggested more. ***DeLyle Pankratz amended motion to bring recognition program to the Town Board and not to exceed \$5,000, support from Ed Vest.*** Much discussion regarding the amount, but the Town Board can cap and at next year's annual meeting could lower the amount. Ron Erjavec had already supported first motion, but pulled his support after Mr. Vest supported. The Clerk will develop the program and bring to the Town Board for approval. ***Motion to further amend to allocate \$5,000 per year once program is put together and not to exceed 6 months, made by DeLyle Pankratz, support from Ed Vest. Motion carried unanimously.***

AUTHORIZATION TO EXPEND FUNDS FOR TOWN CELEBRATION

Clerk Coldagelli explained that in order to continue holding the summer BBQ or the skating party, would need Townspeople approval. The skating party typically costs less than \$100 and the summer BBQ is usually under \$1,000.

Motion to spend up to \$1,500 between the Summer BBQ, Skating Party or whatever else comes up, made by Mike Erjavec, support from Ron Erjavec. Motion carried unanimously.

SETTING THE TIME FOR THE 2020 ANNUAL MEETING

Motion to set 2020 Annual Meeting on the second Tuesday in March at 7:00 PM, made by Ron Erjavec, support from Ed Vest. Motion carried unanimously.

ANY OTHER BUSINESS TO COME BEFORE THE MEETING

Denny Bone asked about the proposed MnDOT relocation and why did MnDOT chose to relocate to a residential site on a lake? Does the Township have an idea what is coming next? Tony Tammaro stated that he spoke with the Mayor of Eveleth and the site is not on the lake as the City of Eveleth is maintaining the 13 acres on the lake. Eveleth is working on a plan for that and throwing out the option of a campground. It is Eveleth's property to sell. Mr. Tammaro clarified that the Town Board sent a letter to MnDOT asking them to come back for further discussions because there is a great deal available for Fayal Township, such as a new waterline, road upgrades and a large water/sewer customer. The Board would like to do what is best for all of Fayal Township's residents. Mr. Bone had concerns with salt storage, fuel storage and noise. Mr. Tammaro added that MnDOT may stay at their current location. Mr. Bone wanted to make sure the residents are informed, to which Mr. Tammaro added there will be many meetings if anything goes.

Ron Erjavec asked what the plan is for the Fire Department Co-op and is the Township willing to go with the consolidation? Discussion that if a new hall were built, the Fire Hall and a vehicle will still be here. The IRRRB is willing to give money to support this. Mr. Erjavec asked if it included Virginia? Greg Chad added that they are not primary with Virginia.

Ron Erjavec also asked for thoughts about the school consolidation? Tony Tammaro thought it was a marvelous idea, that they are getting the money for it and they have some hurdles to tackle. His feelings were that it is the future. The Town Board has not discussed the issue. Amy Jackson encouraged people to do their research. Ed Vest was concerned because it is expensive and will raise taxes 20-25%. Mr. Tammaro added that if it doesn't go, taxes will likely go up more. Mr. Vest added that as he understood it, there would be savings on operational costs, but the savings would be put towards new teachers and he would like to see it put back to reduce the levy. Denny Bone added that it is long overdue in the schools. Police protection out here and fire departments have been working better with cooperation. Cooperation and coordination leads to a better bang for your dollar. Mrs. Jackson stated that communities fall apart without schools and if they put money into the Eveleth School, consider what that will cost. Ron Erjavec added that Eveleth has put a lot of money into their schools. He would like to see the schools start working together now to try the program before building the school, not building the school and then seeing if the program will work. Mark Chad added that the spirit of the program does not work in the current school. Mr. Erjavec added that Hibbing is looking at the same program.

SETTING OF THE 2019 LEVY

Moderator Smith asked for a motion to set the levy for the year 2020.

Motion to set the levy at \$695,000, a 2.96% increase, made by Ron Erjavec, support from Ed Vest. Denny Bone asked if the levy would support the recognition program, which Tony Tammaro stated that yes it will.
Motion carried unanimously.

