

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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FAYAL TOWNSHIP ANNUAL MEETING

MARCH 12, 2024

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, 21 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 Ed Vest. 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 reviewed the agenda with those present.

APPROVAL OF THE 2023 ANNUAL MEETING MINUTES

Motion to approve the minutes of the March 14th, 2023 Annual Meeting, made by Lee Branville, support from Tony Tammaro. Motion carried unanimously.

CLERK/TREASURER'S FINANCIAL REPORT

Moderator Smith then called upon Clerk/Treasurer Coldagelli to report on the financial status of the Town. The General Fund began 2023 with \$775,580.00 and ended the year with a \$653,746.00 balance. Mike Erjavac questioned the increase of nearly \$20,000.00 for interest revenue received to which Clerk Coldagelli responded that the majority of the bank balances were moved to the 4M Fund and are currently receiving over 5% APR. Denny Bone questioned the life of the airpicks that were purchased for the Fire Department. The airpicks have approximately a twenty-year life. The airpicks were purchased through an intrafund loan from the Fayal Sewer Company. All payments and interest will be made to the Sewer Company. The Road and Bridge Special Revenue Fund began 2023 with \$397,366.00 and ended the year with a \$223,771.00 balance. The Town of Fayal's net position as of December 31, 2023 was \$12,342,720. The Fayal Water and Sewer Enterprise Funds' net position as of December 31, 2023 was \$9,640,187.00. A complete report is attached to these minutes. Denny Bone questioned how the operating loss factored into the total net position ending in the positive. Clerk Coldagelli explained the balance sheet. Katherine Disterhaft questioned if there was a way to fix operating losses. Clerk Coldagelli responded that depreciation and other post employment benefits on the net position statement drive those losses. Ms. Disterhaft also questioned what the expenditures were for culture and recreation. Clerk Coldagelli clarified those were from the purchase of new rink lights, picnic shelter completion and a waterline for the Ballfield. Mr. Bone requested the number of water and sewer customers that Fayal has, which is 220 water customers and 733 sewer customers. Ms. Disterhaft questioned the outcome of the zebra mussels with regards to the City of Eveleth and the aqueduct. To Clerk Coldagelli's knowledge, per the DNR, they are unable to open up the aqueduct from Ely Lake to St. Mary's Lake. North St. Louis County Soil and Water Conservation District is drafting a letter to send to residents regarding zebra mussel management.

Motion to approve the 2023 Clerk/Treasurer's Financial Report, made by Ed Vest, support from Denny Bone. Motion carried unanimously.

FINANCIAL NEEDS FOR THE TOWN IN 2025

Town Board Chair 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: Tony Tammaro- Finance Committee and Joint Cable TV Board; Lee Branville- Buildings and Grounds; Pat Ziegler- Road and Bridge and Planning Commission; Rich Sather- Police and Fire, Recreation and Public Utilities Commission and Mark Chad- Blight Officer and representative for RAMS. Staff members: Heidi Coldagelli- Clerk/Treasurer and Office Manager; Jason Latvaaho- Foreman; Jason Westby- Equipment Operator, Rick Bieganek- Wastewater Operator; Terry Hiti- PUC Billing Clerk and Deputy Clerk/Treasurer; Dave Lang, Mike

Erjavec and Albert Jurenic- Casual Labor; and Linda Shykes- Janitor and Office Assistant.

The Town Board is recommending the following for consideration for the 2025 Levy: General- \$95,000.00, Buildings and Grounds- \$55,000.00, Fire Department- \$130,000.00 (a \$10,000.00 addition), Police- \$50,000.00, Recreation- \$25,000.00, Capital Equipment- \$80,000.00, Road and Bridge- \$440,000.00 (an addition of \$30,000.00), Town Hall- \$10,000.00 and Public Safety- \$7,500.00. This is a total budget of \$892,500.00, or a 4.69% increase over the 2024 levy.

