

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

MAY 2, 2023

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, Supervisor Ziegler and Clerk/Treasurer Coldagelli. Chairman Tammaro led with the Pledge of Allegiance.

Audience member in attendance was Steve Shykes.

Motion to approve the minutes of the Regular Town Board Meeting of April 18th, 2023, made by Supervisor Sather, support from Supervisor Branville. Motion carried unanimously.

SCHEDULED GUESTS- No scheduled guests at this time.

AUDIENCE CONCERNS- Fire Chief Steve Shykes brought forward a comment made at the prior meeting and requested clarification from Chairman Tammaro. Chief Shykes stated that the comment was uncalled for and inappropriate at a public meeting by a person in the Chair's position. Chairman Tammaro also stated in the past he had received negative comments directed to him by members of the Fire Department at public meetings.

Chief Shykes brought forward an email from the pension director and the State Auditor's Office that by State Statute, a fire relief association is able to increase its annual benefit level without obtaining ratification from the affiliated municipal governing board if the relief association meets certain funding requirements. Chairman Tammaro had concerns that if a funding shortage become a problem, the Town is liable. Chairman Tammaro clarified that he is not in objection to raising the pension benefit level, but does dispute that the Fire Department should approach the Town Board for approval. The Relief Association is meeting with the Auditor this week to receive their audit. At this time, unsure what the recommended pension benefit level will be.

REPORTS-

Clerk/Treasurer's Report- Bank statements for the month of April have not yet been received so this report is tentative. Revenues were \$64,972.26 and expenditures were \$317,390.75. Tentative ending balances for the month of April are:

Miners Checking- \$755,269.73

Assessment Savings- \$967.34

CD Savings- \$16,547.68

4M Fund- \$1,026,115.90

For the month of May to date, revenues are \$2,837.47 and expenditures are \$101,249.43.

Supervisor Branville questioned why the Miner's checking balance in the past was normally around one million. Clerk Coldagelli responded that the Employee Benefit CD and the Capital Equipment Fund were in the checking account and now have been moved over to the 4M Fund.

Motion to approve the Clerk/Treasurer's Report, made by Supervisor Branville, support from Supervisor Ziegler. Chairman Tammaro questioned the interest performance in the 4M Fund. The money market is earning 4.85% and the 5 month CDs earned \$10,000.00 in interest. For the month of April, the money market received \$2,500.00 in interest. ***Motion carried unanimously.***

Other Reports-

Motion to accept the April Road & Bridge Report, made by Supervisor Ziegler, support from Supervisor Branville. Motion carried unanimously.

CORRESPONDENCE-

April 19th- Email from Holly Olson with St. Louis County. St. Louis County will be declaring a State of Disaster for spring flooding. They are seeking preliminary damage assessments for any work performed starting from 3/21. Forwarded to Road & Bridge.

April 21st- Thank you from Eveleth-Gilbert Class of 2023 for a donation to their All Night Graduation Party. Placed on file.

April 24th- Email from St. Louis County Association of Townships with meeting minutes from March 22nd. Placed on file.

April 24th- Letter from Minnesota Energy with notice of evidentiary and public hearings in the matter of the application of Minnesota Energy Resources Corporation for authority to increase natural gas rates in Minnesota. The Minnesota Public Utilities Commission will likely make its decision in the fall of 2023. Placed on file.

April 24th- Email from Cathy Rouleau with St. Louis County Association of Townships with notice of annual meeting and election to be held on Wednesday, May 24th at the Cotton Community Center at 6:00 PM. Placed on file.

April 25th- Email from St. Louis County Planning and Community Development Department with notice of public hearing on Thursday, May 11th in regards to a conditional use permit for a commercial communication tower. Placed on file.

April 27th- Email from Matt Reid with SEH with invitation to visit the SEH booth at the League of Minnesota Cities Conference in June. Placed on file.

May 1st- Email from Range Association of Municipalities & Schools with board meeting minutes from March 23rd and special board meeting minutes from April 6th. Placed on file.

OLD BUSINESS

Supervisor Sather-

Sewer Connection- Foreman Jason Latvaaho is working on the project.

Sewer Rate Increase- Chairman Tamaro and Clerk Coldagelli met with Gilbert City Councilor Bob Pontinen, Mayor Tom Smith and Deputy Clerk Sandra Gulan to discuss the increase. Per the contract, Gilbert is only able to increase Fayal's rates using the volume rate and debt service. Clerk Coldagelli calculated the increase to the volume rate as \$0.144/1,000 gallons. The debt service is increasing \$5.25. The total increase will be \$13.00 per sewer customer to account for increases to the volume rate, debt service and Fayal's base rate. Discussion regarding Gilbert's financial position. Gilbert intends to file a lawsuit in regards to the engineering firm handling the wastewater treatment plant upgrades. The plant was outfitted with membranes that failed which is why the debt service increase is occurring.