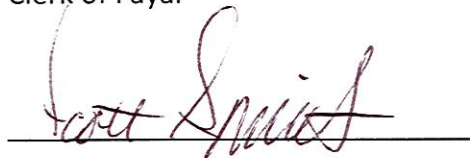
Motion to adjourn, made by Ron Erjavec, support from Amy Jackson. Motion carried unanimously.

Moderator Smith adjourned the Annual Meeting of 2019 at 8:07 PM.

Respectfully submitted,



Heidi M. Coldagelli
Clerk of Fayal



Scott Smith, Moderator

TOWN OF FAYAL 2018 FINANCIAL REPORT - 2019 ANNUAL MEETING

	<u>2018</u>	<u>2017</u>
BEGINNING BALANCE JAN 1-	802,883	569,309
REVENUES - GENERAL FUND		
General Property Taxes	301,387	302,794
Franchise Fees	9,412	9,613
Other MISC.	29,977	23,915
TOTAL TAXES	340,776	336,322
LICENSES AND PERMITS	127	190
INTERGOVERNMENTAL		
STATE		
Disparity Aid	2,505	2,505
Mining Effects	41,740	42,880
Market Value Credit	733	849
Taconite Production	50,000	52,895
Taconite Municipal Aid	25,959	25,188
Taconite Homestead Credit	44,345	42,417
PERA Aid	512	512
Fire Aid	12,819	14,812
Town Aid	861	860
State Fire Marshall Grant	26,332	-
Voting Equipment Grant	1,858	-
TOTAL INTERGOVERNMENTAL	207,664	182,918
CHARGES FOR SERVICES		
General Government		
Town Hall Rent	1,350	1,170
MISC.	800	980
Public Safety		
Fire Protection	-	1,000
Other	13,868	4,469
TOTAL CHARGES FOR SERVICES	16,018	7,619
FINES		
Court Fines	3,076	4,076
INTEREST	3,300	3,339
MISCELLANEOUS		
Refunds and Reimbursements	7,069	3,680
TOTAL REVENUES	578,030	538,144
EXPENDITURES - GENERAL FUND		
GENERAL GOVERNMENT		
Chair and Board	24,165	22,505
Administration	130,821	124,237
Administration Capital Outlay	5,715	-
Director of Operations	4,452	1,564
Clerk	4,607	4,584
Deputy Clerk	4,167	4,195
Public Utilities	10,088	9,385
Town Hall	60,110	57,888
Town Hall Capital Outlay	32,192	165,886
TOTAL GENERAL GOVERNMENT	276,317	390,244
PUBLIC SAFETY		
Police	52,722	48,725
Fire	112,949	76,756
Fire Relief Association	26,819	28,812
Fire Capital Outlay	174,659	90,597
TOTAL PUBLIC SAFETY	367,149	244,890
CULTURE AND RECREATION		
Parks and Recreation	26,578	20,256
Parks and Recreation Capital Outlay	8,833	3,517
TOTAL CULTURE AND RECREATION	35,411	23,773
DEBT SERVICE		
Principal	15,109	-
Interest and Other Charges	10,397	-
TOTAL DEBT SERVICE	25,506	-
TOTAL EXPENDITURES	704,383	658,907
DEFICIENCY OF REVENUES OVER EXPENDITURES	(126,353)	(120,763)
OTHER FINANCING SOURCES (USES)		
*Transfer In	30,000	-
**Transfers Out	(14,252)	(13,297)
Proceeds from Certificates of Indebtedness	-	159,500
Proceeds from Lease Purchase	-	211,634
Debt Issuance Costs	-	(3,500)
TOTAL OTHER FINANCING SOURCES (USES)	15,748	354,337
NET CHANGE IN FUND BALANCE	(110,605)	233,574
FUND BALANCE DECEMBER 31	692,278	802,883

