

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

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REGULAR MEETING OF THE FAYAL TOWN BOARD

FEBRUARY 18, 2020

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 Chad, Supervisor Sather, Supervisor Ziegler and Clerk/Treasurer Coldagelli. Supervisor Branville was absent. Chairman Tammaro began with the Pledge of Allegiance.

Audience members in attendance were Gina Brascugli, Deputy Police Chief Jesse Linde and Steve Shykes.

Motion to approve the minutes of the Regular Town Board Meeting of February 4th, 2020, made by Supervisor Sather, support from Supervisor Chad. Supervisor Ziegler abstained. Motion carried.

SCHEDULED GUESTS- None at this time.

AUDIENCE CONCERNS- Fire Chief Steve Shykes made the Town Board aware that the Fire Department is going to eliminate the EMS Director position and will utilize an outside source for training. The training cost is \$350/mo and with the EMS salary removed and the elimination of the EMS refresher course cost, the budget should be close to even. The by-laws will be updated to reflect the change and they will come before the Town Board for approval. The Fire Department was awarded a \$5,000 50/50 match DNR grant and the Fire Department would like to utilize \$2,500 of it to replace Engine 91's mobile radio. Would also like to submit two grant applications, one for SCBAs submitted jointly with Eveleth and the second one for radios. Replacement of all the radios is approximately \$80,000. Moved to New Business.

REPORTS-

Clerk/Treasurer's Report- For the period of January 1, 2019 through December 31, 2019:

General Fund- Beginning balance was \$380,007.93. There were \$220,899.72 in revenues and \$242,135.73 in expenditures. Revenues included a \$30,000.00 transfer in from Fayal Water Company, Fayal Sewer Company and Road & Bridge for employee benefits to be transferred to the Employee Benefit CD and expenditures included the transfer of \$40,000.00 to the Employee Benefit CD and transfers to Building and Grounds for \$3,678.96 and the PUC for \$2,914.26 to bring those funds whole, leaving a General Fund balance of \$358,771.92.

Buildings & Grounds- Beginning balance was \$11,519.42. Revenues received were \$53,000.00 in levy funds, \$15,000.00 from the 2019 Mining Effects, \$1,680.00 in Town Hall rent, misc. revenues of \$5,975.51 for reimbursement of an water main break insurance claim less deductible and reimbursements of \$624.78 for final credit of the LED lighting upgrade, for a total of \$73,680.03 in revenues. Expenditures were \$91,478.68, leaving a negative reserve of \$3,678.96. The General Fund transferred funds to bring the reserve balance to zero. In 2020, Buildings & Grounds is responsible for their portion of the Certificate of Indebtedness payment for \$20,716.88.

Town Hall- Beginning balance was \$50,000.00. Revenues were \$10,000.00 in levy funds, leaving a reserve of \$60,000.00.

Public Safety- This is a new fund. Beginning balance was \$0. Revenues were \$5,000.00 in levy funds, leaving a reserve of \$5,000.00.

Police- Beginning balance was \$4,945.06. Levy funds received were \$50,000.00 and fines and forfeits received were \$3,152.44, for total revenues of \$53,152.44. Expenditures were \$47,156.46 leaving a reserve of \$10,941.04.

Fire Department- Beginning balance was \$2,550.36. Revenues were \$75,000.00 in levy funds, Mining Effects of \$29,064.75, local grant of \$55.74, State Fire Aid of \$16,846.35, State Fire Grant for Fire Department Co-op of \$752.88, State Fire Grant for the washer/extractor for \$16,065.00, refunds/reimbursements for fire training of \$10,365.00, miscellaneous revenues of \$2,735.00 for an insurance claim and a transfer from the Capital

Equipment Fund for the water tender payment of \$25,000.00, for a total of \$175,884.72 in revenues. Expenditures were \$173,498.55, leaving a reserve of \$4,936.53.

Recreation- Beginning balance was \$33,437.95. Revenues were levy funds of \$27,000.00, IRRRB Grant and local grant of \$13,153.25 and \$1,000.00 for the tennis courts, for total revenues of \$41,153.25. Expenditures were \$52,961.42, leaving a reserve of \$21,629.78.

Capital Equipment- Beginning balance was \$144,084.51. Revenues were \$70,000.00 in levy funds, expenditures were \$50,000.00, leaving a reserve of \$164,084.51.

