

TOWN OF FAYAL
4375 SHADY LANE, EVELETH, MN 55734

Heidi M. Coldagelli, Clerk/Treasurer

Anthony Tamaro, Chairman

Supervisors: Lee Branville, Mark Chad, Michael Erjavec, Richard Sather

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REGULAR MEETING OF THE FAYAL TOWN BOARD

MARCH 4, 2025

The Regular Meeting of the Fayal Town Board of Supervisors was called to order at 7:00 PM by Chairman Tamaro. Present were: Chairman Tamaro, Supervisor Branville, Supervisor Chad, Supervisor Erjavec, Supervisor Sather and Clerk/Treasurer Coldagelli. Chairman Tamaro led with the Pledge of Allegiance.

Audience members in attendance were Gina Brascugli, Matt Hoffmann and Steve Shykes.

Motion to approve the minutes of the Regular Town Board Meeting of February 18th, 2025, made by Supervisor Branville, support from Supervisor Chad. 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, 2024 through December 31, 2024:

General Fund- Beginning balance was \$203,275.29 which included an obligation of \$199,141.19 for the intrafund loan used to purchase the Fire Department airpucks. There were \$178,402.25 in revenues and \$189,613.02 in expenditures. Revenues included \$45,086.40 levy funds, \$11,935.73 fiscal disparities, \$1,016.21 market value, \$14,882.00 in Excess School Levy, \$1,472.31 Lodging Tax, \$720.00 assessment certifications, \$193.00 in dog licenses, \$933.00 in Local Government Aid, \$3,537.00 Taconite Production Tax, \$50,000.00 Township Fund, \$1,258.99 unmined taconite, \$32,699.48 taconite credit, \$2,505.00 fiscal reductions, penalties and interest of \$3,893.09, miscellaneous revenues of \$4,580.19, \$1,561.15 refunds and reimbursements, Miner's interest of \$1,064.78 and \$1,063.92 for employee benefits reimbursement. Recognized was the airpack principal payment for \$27,401.64 and a reinstatement of \$8,787.50 for new GASB reporting of accumulated absences. Expenditures included a transfer of \$5,000.00 to the Employee Benefit CD and a transfer to the Public Utilities Fund of \$73.62 from the 5% administrative fee retained from Lodging Tax, leaving a General Fund cash balance of \$228,253.66.

Buildings and Grounds- Beginning balance was \$18,948.68. Revenues received were \$55,000.00 in levy funds, \$3,036.00 in Town Hall rent, for a total of \$58,036.00 in revenues. Expenditures were \$61,975.26, leaving a reserve of \$15,009.42.

Town Hall- Beginning balance was \$103,444.97. Revenues were \$10,000.00 in levy funds and 4M Fund interest of \$4,875.39. Expenditures were \$22,800.00 for new windows, leaving a reserve of \$95,520.36.

Public Safety- Beginning balance was \$32,500.00. Revenues were \$7,500.00 in levy funds, leaving a reserve of \$40,000.00.

Police- Beginning balance was \$25,109.43. Levy funds received were \$50,000.00, fines and forfeits received were \$2,141.63, for total revenues of \$52,141.63. Expenditures were \$59,866.00, leaving a reserve of \$17,385.06.

Fire Department- Beginning balance was \$36,704.19. Revenues were \$120,000.00 in levy funds, Mining Effects of \$45,095.98 for the airpack payment and PPE, \$3,300.03 for staffing a local business during equipment removal, sale of assets for \$2,500.00, refunds and reimbursements of \$4,295.61, a transfer from the Capital Equipment Fund for the water tender payment of \$21,000.00, for a total of \$196,191.62 in revenues. Expenditures were \$201,128.69, leaving a reserve of \$31,767.12.

Recreation- Beginning balance was \$2,285.31. Revenues were levy funds of \$25,000.00, an Eveleth Community Foundation Grant of \$5,000.00 for the scoreboard power, a transfer in from Mining Effects of \$6,235.00 for the Ballfield power installation, for total revenues of \$36,235.00. Expenditures were \$28,651.27, leaving a reserve of \$9,869.04.

Capital Equipment- Beginning balance was \$143,832.67. Revenues were \$80,000.00 in levy funds and 4M interest of \$7,598.76. Expenditures were \$66,856.76, which included a \$21,000.00 transfer to the Fire Department for the water tender payment, \$29,000.00 to Road and Bridge for the dump truck payment and a transfer of \$16,856.76 for the Fire Department SCBA bottles, leaving a reserve of \$164,574.67.