Chairman Tammaro added that at last year's Annual Meeting the citizens discussed the old Bullfrog's building. The property has now gone tax forfeit and St. Louis County will be responsible for removing the structure at a later date. Katherine Disterhaft questioned more details regarding the increases. Chairman Tammaro clarified that the Fire Department is growing and in need of more funds and equipment. The Road and Bridge increase is for future road improvements, wage and insurance increases. Ms. Disterhaft questioned how that compares to current inflation and what the current inflation rate is? Chairman Tammaro was not aware of what the national inflation rate is currently at.

DESIGNATING POSTING PLACES

Moderator Smith explained the present locations 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) Townline Short Stop, 6) Differding Point, 7) Fayal Website- www.fayaltwp.org.

Katherine Disterhaft brought forward for discussion that she would like to see the Town Board meetings recorded and posted on the website for viewing. She further clarified that there is a delay from the meeting until the minutes are approved and if issues come up and one is unaware of it, you could be too late as it happened to her with the picnic shelter project. She questioned if draft meetings could be posted. Clerk Coldagelli clarified that minutes cannot be posted until approved by the governing body. Tony Tammaro pointed out to Ms. Disterhaft that the picnic shelter project was in discussions for more than two years amongst the Planning Commission and the Town Board and numerous meetings and discussions were reflected in the minutes. Ms. Disterhaft continued that she was unaware of it and other individuals were too and that there needs to be some other immediate way to make people aware of things. Moderator Smith called for a motion to approve the posting places.

Motion to use the designated posting places as read, made by Lee Branville, support from Ed Vest. Motion carried unanimously.

Ms. Disterhaft questioned if she could bring forward a motion for the Town Board to put recorded meetings on the website. Tony Tammaro replied that the Town Board could put that on their agenda to discuss. Gina Brascugli added that she has brought the request to the Town Board at previous meetings.

Motion to have the Town Board Supervisors' meetings recorded and posted on the website, whether that is YouTube or another avenue, made by Katherine Disterhaft, support from Gina Brascugli. Denny Bone questioned what is currently being done? Meetings are currently not being recorded and minutes taken are posted at the posting places. Gene O'Brien requested to respond that he works with Channel 12 and tonight's meeting is being recorded and will be aired on Mediacom. Many individuals no longer subscribe to Mediacom, but they will try to post to YouTube as well. They are recording the meeting as a public service. Channel 12 can also be streamed at www.access12.com. Mr. O'Brien brought his own equipment to record tonight's meeting. Meetings are edited and posted after a few days. Ms. Disterhaft clarified that currently, there is a delay due to having to have approved minutes. Mr. Bone requested clarification that at the current meeting, prior meeting minutes are being approved. Mark Chad questioned what is the cost for the recording services per meeting? Recording the Annual Meeting is being done as a courtesy. Fayal Township provides funding to Channel 12 through subscriber fees from Mediacom and is a member of the Joint Board with the City of Eveleth. There is generally no charge to the Board members for someone to edit the footage. Mike Erjavec added that a majority of people would never see it anyway because they don't have Mediacom and one can come down and spend an hour for a regular meeting, especially if you live two blocks away. He stated people should come to the meeting if you want to see it because they are always a month late or two weeks at least from approval of the meeting minutes. Its like buying a newspaper that's two weeks old. Ms. Brascugli clarified that it is transparency in government. Ms. Disterhaft continued that the younger generation uses cellphones and the majority live stream and use TikTok. Mark Chad informed the audience that he had completed some research and he could not find another Township in Minnesota that records and posts meetings to their website, besides White Bear Township in the Twin Cities. Ms. Disterhaft questioned if its just cities then that are recording meetings? Mr. Chad responded that cities and schools record their meetings. Clerk Coldagelli added that a majority of these cities that televise their meetings hold a premeeting or a chamber meeting that is not televised. That is why you see meetings that present motions and bring forward resolutions for approval with no discussions had because the discussion was held at the nontelevised meeting. At a previous Town Board meeting regarding televising meetings, a resident brought forward a concern regarding the elimination of dialog and discussion because an

individual may not feel comfortable speaking in front of the camera. Ms. Brascugli brought up the concern of an individual not attending a meeting because they are in a wheelchair or cannot get to a meeting for other reasons. Keith Nelson brought forward an amendment to the motion for no cost to the taxpayers of Fayal Township. He stated that this is Township government and its small government and he doesn't think we should be paying to come and see a meeting. If an individual wants to come to a meeting, its only a few miles away and is accessible to handicapped individuals and to everyone. Moderator Smith repeated the motion. Ms. Disterhaft responded that Mr. O'Brien had already stated there was no cost for filming. Mr. O'Brien clarified that there was no cost to record the meeting, but residents would have a cost to receive in their home because they would need to have Mediacom Cable.