Mining Effects- Beginning balance was zero. Revenues received were Mining Effects 2019 of \$44,719.00. Expenditures were transfer to Fire Department for turn out gear of \$10,000.00, transfer to the Fire Department for purchase of AEDs of \$11,705.75, transfer to Building and Grounds to assist with the parking lot payment for \$15,000.00, a transfer to the Fire Department for the purchase of an additional AED for \$654.25 and the final balance transferred to the Fire Department for Engine 2 for \$7,359.00, leaving a reserve in this fund of \$0.

Road & Bridge- Beginning balance was \$179,705.80. Revenues were \$241,890.12 in levy funds, fiscal disparities of \$10,688.70, unmined taconite of \$1,300.03, taconite credit of \$33,184.87, town road aid of \$19,583.94, misc. revenues of \$1,280.72 for insurance claims, transfer in for retiree benefits of \$15,271.48 and a transfer in from Capital Equipment for the grader payment of \$25,000, for total revenues of \$348,598.05. Expenditures were \$377,536.72, leaving a reserve in this fund of \$150,443.24.

Road & Bridge Truck Reserve- Beginning balance was \$24,000.00. There was \$9,000.00 designated for the year and 4M interest of \$323.89 for an ending balance of \$33,323.89.

Public Utilities- Beginning balance was negative \$3,188.26, Revenues received were franchise fees of \$9,792.51 and a transfer in from lodging tax of \$81.86 for total revenues of \$9,874.37. Expenditures were \$9,518.51, leaving a negative reserve of \$2,832.40. The General Fund transferred funds to bring the reserve balance to zero.

Employee Benefits- Beginning balance was \$68,921.24. Revenues were a transfer in from General of \$10,000.00, Road & Bridge for \$15,000.00, Water for \$5,000.00, Sewer for \$10,000.00 and 4M interest paid of \$917.68 for total revenues of \$40,917.68. Expenditures were retiree benefits paid for the 2019 for \$20,668.14, leaving a reserve of \$89,170.78.

Fayal Water Company Contingency- Beginning balance was \$59,316.84. Designated for the year was \$4,000.08, leaving a reserve of \$63,316.92.

Fayal Sewer Company Contingency- Beginning balance was \$0. Designated for the year was \$9,000.00. Expenditures for pump maintenance and repair were \$7,106.29, leaving a reserve of \$1,893.71.

Fayal Water Company Depreciation- Beginning balance was \$90,948.46. Designated for the year was \$4,330.80 and 4M interest received was \$1,187.58, leaving total funded depreciation of \$96,466.84.

Fayal Sewer Company Depreciation- Beginning balance was \$293,000.00. Designated for the year was \$20,000.00 and 4M interest of \$2,699.04. Expenditures included a withdrawal to payoff MPFA Loan #3 for \$88,201.15, leaving total funded depreciation of \$227,497.89.

PUC Truck Depreciation- Beginning balance was \$19,307.04. Designated for the year was \$5,326.08 and 4M interest of \$269.90 for an ending balance of \$24,903.02.

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 \$11,157.47, set aside for the 2019 year was \$2,928.40 for an ending balance of \$14,085.87.

Fayal Water Company- For the year January 1, 2019-December 31, 2019, the Fayal Water Company had revenues of \$79,120.98 and expenditures of \$81,991.45. Reserves within the checking account are: Water Test Fees- \$12.90, Maintenance Contingency- \$63,316.92, Depreciation not in 4M- \$4,330.80 and Standby Water Fees- \$31,389.54, leaving a cash balance of \$52,690.12. This compares with a cash balance for the year of 2018 ending with \$55,549.10.

Fayal Sewer Company- For the year January 1, 2019-December 31, 2019, the Fayal Sewer Company had revenues of \$641,599.99 and expenditures of \$764,442.51. Reserves within the checking account are: Maintenance Contingency-\$1,893.71, Petty Cash of \$65.00, Depreciation not in 4M- \$20,000.00, PUC Truck Depreciation not in 4M- \$5,326.08, Sewer Access Charges- \$26,177.75, leaving a cash balance of \$185,921.48. This compares with a cash balance for the year ending 2018 of \$247,045.40. It is important to note that reflected in the expenditures is a second payment made at the month end of December to the Gilbert Public Utilities for \$34,029.34. That payment was for the January bill. There was also a \$41,922.00 payment made in

December from Fayal Sewer Company to Great Lakes Pipe Service for the cleaning and televising project in 2019. The 2018 cleaning and televising project was paid with funds from the sewer maintenance contingency.

