

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

MARCH 1, 2022

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 Chad, Supervisor Sather and Clerk/Treasurer Coldagelli. Supervisor Ziegler was absent due to attending the Minnesota Rural Water Technical Conference. Chairman Tammaro led with the Pledge of Allegiance.

Audience member in attendance was Steve Shykes. Matt Hoffmann arrived at 7:04 and Nick Preiner arrived at 7:10.

Motion to approve the minutes of the Regular Town Board Meeting of February 15th, 2022, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

SCHEDULED GUESTS- None at this time.

AUDIENCE CONCERNS- None at this time.

REPORTS-

Clerk/Treasurer's Report- For the period of January 1, 2021 through December 31, 2021:

General Fund- Beginning balance was \$411,362.78. There were \$213,351.24 in revenues and \$245,331.17 in expenditures. Revenues included \$30,428.99 levy funds, \$13,162.64 fiscal disparities, \$781.70 market value, \$1,496.75 Lodging Tax, \$1,140.00 assessment certifications, \$140.00 in dog licenses, \$947.00 in Local Government Aid, \$3,729.00 Taconite Production Tax, \$50,000.00 Township Fund, \$1,675.44 unmined taconite, \$26,211.00 for Taconite Municipal Aid, \$37,698.98 taconite credit, \$2,505.00 fiscal reductions, penalties and interest of \$5,064.82, miscellaneous revenues of \$3,774.97, \$2,384.60 refunds and reimbursements, Miner's interest of \$1,944.78, 4M interest of \$4.68, tax forfeit monies received for \$260.89 and a \$30,000.00 transfer in from the Fayal Water Company, Fayal Sewer Company and Road & Bridge for employee benefits to be transferred to the Employee Benefit CD. Expenditures included the transfer of \$40,000.00 to the Employee Benefit CD and transfers to the Fire Department for \$12,198.22 to account for payroll budget, \$21,192.28 to Building & Grounds from the Excess School Levy Funds received in 2021 and a transfer to Public Utilities Fund of \$74.84 from the 5% administrative fee retained from Lodging Tax, leaving a General Fund balance of \$379,382.85.

Buildings & Grounds- Beginning balance was \$1,629.68, revenues received were \$53,000.00 in levy funds, \$1,020.00 in Town Hall rent, and a transfer from General for \$21,192.28 from the excess School Levy funds that were deposited in 2020 to make the Certificate of Indebtedness payment, for a total of \$75,212.28 in revenues. Expenditures were \$59,920.75, leaving a reserve of \$16,921.21.

Town Hall- Beginning balance was \$70,000.00. Revenues were \$10,000.00 in levy funds, leaving a reserve of \$80,000.00.

Public Safety- Beginning balance was \$10,000.00. Revenues were \$7,500.00 in levy funds, leaving a reserve of \$17,500.00.

Police- Beginning balance was \$15,753.74. Levy funds received were \$50,000.00, fines and forfeits received were \$3,035.99, for total revenues of \$53,035.99. Expenditures were \$49,067.50, leaving a reserve of \$19,722.23.

Fire Department- Beginning balance was negative \$1,900.61. Revenues were \$77,500.00 in levy funds, Mining Effects of \$30,920.12, DNR Fire reimbursement of \$62,950.03 for the Greenwood Fire, State Fire Aid of \$14,516.41, local grant of \$173.32, State Fire Grant for Fire Department Shared Services training of \$5,572.70, miscellaneous revenues of \$3,200.00 for the sale of equipment, refunds and reimbursements of \$8,707.46, a transfer from the Capital Equipment Fund for the water tender payment of \$25,000.00 and a transfer in from General for \$12,198.22 for payroll expenditures, for a total of \$240,738.26 in revenues. Expenditures were \$216,333.32, leaving a reserve of \$22,504.33. Also to note, \$37,256.37 received from the sale of fire equipment

and the Greenwood Fire revenues less expenditures have been allocated towards the purchase of a side by side. When removing the funds allocated, the Fire Department Fund ends 2021 at negative \$14,752.04.

Recreation- Beginning balance was \$23,248.02. Revenues were levy funds of \$27,000.00, for total revenues of \$27,000.00. Expenditures were \$22,199.05, leaving a reserve of \$28,048.97.

Capital Equipment- Beginning balance was \$165,214.68. Revenues were \$75,000.00 in levy funds and Miner's interest of \$104.47. Expenditures were \$147,725.00, which included a \$100,000.00 transfer to Road & Bridge for the grader final payment, leaving a reserve of \$92,594.15.