Mining Effects- Beginning balance was \$0. Revenues received were Mining Effects 2024 of \$55,807.00. Expenditures were: a transfer to the Fire Department for the airpack payment for \$35,095.98, transfer to the Fire Department for purchasing turn out gear of \$10,000.00, a transfer to the Recreation Department for the Ballfield power installation for \$6,235.00, a transfer to General for moving the scoreboard for \$3,500.00 and a transfer of the remaining balance to the PUC for \$976.02, leaving a reserve in this fund of \$0.

Road and Bridge- Beginning balance was \$177,265.89. Revenues were \$369,284.56 in levy funds, fiscal disparities of \$11,052.14, unmined taconite of \$1,166.56, taconite credit of \$30,298.50, town road aid of \$22,858.82, misc. revenues of \$127.03, a transfer in for retiree benefits of \$12,691.22, a transfer in from Capital Equipment for the dump truck payment of \$29,000.00 and refunds/reimbursements of \$1.28, for total revenues of \$476,480.11. Recognized was a reinstatement for new GASB reporting of accumulated absences for \$5,831.62 and payment to a retiree for \$9,477.00 that was previously expensed by the Auditor in a prior year. Expenditures were \$410,533.25, leaving a reserve in this fund of \$258,521.37.

Road and Bridge Truck Reserve- Beginning balance was \$46,506.14. There was \$9,000.00 designated for the year and 4M interest of \$2,461.03, leaving a reserve of \$57,967.17.

Public Utilities- Beginning balance was \$2,262.17, Revenues received were franchise fees of \$10,690.34, a transfer in from Mining Effects for \$976.02 and a transfer in from Lodging Tax of \$73.62, for total revenues of \$11,739.98. Expenditures were \$14,085.42, leaving a negative reserve of \$83.27.

Employee Benefits- Beginning balance was \$85,383.67. Revenues were transfers in from General of \$5,000.00, Road and Bridge for \$5,000.00, Water for \$1,000.00, Sewer for \$4,000.00 and 4M interest paid of \$4,535.99, for total revenues of \$19,535.99. Expenditures were retiree benefits paid for 2024 for \$16,969.34, leaving a reserve of \$87,950.32.

American Rescue Plan Funds- Beginning balance was \$28,365.80. There were no revenues. Expenditures included \$362.67 for the folding machine for the Fayal Sewer Company, the purchase of a camera and locator for the Fayal Water and Sewer Companies for \$16,395.35, \$8,806.10 to the Sewer Company for replacement of check valves and \$2,801.68 for lift station inspections, leaving an ending balance of \$0.

Fayal Water Company Contingency- Beginning balance was \$82,223.95. Designated for the year was \$4,000.08 and interest accrued was \$4,349.62, leaving a reserve of \$90,573.65.

Fayal Sewer Company Contingency- Beginning balance was \$32,923.78. Designated for the year was \$9,000.00 and interest accrued was \$1,665.50. There was an expenditure for \$857.82 for lift station inspections, leaving a reserve of \$42,731.46.

Fayal Water Company Depreciation- Beginning balance was \$118,547.55. Designated for the year was \$4,330.80 and interest received was \$6,270.94, leaving total funded depreciation of \$129,149.29.

Fayal Sewer Company Depreciation- Beginning balance was \$199,934.69. Interest received was \$10,575.20, leaving total funded depreciation of \$210,509.89.

PUC Truck Depreciation- Beginning balance was \$37,075.78. Interest received was \$1,961.05 for an ending balance of \$39,036.83.

Fayal Water Availability Charges- Beginning balance was \$7,000.00. Interest received was \$22.68, for an ending balance of \$7,022.68.

Fayal Sewer Availability Charges- Beginning balance was \$75,355.88. Interest received was \$3,985.81, for an ending balance of \$79,341.69.

Fayal Water Standby Charges- Beginning balance was \$39,800.29. Interest received was \$1,982.15, for an ending balance of \$41,782.44.

4M Savings Fayal Water Company- This is a new fund transferred from the Miner's Checking Water Company. Beginning balance was \$10,541.89. Interest received was \$524.10, for an ending balance of \$11,065.99.