<u>Reconciled Balances of 12-31-2019 for all accounts:</u>		<u>As of 12-31-2018</u>
Miners National Bank-	\$1,142,288.52	\$1,146,116.19
Assessment Savings-	\$437,973.64	\$450,872.08
CD Savings-	\$80,945.43	\$525,301.13
4M Fund-	\$413,373.68	N/A
Total, All Accounts	\$2,074,581.27	\$2,122,289.40

Bank statements for the month of January have been received and all accounts have been reconciled. Revenues were \$80,310.50 and expenditures were \$483,568.65. Expenditures included the payoff of the MN Public Facilities Authority loans for \$328,336.95 and also a payment to Miner's National Bank for the 2019 Road Project and Parking Lot Project for \$64,557.68. Ending balances for the month of January are:

Miners Checking- \$1,064,438.92
Assessment Savings- \$109,636.69
CD Savings- \$83,873.83
4M Fund- \$413,856.30

For the month of February to date, revenues are \$42,752.58 and expenditures are \$113,550.00.

Motion to approve the Clerk/Treasurer's Report, made by Supervisor Sather, support from Supervisor Chad. Chairman Tammaro wanted it to be made known that the League of Minnesota Cities requires the sewer lines to be cleaned and inspected for insurance purposes. Once all of the lines have been cleaned, there is a period of time that can pass until cleaning and televising would be needed again. If the lines are not cleaned, the Township could be held negligent. Chairman Tammaro also reminded the Board that in the future the Road & Bridge budget will need to be reviewed as the balance is getting low. The Employee Benefits Fund will also face some changes as two retirees health care premiums will be replaced with supplementals. ***Motion carried unanimously.***

Other Reports-

Motion to accept the Fire Department Business Meeting Minutes from January 8th, made by Supervisor Sather, support from Supervisor Chad. Motion carried unanimously.

Motion to accept the Joint Powers Rec Board Meeting Minutes of February 12th, made by Supervisor Sather, support from Chairman Tammaro. Motion carried unanimously.

Motion to accept the Public Access Television Meeting Minutes from February 5th, made by Supervisor Chad, support from Supervisor Ziegler. Motion carried unanimously.

Motion to accept the Fire Department Shared Services Committee Meeting Minutes from January 13th, made by Supervisor Chad, support from Supervisor Ziegler. Motion carried unanimously.

Motion to accept the Employee Meeting Minutes from February 10th and 18th, made by Supervisor Chad, support from Supervisor Sather. Supervisor Ziegler brought forward a snow complaint on Pine Drive. A resident is receiving complaints that the mailman cannot deliver mail due to the nearby neighbor pushing snow over the bank and its moving onto the roadway. Will let Road & Bridge know. ***Motion carried unanimously.***

CORRESPONDENCE-

January 22nd - Letter from Mid-State Truck Service Inc. Mid-State has purchased Skubic Brothers and in order to continue to in-house charge, must apply for a line of credit with them.

Motion to approve the Clerk to submit application for a line of credit, made by Supervisor Ziegler, support from Supervisor Chad. Motion carried unanimously.

February 11th - Email from Cathy Rouleau with information regarding Minnesota Association of Townships Lobby Day on March 18th. Placed on file.

February 13th - Email from Cathy Rouleau from St. Louis County Association of Townships with meeting minutes from January 22nd. Placed on file.

OLD BUSINESS

Supervisor Sather-

Fire Department Shared Services- Chief Shykes informed the Board that he had been notified by Gilbert's Fire Chief that they were no longer interested in participating in the Shared Services project, but were interested in proceeding with the training and SOGs. The Fire Marshal's Office confirmed that Gilbert cannot receive any funds if they are only participating in training. Subcommittee meeting today discussed that it appears Gilbert is not going to stay and the representatives from Eveleth and Fayal are interested in proceeding as a full merger. Chairman Tammaro informed the Board that the Eveleth City Council approved at their meeting today proceeding with a full merger and they will have a resolution prepared for the next meeting.