Mining Effects- Beginning balance was zero. Revenues received were Mining Effects 2021 of \$55,841.00. Expenditures were: payment for chipping brush at the Yard Waste site for \$4,000.00, transfer to the Fire Department for purchasing turn out gear of \$10,000.00, transfer to the Fire Department for the radios' lease of \$20,920.12, transfer to the Road & Bridge Department for purchase of a steamer for \$13,673.75, and transfer to the Fayal Sewer Company the remaining balance of \$7,247.13 to assist with the increase in the on-call pay, leaving a reserve in this fund of \$0.

Road & Bridge- Beginning balance was \$171,607.27. Revenues were \$273,820.83 in levy funds, fiscal disparities of \$10,653.87, unmined taconite of \$1,357.33, taconite credit of \$30,541.03, town road aid of \$18,835.14, debt proceeds (escrow) for the dump truck of \$184,136.86, interest accrued on the escrow of \$4.26, transfer in for retiree benefits of \$131.60, a transfer in from Capital Equipment for the grader payment/payoff of \$120,000.00 and a transfer in from Mining Effects for the steamer purchase for \$13,673.75 for total revenues of \$653,154.67. Expenditures were \$472,907.31, leaving a reserve in this fund of \$351,854.63. To note, \$184,136.86 is allocated for the purchase of the dump truck that has been delayed, leaving a balance of \$167,717.77.

Road & Bridge Truck Reserve- Beginning balance was \$18,112.78. There was \$9,000.00 designated for the year and Miner's interest of \$26.12, leaving a reserve of \$27,138.90.

Public Utilities- Beginning balance was \$15.85. Revenues received were franchise fees of \$10,925.38 and a transfer in from Lodging Tax of \$74.84, for total revenues of \$11,000.22. Expenditures were \$10,142.29, leaving a reserve of \$873.78.

Employee Benefits- Beginning balance was \$100,240.62. 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 Miner's interest paid of \$165.41, for total revenues of \$40,165.41. Expenditures were 2021 retiree benefits paid for \$26,975.00, leaving a reserve of \$113,431.03.

American Rescue Plan Funds- This is a new fund. Revenues received were first half of \$99,610.76. Expenditures included replacement of a lift station pump for \$26,571.67 and teleconference fees of \$317.79, leaving of \$72,721.30.

Fayal Water Company Contingency- Beginning balance was \$67,317.00, designated for the year was \$4,000.08, leaving a reserve of \$71,317.08.

Fayal Sewer Company Contingency- Beginning balance was \$5,923.78, designated for the year was \$9,000.00, leaving a reserve of \$14,923.78.

Fayal Water Company Depreciation- Beginning balance was \$101,154.48. Designated for the year was \$4,330.80 and Miners interest received was \$165.41, leaving total funded depreciation of \$105,650.69.

Fayal Sewer Company Depreciation- Beginning balance was \$268,372.14. There was Miner's interest of \$330.82 and expenditures included a transfer of \$33,398.00 for an emergency repair and also the line cleaning of \$42,807.54, leaving total funded depreciation of \$192,497.42.

PUC Truck Depreciation- Beginning balance was \$30,318.31 designated for the year was \$5,326.08 and Miner's interest of \$52.23 for an ending balance of \$35,696.62.

Sewer Replacement Fund- Beginning balance was \$14,085.87. As there is no longer an allocation to this Fund, the balance was transferred to the Fayal Sewer Company in 2021, for an ending balance of \$0.00.

Fayal Water Company- For the year January 1, 2021-December 31, 2021, the Fayal Water Company had revenues of \$89,392.34 and expenditures of \$113,811.72. Reserves within the checking account are: Water Test Fees- (\$169.76), Maintenance Contingency- \$71,317.08, Depreciation not in CD Savings- \$4,330.80 and Standby Water Fees- \$35,662.08, leaving a cash balance of \$12,926.40. This compares with a cash balance for the year ending 2020 of \$38,907.11.

Fayal Sewer Company- For the year January 1, 2021-December 31, 2021, the Fayal Sewer Company had

revenues of \$742,925.39 and expenditures of \$722,382.45. Reserves within the checking account are: Maintenance Contingency- \$14,923.78, Petty Cash of \$65.00, PUC Truck Depreciation not in CD Savings- \$5,326.08, Sewer Access Charges- \$72,552.75, leaving a cash balance of \$120,161.05. This compares with a cash balance for the year ending 2020 of \$93,291.30.