4M Savings Fayal Sewer Company- This is a new fund transferred from the Miner's Checking Sewer Company. Beginning balance was \$150,000.00. Interest received was \$3,930.73, for an ending balance of \$153,930.73.

4M Savings General Fund- Beginning balance was \$310,623.59. Interest received was \$16,429.87, for an ending balance of \$327,053.46.

4M "CD" Savings General Fund- This is a new fund transferred from the Miner's CD Savings. Beginning balance was \$5,950.00. Interest received was \$155.93, for an ending balance of \$6,105.93.

4M Assessment Savings Fayal Sewer Company- Beginning balance was \$253,854.31. Interest received was \$14,409.66, principal payments for the Fire Department airpack payment of \$27,401.64 and interest payments of \$7,694.34 and St. Louis County apportionment funds for \$15,194.16, for total revenues of \$64,699.80, for an ending balance of \$318,554.11.

Fayal Water Company- For the year January 1, 2024-December 31, 2024, the Fayal Water Company had revenues of \$93,769.66 and expenditures of \$89,633.97. Reserves within the checking account are: water test fees of \$448.85 and water standby fees of \$1,899.39, leaving a cash balance of \$36,697.64. This compares with a cash balance for the year ending 2023 of \$32,516.67.

Fayal Sewer Company- For the year January 1, 2024-December 31, 2024, the Fayal Sewer Company had revenues of \$804,733.00 and expenditures of \$701,378.63, leaving a cash balance of \$158,033.54. This compares with a cash balance for the year ending 2023 of \$171,308.17.

| <u>Reconciled Balances as of 12-31-2024 for all accounts:</u> | | <u>As of 12-31-2023</u> |
|--|------------------------------|--------------------------------|
| Miners National Bank- | \$651,168.22 | \$642,208.87 |
| Assessment Savings- | \$115.68 | \$0 |
| CD Savings- | \$70.71 | \$6,024.29 |
| 4M Fund- | \$1,862,870.67 | \$1,540,049.16 |
| <u>Total, All Accounts</u> | <u>\$2,514,225.28</u> | <u>\$2,188,282.32</u> |

Bank statement for the month of February have been received and all accounts reconciled. Revenues were \$156,771.12 and expenditures were \$113,693.59. Ending balances for the month of February were:

Miners Checking- \$561,971.75
Assessment Savings- \$115.68
CD Savings- \$70.71
4M Fund- \$1,890,266.98

For the month of March to date, revenues are \$26,848.12 and expenditures are \$219,165.48.

Clerk Coldagelli answered a few Supervisor questions and clarifications regarding the financials. Discussion regarding that status of the Employee Benefit Fund having adequate funding.

Motion to approve the Clerk/Treasurer's report, made by Supervisor Branville, support from Supervisor Sather. Clerk Coldagelli brought forward that the audit is not complete yet as there are a few GASB 75 items that the Auditor is waiting for that will not be available until April. ***Motion carried unanimously.***

Other Reports-

Motion to accept the Planning Commission meeting minutes from December 18th, made by Supervisor Erjavec, support from Supervisor Sather. Motion carried unanimously.

Motion to accept the February Road and Bridge report, made by Supervisor Sather, support from Supervisor Chad. Motion carried unanimously.

CORRESPONDENCE-

February 12th- Email from Leslie Petersen with MINNCOR Industries with information regarding the Department of Corrections providing products such as office furniture, seating, cabinetry/casework, printing, high visibility clothing and classroom furniture. Placed on file.

February 19th- Flyer from Minnesota Association of Townships with 2025 Spring Short Courses in Grand Rapids (4/3) and Duluth (4/4). Cost is \$75.00 per person. Chairman Tamaro stated that anyone can sign up and receive the allotted per diem. Placed on file.

February 20th- Email from the League of Minnesota Cities with the list of safety and loss control workshops available. Clerk Coldagelli stated that none of the topics applied to Townships. Placed on file.

February 24th- Letter from St. Louis County Economic and Community Development Department with information regarding CDBG and HOME program requalification. As part of St. Louis County requalifying with HUD every three years to continue receiving funding, the County is notifying Fayal in writing that the Joint Cooperation Agreement between Fayal and St. Louis County will automatically renew unless Fayal decides to terminate the agreement. Placed on file.