Motion to proceed with a full merger with the City of Eveleth on the Fire Department, made by Chairman Tammaro, support from Supervisor Chad. Gilbert is still welcome to participate but the group is proceeding with a full merger. Chief Shykes added that its disheartening to hear they are not interested. Will have a resolution for a future meeting. ***Motion carried unanimously.***

DNR Grant- Supervisor Sather brought forward approval of use of the 50/50 matching DNR grant.

Motion to approve use of DNR grant, made by Supervisor Sather, support from Supervisor Chad. Motion carried unanimously.

Supervisor Chad-

Old Bullfrogs Building- Owner will be contacted with an additional quote. Deputy Police Chief Linde will get in touch with Attorney Mike Kearney.

MnDOT Relocation- No further update.

Commission Vacancy- Channel 12- Still a vacancy.

Clerk/Treasurer Term Correction Ordinance 2002-1- Attorney Scott Neff is preparing the amendment.

Chairman Tammaro-

Job Descriptions- Supervisor Ziegler is working on.

2021 Levy-

Motion to propose the 2021 Levy to the fee holders at the 2.88% increase, made by Supervisor Ziegler, support from Supervisor Sather. Motion carried unanimously.

NEW BUSINESS

Motion to approve hiring Christopher Chrislock for position of Fire Fighter, made by Supervisor Sather, support from Supervisor Chad. Motion carried unanimously.

Motion to approve Chief Shykes submitting a grant proposal for SCBAs, made by Supervisor Sather, support from Supervisor Chad. Cost is roughly \$400,000 for Eveleth and Fayal. Each SCBA costs \$12,000-\$14,000. Chief Shykes will draft the grant proposals and no need for a grant writer. ***Motion carried unanimously.***

Motion to approve Chief Shykes submitting a grant proposal for radios, made by Supervisor Sather, support from Supervisor Chad. Cost estimate is \$80,000-\$90,000 and both grant applications require a 10% match. ***Motion carried unanimously.***

Grader and Water Tender Payment-

Motion to approve the water tender payment of \$10,412.90, made by Chairman Tammaro, support from Supervisor Ziegler. Motion carried unanimously.

Motion to approve the grader payment of \$11,385.84, made by Chairman Tammaro, support from Supervisor Ziegler. Motion carried unanimously.

Lift Station Pump Ballfield- The PUC approved at their meeting.

Motion to approve the purchase of a placement pump for the lift station at the ballfield for \$5,884.00, made by Chairman Tammaro, support from Supervisor Sather. Discussion regarding spare parts on hand and having spare pump rebuilt. Supervisor Ziegler added that prior to end of year, he had motioned to repair one pump to keep on hand. MN Pump will run a test on one of the pumps prior to ordering. ***Motion carried unanimously.***

Brush Pile- With the sand/salt dome location, it is unsafe to burn the brush pile. Will seek quotes to chip and

doesn't have to be done every year.

Draft Audit- Final audit should be received within the next few weeks.

Motion to approve the draft audit for the fee holders, made by Chairman Tammaro, support from Supervisor Sather. Motion carried unanimously.

MN Rural Water License- Supervisor Ziegler would like to continue his water license. The course is \$250 and he would cover the cost of his travel expenses.

Motion to approve Patrick Ziegler take the MN Rural Water Course, made by Supervisor Chad, support from Supervisor Sather. Supervisor Ziegler abstained. Motion carried.

Chairman Tammaro mentioned that the loader is leaking antifreeze and may need to bring in for repair. There has been a few issues with it over the years. May need to consider purchasing a new one.

Motion to pay the claims in the amount of \$54,762.46 made by Supervisor Chad, support from Supervisor Ziegler. Motion carried unanimously.

Motion to adjourn made by Supervisor Chad, support from Supervisor Ziegler. Motion carried unanimously.

Chairman Tammaro adjourned the Regular Meeting at 7:49 PM.

Respectfully submitted,

Heidi M. Coldagelli

Heidi M. Coldagelli
Clerk/Treasurer Town of Fayal

Approved:

Andy J. Romano
Chair

Date:

3-17-20

Attest:

Heidi M. Coldagelli
Clerk