Motion to amend motion to support filming but at no cost to the people of Fayal Township, made by Keith Nelson, support from Ed Vest. Denny Bone clarified that at this time there is no cost to the Township, but that could change. Keith Nelson added that if there are any costs to filming or distribution, he was not in favor. If the Townspeople are charged anything he cannot support that. There is not a cost to film at this time but there is to receive the material. Discussion regarding voting on the motions. ***Motion carried with 8 in favor and 5 opposed.***

Moderation Smith brought forward the original motion for approval.

Motion to approve original motion with amendment. Motion fails with 4 in favor and the remaining opposed.

SETTING TOWN BOARD SALARIES

Moderator Smith stated the next order of business was setting compensation for Town Board Officials. As of January 1, 2024, the IRS mileage rate is currently 67 cents per mile and the salaries are as follows: Supervisor- \$5,100.00 per year, or \$425.00 per month, plus mileage and expenses as incurred; and Chair- \$6,300.00 per year, or \$525.00 per month, plus mileage and expenses as incurred.

Mike Erjavec recommended keeping the salaries the same as they received a healthy raise last year.

Motion to leave the salaries the same, made by Gina Brascugli, support from Katherine Disterhaft. Motion carried unanimously.

FIRE DEPARTMENT BUSINESS

Assistant Fire Chief Matt Hoffmann presented the 2023 Fire Department Report in the absence of Fire Chief Steve Shykes. Chief Shykes has been with the Fire Department for 38 years. Matt Hoffman is the Assistant Chief; Nick Preiner- Battalion Fire Chief, Rich Sather is the Department Liaison and a retired firefighter, Tim Sklors- Captain, Jeremy Widmer- Fire Lieutenant and Secretary/Treasurer is Greg Chad. The Department made a few changes in their pension and no longer have an internally managed pension program. The Department is now in a PERA pension program managed by the State. Assistant Chief Hoffmann described the officer duties with the Chief responsible for day-to-day operations and back office work, the Assistant Chief's role is to fulfill the EMS components and some of the other administration work, the Battalion Chief is responsible for day-to-day operations and the Captain is responsible for the fleet and water supply. The Lieutenant is responsible for the buildings and grounds and the Secretary handles the payroll and attendance requirements, which are at 30%. For 2023, the percentage of calls increased for a total of 36 structure fires, 10 wildland fires, 8 vehicle fires, 3 other fire calls, 20 fire alarms, 111 EMS calls, 9 motor vehicle accidents, 13 general hazards, 2 rescues and 10 public assistance requests. Mutual aid requests for other fire departments' structure fires accounted for 16% of calls. The Department operates on a mutual aid box alarm system. There are fourteen general staff with eight of those individuals serving as Emergency Medical Responders. The public is invited to stop by the Department every Wednesday as it is staffed from 5:00 PM to approximately 9:30 PM.

The Department was able to put 19 new self-contained breathing apparatuses into service in 2023. The Town Board was able to assist in arranging the funding. For 2024, the Department is working on removal of small equipment no longer used and intends to replace with more modern tools. The Fire Department is working on changing the efficiency of how the Department responds with calls. They are also working on a grant to replace the primary 1991 engine. They are developing a 1, 2, and 5 year plan for the outlook of how the Department is going to develop and evolve. They are working strongly on recruitment, especially EMS. EMS calls account for 50% of the call volume in 2024.