February 26th- Email from Amanda Mitchell with St. Louis County Public Works with notice of maintenance striping, crack sealing and chip/scrub sealing programs. Deadline to submit request is June 2nd. Forwarded to the Road and Bridge Department.

February 26th- Letter from Wastewater Operator Rick Bieganek with request to attend the MWOA 48th annual wastewater conference in Grand Rapids on July 23rd-July 25th. Moved to New Business.

February 28th- Email from Range Association of Municipalities and Schools with board meeting minutes from January 23rd. Placed on file.

March 3rd- Letter from Lake Country Power with notice of upcoming district member meeting on March 20th from 5:00-7:00 PM at the Minnesota Discovery Center. Placed on file.

March 3rd- Postcard from Rock Ridge All Night Grad Party thanking Fayal for their support. Placed on file.

OLD BUSINESS

Chairman Tammaro-

Lift Station A-1- Once Clerk Coldagelli receives payment from FEMA, she will have the quotes updated.

FEMA Submission Summer Flooding- Received approximately \$29,000.00 for culvert and road repairs and the funds were deposited to the Road and Bridge Department.

Fire Department Hourly Wage- Chairman Tammaro reiterated that the wage increase could be held off as the Department did receive a raise in January due to minimum wage increases. Supervisor Chad will work with Assistant Fire Chief Matt Hoffmann to discuss further.

Eveleth-Fayal Cable Access- Chairman Tammaro informed the Board that the Cable Board meets the next day.

Fire Department Rechassis Project- The chassis payment is included in the bills. Will Takanen from Ascendance will be picking up the check and has paperwork to be signed to take ownership. Chairman Tammaro, Supervisor Branville and Clerk Coldagelli met to discuss the project and determined a plan for payment. Clerk Coldagelli's recommendation was to pay \$126,491.57 for the chassis from the 4M General Fund. The Fire Department would be responsible for that payment of approximately \$15,500.00 per year utilizing the \$14,000.00 that is intended to be earmarked for their 4M truck fund and then the remaining to come from their budget. The other approximately \$225,000.00 for the truck assembly could come from the 4M Sewer Assessment Savings. That payment would be approximately \$29,000.00 and could come from Capital Equipment. Currently, there is \$30,000.00 that is levied to Capital Equipment to grow that balance. The water tender is paid off in 2029 and then that Capital Equipment Fund would be able to continue growing again. Clerk Coldagelli is recommending a 4.5% interest rate at 10 years. Discussion regarding the Road and Bridge loader.

Motion to move ahead with this project and get it in the shop, made by Supervisor Sather, support from Supervisor Chad. Fire Chief Steve Shykes commented that the plan is workable and the Fire Department can make the payment work. A new contract is going to be needed from Custom Fire and Assistant Chief Hoffmann will start that process. Clerk Coldagelli can sign all the documents and Assistant Chief Hoffmann will work with her and Supervisor Chad. Discussion regarding warranty. ***Motion carried unanimously.***

NEW BUSINESS

Warning Siren Maintenance- A maintenance agreement was received for 2025-2028 with an annual cost of \$1,390.00.

Motion to pay the warning siren maintenance bill, made by Supervisor Sather, support from Supervisor Erjavec.
Motion carried unanimously.

Motion to pay \$126,491.57 to Ascendance for the chassis, made by Supervisor Chad, support from Supervisor Sather. ***Motion carried unanimously.***

Chairman Tammaro brought forward the request for Rick Bieganek to attend training.

Motion to authorize Rick Bieganek to go, made by Supervisor Erjavec, support from Chairman Tammaro.
Motion carried unanimously.

Need to add a bill received today from Iron Range Plumbing to the bills for waterline adjustments in the Fire Department.

Discussion regarding a bill for the Fire Department from Five Seasons for work on the side by side for emergency lighting and maintenance.

Motion to pay the claims in the amount of \$222,962.37 plus additional bill to Iron Range Plumbing and Heating for \$1,323.77, made by Supervisor Branville, support from Supervisor Erjavec. Motion carried unanimously.

Chairman Tamaro adjourned the Regular Meeting at 7:36 PM.

Respectfully submitted,

Heidi M. Coldagelli

Heidi M. Coldagelli
Clerk/Treasurer Town of Fayal

Approved: *Andy J. Ramo*
Chair

Date: 4-1-25

Attest: *Heidi M. Coldagelli*
Clerk