<u>ROAD & BRIDGE SPECIAL REVENUE FUND</u>	<u>2018</u>	<u>2017</u>
<u>BEGINNING BALANCE, Jan 1</u>	<u>273,227</u>	<u>292,839</u>
<u>REVENUES - ROAD & BRIDGE</u>		
<u>TAXES</u>		
General Property	247,720	242,928
Other (Disparities aid, Unmined tac, P&I, tac mun aid)	12,003	10,798
<u>TOTAL TAXES</u>	<u>259,723</u>	<u>253,726</u>
<u>INTERGOVERNMENTAL - STATE</u>		
Taconite Homestead Credit	32,836	35,967
Town Road Aid	19,775	16,714
IRRRB Grant	28,189	-
<u>TOTAL INTERGOVERNMENTAL</u>	<u>80,800</u>	<u>52,681</u>
<u>MISCELLANEOUS</u>		
Refunds and Reimbursements	-	573
<u>TOTAL REVENUES</u>	<u>340,523</u>	<u>306,980</u>
<u>EXPENDITURES- ROAD AND BRIDGE</u>		
<u>CURRENT ROADS</u>		
Road Maintenance	240,399	225,164
Equipment Maintenance	60,857	30,650
Capital Outlay	73,811	446,317
<u>TOTAL PUBLIC WORKS</u>	<u>375,067</u>	<u>702,131</u>
<u>DEBT SERVICE</u>		
Principal	19,660	19,294
Interest and Other Charges	14,569	3,464
<u>TOTAL DEBT SERVICE</u>	<u>34,229</u>	<u>22,758</u>
<u>TOTAL EXPENDITURES</u>	<u>409,296</u>	<u>724,889</u>
<u>DEFICIENCY OF REVENUES OVER EXPENDITURES</u>	<u>(68,773)</u>	<u>(417,909)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
*Transfer In	14,252	13,297
*Transfers Out	(15,000)	-
Proceeds from Certificates of Indebtedness	-	390,500
Debt Issuance Costs	-	(5,500)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>(748)</u>	<u>398,297</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>(69,521)</u>	<u>(19,612)</u>
<u>FUND BALANCE DECEMBER 31</u>	<u>203,706</u>	<u>273,227</u>

TOWN OF FAYAL STATEMENT OF NET POSITION - DEC. 31, 2018

	<u>includes</u>
	<u>Governmental</u>
	<u>and Business</u>
	<u>Type</u>
	<u>Activities</u>
<u>ASSETS</u>	
Cash & Cash Equivalents	2,111,397
Taxes Receivable	22,576
Spec. Assessments Rec.	548,735
Accounts Receivable	55,014
Grants Receivable	24,980
Internal Balances	-
Inventories (class 5)	20,815
Prepaid Items	5,176
Restricted Cash	11,157
Capital Assets not being depreciated	
Land	56,267
Construction in Progress	649,968
Capital Assets, net of accumulated depreciation	
Buildings	1,569,880
Infrastructure	8,894,398
Improvements	105,228
Machinery & Equipment	262,102
Licensed Vehicles	705,941
<u>TOTAL ASSETS</u>	<u>15,043,634</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Related to other postemployment benefits	19,758
Related to Pensions	42,162
<u>TOTAL DEFERRED OUTFLOW OF RESOURCE:</u>	<u>61,920</u>
<u>LIABILITIES</u>	
Accounts Payable	33,853
Accrued Salaries	16,367
Customer Deposits	11,047
Accrued Interest Payable	14,451
Noncurrent Liabilities	
Due Within One Year	
Certificates of Indebtedness, Lease Purchases and	

General Obligation Revenue Notes	429,561
Due In More Than One Year	
Certificates of Indebtedness, Lease Purchases and	
General Obligation Revenue Notes	1,182,827
Severance Payable	24,673
OPEB	656,645
PERA Net Pension Liability	216,356
<u>TOTAL LIABILITIES</u>	<u>2,585,780</u>

DEFERRED INFLOWS OF RESOURCES

Related to Pensions	<u>56,786</u>
---------------------	---------------

NET POSITION

Invested in Capital Assets	10,631,396
Restricted For:	
Debt Service	1,004,957
Sewer Replacement	11,157
Unrestricted	<u>813,478</u>

<u>TOTAL NET POSITION</u>	<u>12,460,988</u>
----------------------------------	--------------------------