Katherine Disterhaft questioned if there was the possibility of completing restoration on the engine instead of replacement and the cost associated with that? Assistant Chief Hoffmann responded that the Department is contracting with a grant writer to apply for a FEMA grant which requires the Town to provide a 10% match. The cost of replacement is \$700,000 to \$800,000 for replacement with a new engine. The Department is also in the process of changing the Department response guidelines and has sold some of the smaller and auxiliary equipment that is no longer used and putting those dollars back into the Fire Department budget for adjustments

in their apparatus and maintenance. They will be presenting at the next Town Board meeting a refurbishing process for another engine that is approaching the twenty-year mark. Ms. Disterhaft questioned if there was a cost for refurbishing versus replacement for an advantage to the Town? Assistant Chief Hoffmann responded that the refurbishment of the primary engine is not an option as the engine is outdated, aluminum fabrication and its not standard procedure as it is starting to see fatigue in its structural components. The last few apparatus purchased are stainless steel bolted construction and could qualify for a refurbishment. Ms. Disterhaft questioned if the aluminum parts could be replaced with stainless steel components? Assistant Chief Hoffmann responded that it could be done. The second project the Department is working on is for a 19-year old engine with stainless steel bolted construction already and that refurbishing process is a \$300,000.00 cost. Tony Tammaro suggested that Ms. Disterhaft come to the next meeting to hear about the project as Assistant Chief Hoffmann will be presenting it then.

SUPERVISORS' REPORTS

Buildings and Grounds- Supervisor Lee Branville reported that no major projects in Buildings and Grounds occurred for 2023. At the last Annual Meeting, there was discussion regarding replacing the windows in the Hall which had started, but had ran into issues with contractors not responding. The request has been re-examined this month and there will be two quotes for the project and can make a decision moving forward with that project in the next few months. The Town continues to keep its facilities at a high level of maintenance so they do not become run down and will last us many years to come. All of our grounds are top shelf. Everything is utilized from the volleyball courts, skating rink, our lots and the Ballfield and are maintain very well by the staff.

Police- Deputy Police Chief Brian Ness presented the Police Department report. From 2022 to 2023, there hasn't been much change. The call volume has remained relatively the same. The one item he did want to point out that the Department is seeing in Fayal Township is scams where the elderly are the victims. One victim in December lost over \$200,000 and another lost \$100,000. It is numerous transactions done over the phone. He would like to remind the public to remain cautious and if it sounds suspicious, it likely is. He also pointed out that in 2023, the Eveleth Police Department was short staffed and received assistance from East Range Police Department and the Sheriff's Department.

Mike Erjavec questioned who is responsible for blight? Deputy Police Chief Ness responded that it starts with the Township Supervisors. Mark Chad responded that he is the Blight Officer and if the complaint does not become satisfied he is also the officer that writes the ticket. Gina Brascugli questioned if the plain view doctrine applies to Fayal? Blight Officer Chad responded that if there is a complaint received regarding blight, the Blight Ordinance grants access to the whole property. It really depends if your neighbors can see it. Usually if its clean in the front, its not an issue.

Public Utilities- Supervisor Sather delivered the Public Utilities report. The Public Utility Commissioners are Chairman Ed Vest, Vice-Chair Amy Jackson, Treasurer Chris Erickson, Commissioners Gene O'Brien and Dave Hamalainen, and Secretary Terry Hiti. Thank you Commissioners for volunteering your time.

The Water and Sewer Enterprise Funds are self-supporting and not funded by the General Fund. Rick Bieganek is the Equipment/Water Wastewater Operator. The Town hired a new employee, Terry Hiti to serve as the PUC Coordinator/Billing Clerk. She began her employment with the Town in December of 2023. Fayal's water distribution system serves approximately 220 residents and most of our water is purchased from Eveleth, but the Differding Point water is purchased from Gilbert. Fayal owns and maintains 60 fire hydrants, 22 valves and 7 miles of waterline. There were no major water repairs this year. Fayal's wastewater collection system serves approximately 733 residents, with our effluent treated by the City of Gilbert. Water/Wastewater Operator Bieganek maintains 30 duplex lift stations, 35 miles of sewer lines, 23 miles of gravity line and 12 miles of force main, 500 manholes and 7 air release valves. Fayal uses an automated SCADA system to monitor the lift stations. Rick Bieganek, Jason Latvaaho, Jason Westby and Terry Hiti share the on-call time. There were 20 call outs in 2023.