Fire Department Handbook- Supervisor Ziegler and Clerk Coldagelli attended the Fire Department meeting and the group went through the entire handbook and made necessary changes. A significant concern the Department Members had was with term limits and reapplying for their position every few years. Consensus was reached by having an annual review system in place and retaining their position unless unsatisfactory performance. Should have a finalized copy in the next few months. Discussion regarding work is still needed in terms of progression through the officer titles. Chief Shykes also brought forward that the Department discussed eliminating the business meeting. The expenditures would go to Clerk Coldagelli for payment and then payments would not be held for so long. The Chief would submit a monthly fire report in lieu of business meeting minutes. The Department would still meet for quick informational meetings. The EMS Plan should also be finalized and instituted. Discussion regarding having EMR calls count towards meeting 25% call requirements.

St. Mary's Lake Development- No updated information.

Fire Department Pension Contribution- Chief Shykes added that the Statewide Plan is administered by PERA, but the funds stay with the Department. The Fire Department Members are vested at 40% after five years. Transferring over to the Statewide Plan is a matter of completing a form needed by July 15th. PERA will calculate the appropriate benefit level and the State Aid Fire is sent directly to the Plan.

DNR Lease- Pleasant Lake Dry Hydrant- Have not received the lease yet.

CD Renewal- The CDs came due. There is approximately \$474,000.00. Both 6 month and 12 month CD rates are at 5.00% APR, an 18 month is at 4.90% APR and 24 month is at 4.85% APR. Rates are expected to decline. The money market is currently paying 4.85% APR. Clerk Coldagelli would like to move the 2022 contributions to the Fayal Water Company Depreciation, Road & Bridge Truck Fund, Employee Benefit CD, Capital Equipment Fund and Waterline Maintenance Contingency over to the 4M Fund which is approximately \$21,000.00. Discussion to take those funds and move half into a 6 month CD and half into a 12 month CD. In order to remain FDIC complaint, will need to move approximately \$250,000.00 into multiple banks. The \$21,000 that is needed to transfer will be placed in the CDs with the appropriate fund.

Motion to take the \$490,000.00 and split in half as close as possible with a 6 month CD on one and a 12 month CD for the other, made by Supervisor Ziegler, support from Supervisor Sather. Motion carried unanimously.

Supervisor Ziegler expects to be working on the waterline at the Ballfield and the Craddock property in the next two weeks.

NEW BUSINESS

Summer Schedule- Discussion to hold one meeting a month as in the past. Clerk Coldagelli requested it run through September in order to accommodate some schedule conflicts she had the first week.

Motion to continue with one meeting a month June-September, meeting the third Tuesday of the month, made by Supervisor Branville, support from Supervisor Ziegler. Motion carried unanimously.

Bank Transfers- Already approved under the CD renewal and will need to move the \$21,000.00 to the 4M Fund.

Chairman Tamaro brought forward that members of the Gilbert Public Utilities Commission brought forward a request of assuming ownership of approximately 33 water residents on Differding Point. Fayal owns the waterline. Discussion regarding the line and who would maintain the line. Will send the request to the PUC for review. Chief Shykes brought forward that with the line that the City of Eveleth maintains, they need to ask permission to utilize for training purposes.

Mark Chad brought forward a request from Jesse Linde with Rock Ridge Youth Baseball. The League really enjoys using the Ballfield, but there is no concession stand available and they rely on concessions for fundraising. Supervisor Ziegler will check pricing at Z-Tech for a shed. Discussion that conduit is in place for running electricity. Discussion regarding running water to the site. Supervisor Ziegler suggested that he can quote a price to put the yard hydrant on the back corner for watering and can go from there. Could install a curb stop by the yard hydrant, do a shallow bury and could blow out the line for the winter. That would be a cost savings by just trenching.

Motion to pay the claims in the amount of \$104,192.31, made by Supervisor Ziegler, support from Supervisor Chad. Motion carried unanimously.

Motion to adjourn, made by Supervisor Branville.

Chairman Tamaro adjourned the Regular Meeting at 7:54 PM.

Respectfully submitted,

Heidi M. Coldagelli

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Clerk/Treasurer Town of Fayal

Approved:

[Signature]
Chair

Date:

5-16-23

Attest:

Heidi M. Coldagelli
Clerk