<u>Total Net Position 12-31-17</u>	<u>12,598,127</u>
---	--------------------------

TOWN OF FAYAL STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION PROPRIETARY FUNDS - DEC. 31, 2018

	<u>Business-type Activities- Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	
	<u>Enterprise</u>	<u>Enterprise</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for sales and services	75,010	596,537	671,547
Standby Charges	2,352	-	2,352
Access Charges	241	-	241
Miscellaneous Fees	-	2,507	2,507
<u>TOTAL OPERATING REVENUES</u>	<u>77,603</u>	<u>599,044</u>	<u>676,647</u>
OPERATING EXPENSES			
Purchased Water	37,570	-	37,570
Sewage Collection	-	292,897	292,897
Salaries	12,418	86,040	98,458
Employee Benefits	8,304	54,737	63,041
Insurance	-	5,765	5,765
Maintenance	-	73,164	73,164
Office Supplies	371	5,252	5,623
Operating Supplies	-	3,173	3,173
Professional Services	7,244	15,779	23,023
Repairs and Maintenance	1,039	10,033	11,072
Training	1,769	167	1,936
Utilities	1,037	29,886	30,923
Depreciation	65,893	176,701	242,594
<u>TOTAL OPERATING EXPENSES</u>	<u>135,645</u>	<u>753,594</u>	<u>889,239</u>
<u>OPERATING LOSS</u>	<u>(58,042)</u>	<u>(154,550)</u>	<u>(212,592)</u>
<u>NONOPERATING EXPENSES</u>			
Interest Expense	(128)	(19,543)	(19,671)
<u>LOSS BEFORE TRANSFERS</u>	<u>(58,170)</u>	<u>(174,093)</u>	<u>(232,263)</u>
Transfers In	-	315,135	315,135
Transfers Out	(5,000)	(10,000)	(15,000)
<u>CHANGE IN NET POSITION</u>	<u>(63,170)</u>	<u>131,042</u>	<u>67,872</u>
<u>TOTAL NET POSITION- JANUARY 1</u>	<u>2,682,061</u>	<u>6,605,512</u>	<u>9,287,573</u>
<u>Prior Period Adjustment</u>	<u>4,663</u>	<u>20,982</u>	<u>25,645</u>
<u>TOTAL NET POSITION- DECEMBER 31</u>	<u>2,623,554</u>	<u>6,757,536</u>	<u>9,381,090</u>

Tuesday, March 12th, 2019
Annual Meeting Sign-in

Name

Address

- | | |
|---------------------|-------------------------------------|
| 1. SCOTT SMITH | 4014 MILLER TRUNK RD |
| 2. Patrick Ziegler | 7924 Pine DR Eveleth |
| 3. LEE BANVILLE | 4512 WOODAWN PLUM |
| 4. MARK CHAD | 4043 MILLER TRUNK RD. |
| 5. CHRIS ERICKSON | 7303 Ely Lake Dr. |
| 6. Amy Jackson | 7915 Bodas Rd |
| 7. Tony Tammam | 4412 Maple LN |
| 8. Nick Preiner | 4451 Woodlawn Circle |
| 9. Bryan Sampson | 1209 2 nd St So Virginia |
| 10. MARK Peterson | 7798 Bodas Rd |
| 11. John West | 7927 Pine dr |
| 12. Dwayne Pankratz | 7756 Ely LK. Dr. |
| 13. Ronald E. Egan | 4471 Miller - 4 th DR |
| 14. DAWY BONE | 4163 ST. MARYS CT. |
| 15. Mike Erjavec | 7547 N. Airport Dr |
| 16. Ed VEST | 4153 ST. MARY'S CT |
| 17. GREG S. CHAD | FED |
| 18. MATT HOFFMANN | FED |
| 19. Heidi Coldagell | 7615 Ely Lake Dr. |
| 20. | |
| 21. | |
| 22. | |
| 23. | |
| 24. | |
| 25. | |
| 26. | |
| 27. | |
| 28. | |
| 29. | |
| 30. | |
| 31. | |
| 32. | |
| 33. | |