Major bills for 2023 were a repair to Lift Station L and new elbows for Lift Station R. Projects for 2024 include installation of check valves at Lift Station M and the purchase of a camera and locating system. Remember, do not flush "flushable wipes" and other personal products, put them in the trash. They do not decompose and cause clogs and excessive wear on our pumps, which are 25 years old now.

Recreation- Supervisor Sather delivered the Recreation report. The Tennis for All program hosted youth lessons for Fayal residents during the summer, utilizing the Fayal courts three times a week and continues to be a great success. There was sand volleyball organized by the Rock Ridge High School Head Coach. Pickleball continued as well, with the courts being used twice a week during the summer months. A new pickleball net was purchased so all four courts can accommodate players. The Rock Ridge Youth Baseball program utilized the Fayal field multiple days a week during the summer for both practices and games. A waterline and three hydrants were installed to bring water down to the field and a new shed was purchased to be utilized for storage and a

concession stand for youth baseball. There was significant landscaping work completed as well as the installation of a new set of bleachers.

The skate shack/picnic shelter and new storage garage were completed to serve the rink and playground areas and the old building was removed. New LED lights were purchased and installed for the skating rink. The Town received a \$5,000 grant from the Eveleth Community Foundation to assist with the purchase of picnic benches, benches for the playground and skate shack, a trash receptacle and a bike rack. Rink attendants employed for the season were Bryce Vest and Brynn Rozinka. A special thank you to Paul Coombe, Jeremy Nelson and Reagan Scuffy who volunteered for flooding the rink again this year. Projects planned for this year include installation of a newly acquired scoreboard for the Ballfield from the Rock Ridge School, a walking path to the bleachers and continued landscaping work at the Ballfield.

Katherine Disterhaft provided a comment that the current method of getting from skate shack to the skating rink is a little steep and missing the rubber matting that was at the old location. Tony Tamaro responded that Foreman Jason Latvaaho can address it. Gina Brascugli also commented that she had concerns regarding individuals falling. Denny Bone questioned if there was a possibility of getting new pickleball nets as the old nets are not adjustable. The net that was replaced is on wheels and cost approximately \$600. Supervisor Sather suggested we not replace them all at once due to the cost. Tony Tamaro responded to Mr. Bone that there should be some work on the tennis courts this year for crack sealing. Ms. Disterhaft also inquired if another bench could be installed at the skating rink in order for parents to be able to sit and watch their children.

Road and Bridge- Supervisor Branville reported for Supervisor Ziegler who was absent. For the year of 2023, the Road and Bridge Department replaced a culvert on West Long Lake Road, two on River Drive and completed some ditching. Gravel was hauled to West Long Lake Road, North Airport, River Lane and O’Korn Road, to bring the roads back to the correct height to maintain the correct crown for drainage. Continued to clear right-of-ways. Dust control was placed on dirt roads that required it.

Road and Bridge duties include equipment maintenance and some repairs, snow plowing, sanding, grading, graveling and dust control on dirt roads, drainage work, roadside mowing and tree removal, culvert steaming and replacement, shouldering, sweeping and patching blacktop roads, replenishing the sand piles behind the Town Hall and operating and maintaining a yard waste site. Buildings and Grounds, Recreation and Public Utilities are other departments they do work for.

Work for 2024 will include culvert replacement, possible crack sealing, street sign replacement, blacktop work and continued mowing of the right-of-ways along with an assessment of our blacktop roads to determine which roads need to be addressed on a priority basis. Road and Bridge will also be graveling more of our dirt roads, including St. Mary’s Court and replacing the asphalt on Thunderbird Trail where Mud Lake Creek is located. Graveling and building turnarounds for lift stations will take place as well as leveling the dirt entrance to the PUC, Fire Department and the Road and Bridge storage building.