<u>Reconciled Balances of 12-31-2021 for all accounts:</u>	<u>As of 12-31-2020</u>
Miners National Bank-	\$1,198,425.27
Assessment Savings-	\$430,450.75
CD Savings-	\$524,001.35
4M Fund-	\$0
Total, All Accounts	<u>\$2,152,877.37</u>
	<u>\$2,119,353.45</u>

Bank statements for the month of February have not yet been received so this report is tentative. Revenues were \$140,806.45 and expenditures were \$107,254.69. Tentative ending balances for the month of February are:

Miners Checking- \$1,122,814.66
 Assessment Savings- \$430,450.75
 CD Savings- \$524,001.35

For the month of March to date, revenues are \$0 and expenditures are \$53,644.88.

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

Other Reports-

Motion to accept the Planning Commission Meeting Minutes from January 19th, made by Supervisor Sather, support from Supervisor Branville. Motion carried unanimously.

CORRESPONDENCE-

February 16th- Email from Cathy Rouleau with St. Louis County Association of Townships with minutes from January 26th. Placed on file.

February 23rd- Informational flyer from League of Minnesota Cities. Nominations are due by April 18th for the City of Excellence Award, C.C. Ludwig Award, James F. Miller Leadership Award and Emerging Leader Award. Placed on file.

February 23rd- Flyer from Minnesota Association of Townships with Spring Short Course schedule for March 14th- March 16th. Placed on file.

February 28th- Email from Range Association of Municipalities & Schools with Board Meeting Minutes from January 27th. Placed on file.

OLD BUSINESS

Supervisor Sather-

Old Bullfrogs Building- Chairman Tamaro will bring up for discussion at the Annual Meeting. Received an update from the insurance adjuster. At the end of January, an offer was made of \$1,500 for compensation for damages, but have not received a response from Mr. Toman’s attorney.

Sewer & Water Access Charges Verbiage- Public Utilities Commission is working on.

American Rescue Plan- A resolution for approval is listed under New Business.

Engineering for Ballfield Water/Sewer Extension & Picnic Shelter- The Planning Commission reviewed the water and sewer extension estimates. The estimates are very expensive.

Fire Department Equipment- The ATV and the boat are posted for sale to other fire departments.

2022 EMS Strategic Plan- Have not had an opportunity to further review.

Utility Billing Clerk- The Hiring Committee is recommending hiring Rebecca Waldorf to fill the position. Included was an offer letter with terms of hire pending background check, drug screen and preemployment physical. The position is 25 hours per week at \$25.00 per hour. The Hiring Committee interviewed seven individuals and there were excellent candidates that applied.

Motion to accept the Hiring Committee's recommendation to hire Rebecca Waldorf, made by Supervisor Sather, support from Supervisor Branville. The Board had no issues with the offer letter. ***Motion carried unanimously.***

Recreation Board- Clerk Coldagelli sent the letter to the Recreation Board and discussed the letter with Recreation Director Homola. Softball is now being handled by Rock Ridge Community Education, so there are no sports remaining for the Recreation Board to oversee. Discussion regarding process of terminating the joint powers agreement and the Town Board will wait to see how that will be handled amongst the parties.

NEW BUSINESS

2021 Audit- Received draft audit and the official bound copies should be ready by March 4th. Every year the Town is cited for lack of internal controls and segregation of duties due to the small office staff. Cited this year were collateral requirements, meaning prior to receiving levy funding in July and December, Clerk Coldagelli will need to follow up with the Bank to ensure that irrevocable standby letters of credit are issued if necessary for proper collateralization. The Bank has always done this in the past, but one was not issued in December.

Motion to accept the preliminary audit as written, made by Chairman Tammaro, support from Supervisor Branville. Motion carried unanimously.

Resolution 2022-04 ARPA Funds- Chairman Tammaro read Resolution 2022-04.

Motion to adopt Resolution 2022-04, A Resolution to Spend American Rescue Plan Funds on Lost Revenue Replacement Category, made by Chairman Tammaro, support from Supervisor Sather. Motion carried unanimously.

Resolution 2022-05 Reestablish Precincts & Polling Places- Chairman Tammaro read Resolution 2022-05.

Motion to adopt Resolution 2022-05, A Resolution Reestablishing Precincts and Polling Places, made by Chairman Tammaro, support from Supervisor Branville. Motion carried unanimously.