Russell Keating questioned when the entirety of Thunderbird Trail will be blacktopped? Tony Tamaro responded that there are not funds to support the project at this time. The project was estimated at \$1.75 million. Clerk Coldagelli has submitted a grant application for the project and is awaiting a response. Denny Bone also provided a comment to thank the Road and Bridge Department for grading St. Mary’s Court. Caroline Vest also brought forward concerns regarding the need for dust control on St. Mary’s Court. Supervisor Branville will bring those concerns to the Road and Bridge Department.

Planning Commission- Supervisor Branville also reported for Supervisor Ziegler. The Commission is made up of Alex Peritz, Chairman; Chris Erickson, Vice-chair; Heidi Coldagelli, Secretary; and members William Maki and William O’Neal. For 2023, they continued to ensure goals within the Comprehensive Plan were addressed and/or met. The Commission has continued to focus on future improvements to the Ballfield and worked with the Town Board and staff for the construction of a skate shack/picnic shelter. The Commission also worked cooperatively with St. Louis County regarding planning and zoning issues within the Township.

The Commission continued to support the Township’s participation in the Aquatic Invasive Species Program by again partnering with North St. Louis County Soil and Water Conservation District. The District was awarded a grant from St. Louis County for AIS prevention to continue to support staffing at the Ely Lake boat landing in 2023. The grant funding allowed Fayal to participate with no cost to the Township. The District provided inspections, education and decontaminations. Inspectors conducted 995 inspections and 39 decontaminations at the Ely Lake boat landing.

Katherine Disterhaft questioned if aquatic invasive species signs are present. Supervisor Branville responded that invasive species warning signs are present. Ms. Disterhaft also questioned if continued grant support was expected for 2024. Clerk Coldagelli replied that grant funding was awarded about a month ago.

SETTING THE TIME FOR THE 2025 ANNUAL MEETING

Motion to set the 2025 Annual Meeting on the second Tuesday in March at 7:00 PM at the Fayal Town Hall, made by Denny Bone, support from Katherine Disterhaft. Motion carried unanimously.

ANY OTHER BUSINESS TO COME BEFORE THE MEETING

Gina Brascugli brought forward a request to start an earlier meeting time than 7:00 PM for the Town Board of Supervisor’s Meeting. She suggested a 5:30 or 6:00 PM meeting time might be more convenient for the public. Moderator Smith suggested the time may be set that way due to Supervisor’s work schedules. Tony Tammaro clarified that the Town Board has the authority to set the meeting time and it was set by the Board for 7:00 PM in order for everyone to be in attendance.

Motion that the Town Board meeting starts at 6:00 PM, made by Gina Brascugli. Motion fails for lack of a second.

Katherine Disterhaft brought forward discussion regarding concerns with the aqueduct and if there is anything else the Town will do to assist with prevention. There isn’t any signage that she has noticed on St. Mary’s and individuals that stay at the campground may be using both lakes. Moderator Smith added that’s more a question for the DNR. Denny Bone added some history regarding the area on St. Mary’s. The property is owned by the City of Eveleth and they did not want boat landing signs. Ms. Disterhaft questioned if Fayal could work with the City of Eveleth for signage or information for campers at Veteran’s Park. Ed Vest added the location is mostly County right-of-way. Keith Nelson clarified that there is no boat landing on St. Mary’s Lake. If it becomes an issue, the County will close it, but that will be a disservice to those individuals that utilize that location. It is within County right-of-way and the County will not allow additional signs within the right-of-way. If the individuals on St. Mary’s would like it closed, the County could close it. Ms. Disterhaft questioned if the DNR could work with the County regarding zebra mussel concerns. Moderator Smith responded that he is unsure if the DNR could assist.

Keith Nelson brought forward that Fayal Township had the highest voter percentile in the Presidential Primary for St. Louis County. Fayal is consistently number one in percentage of voters in the County. He thanked the Clerk and the election judges.

SETTING OF THE 2025 LEVY

Moderator Smith reviewed the levy and asked for a motion to set the levy for the year 2025. The proposed levy is \$892,500.00, a 4.69% increase.