Resolution 2022-06 IRRRB Grant Application- Chairman Tammaro read Resolution 2022-06.

Motion to adopt Resolution 2022-06, A Resolution Authorizing the Town of Fayal to Make Application to and Accept Funds from the IRRRB, made by Chairman Tammaro, support from Supervisor Chad. Motion carried unanimously.

Resolution 2022-07 Water Service Fees- Chairman Tammaro read Resolution 2022-07. The only change is the estimated billing fee from \$3.00 to \$5.00.

Motion to adopt Resolution 2022-07, A Resolution to Amend Water Service Fees in Accordance with Town of Fayal Water Ordinance #97-3, as written, made by Chairman Tammaro, support from Supervisor Sather. Motion carried unanimously.

Quote for Schedule Pump Maintenance- Minnesota Pump Works inspects half of the lift stations every other year.

Motion to approve the scheduled pump maintenance for \$3,239.50 from Minnesota Pump Works, made by Supervisor Sather, support from Chairman Tammaro. An additional \$175.00 per lift station is added if confined space entry is required. The ARPA funds can be used. ***Motion carried unanimously.***

Liquor License Eveleth Golf Course-

Motion to approve the liquor license renewal for John Rinne for the Eveleth Golf Course, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

Banker Transfers- A transfer needs to be made from the Apportionment Funds received in January to the Assessment Savings.

Motion to transfer \$741.65 from Checking to the Assessment Savings, made by Supervisor Sather, support from Chairman Tammaro. Motion carried unanimously.

Transfers are needed to the appropriate "CD" savings account from the checking account. Transfers needed are: from the General Fund, \$40,295.32 to the Employee Benefit and Capital Equipment "CDs," \$9,000.00 from Road & Bridge to the Truck Reserve, Fayal Water Company a transfer of \$4,330.80 to the Depreciation "CD" and the Fayal Sewer Company a transfer of \$5,236.87 to the Truck "CD" savings, for a total of \$58,862.99 from the Miners checking to the "CD" savings.

Motion to make those transfers, made by Chairman Tammaro, support from Supervisor Chad. Discussion

regarding continuing to fund the PUC truck. In regards to the assessment savings, there are still a few more years that the Town will receive funds for extended assessments and delinquent taxes. **Motion carried unanimously.**

Postage Machine Contract Renewal- Current contract is up for renewal. Lease is for five years at \$165.33 quarterly.

Motion to renew contract, made by Chairman Tammaro, support from Supervisor Chad. Motion carried unanimously.

Yard Waste Dates- Tentative spring dates are April 23rd, 24th, 30th, May 1st, 7th and 8th. Fall tentative dates are October 8th, 9th, 15th, 16th, 22nd, 23rd, 29th and 30th. Discussion that may need to change as necessary.

Motion to approve Yard Waste dates as printed, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

The Fayal Fire Department Hiring Committee is recommending hire of Stephen Matthew Bottila pending medical screening.

Motion to hire Stephen Bottila pending medical screening, made by Supervisor Sather, support from Supervisor Branville. Motion carried unanimously.

Chairman Tammaro brought forward discussion regarding the letter that was received from the City of Eveleth. Chairman Tammaro questioned whether the Fire Department wanted to discuss the letter or would the Fire Department like the Town Board to discuss. Chief Shykes would like the Fire Department to discuss it.

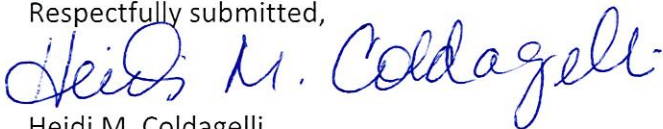
Reminder that the Annual Meeting is Tuesday, March 8th.

Motion to pay the claims in the amount of \$69,361.24, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.

Motion to adjourn, made by Supervisor Branville.

Chairman Tammaro adjourned the Regular Meeting at 7:38 PM.

Respectfully submitted,



Heidi M. Coldagelli

Clerk/Treasurer Town of Fayal

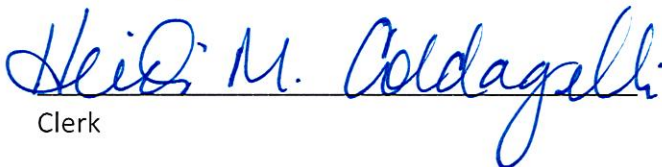
Approved:


Chair

Date:

4-5-22

Attest:


Clerk