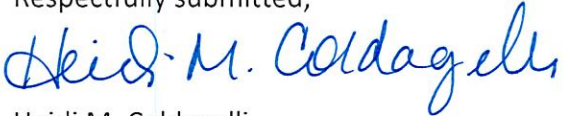
Motion to approve the 2025 Levy as proposed by the Town Board, made by Keith Nelson, support from Mike Erjavec. Katherine Disterhaft brought forward that the US inflation rate is 3.4% for 2023 and the average inflation is 4.1%. She would prefer to keep the levy closer to the annual inflation rate. Tony Tammaro clarified that when the levy is prepared by the Town Board, the Board looks at each individual department and what is needed and does not take inflation into account. Ms. Disterhaft questioned if the accounts will be in the negative at all. Clerk Coldagelli added that they are projected to be in the positive. ***One opposed. Motion carried.***

Denny Bone thanked Moderator Smith for acting as moderator and doing an very good job.

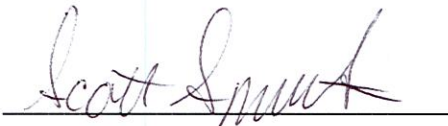
Motion to adjourn, made by Gina Brascugli, support from Ed Vest. Motion carried unanimously.

Moderator Smith adjourned the Annual Meeting of 2024 at 8:32 PM.

Respectfully submitted,



Heidi M. Coldagelli
Clerk of Fayal



Scott Smith, Moderator

Tuesday March 12th, 2024

Annual meeting Sign-In

<u>Name</u>	<u>Address</u>
1. Gina Brascugli	7727 Airport Dr. N. Eveleth, MN 55734
2. Scott Smith	4014 MILLER TRUNK RD.
3. Heidi Coldagelli	7615 Ely Lake Dr.
4. Rich Jatur	4471 Woodlawn Blvd. E
5. Gene + Rebecca O'Brien	3975 Longlake Shores RD
6. Russell Keator	8283
7. Jim & Kory	3967 Long LK Rd Eveleth
8. Scott Smith	4512 WOODLAWN POINT FPO
9. Matt Hoffmann	
10. Nick Preiner	4451 woodlawn Circle
11. Mike Enjavee	7547 N. Airport Dr.
12. Brian Ness	Eveleth PD
13. Ed Vest	4153 St. Mary's Ct.
14. Carolyn Vest	"
15. Bruce Grierson	3879 Pleasant Grove
16. David Bushnell	
17. Ron Lampinen	7965 LONG LAKE Rd
18. Tony Jamarro	4412 Maple Ln.
19. Denny Bone	4163 ST. MARYS CT.
20. MARK CHAD	4043 MILLER TRUNK RD.
21. Katherine Disterhaft	7737 Ely Lake Drive Eveleth, MN 55734
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TOWN OF FAYAL 2023 FINANCIAL REPORT - 2024 ANNUAL MEETING

	<u>2023</u>	<u>2022</u>
BEGINNING BALANCE JAN 1-	775,580	770,978
REVENUES - GENERAL FUND		
General Property Taxes	394,119	375,929
Franchise Fees	11,328	11,490
Other MISC. (Fiscal Disparities, Lodging Tax, Unmined tac, P&I)	15,483	21,429
TOTAL TAXES	420,930	408,848
LICENSES AND PERMITS	60	67
INTERGOVERNMENTAL		
State		
Disparity Aid	2,505	2,505
Mining Effects	56,014	52,836
Market Value Credit	974	818
Taconite Production	50,000	50,000
Taconite Municipal Aid	23,512	28,465
Taconite Homestead Credit	34,592	36,490
Fire Aid	14,727	15,662
Town Aid	983	1,022
State Fire Marshall Grant	2,500	3,206
IRRRB Grant	-	24,000
TOTAL INTERGOVERNMENTAL	185,807	215,004
CHARGES FOR SERVICES		
General Government		
Town Hall Rent	2,731	2,260
MISC.	380	670
Public Safety		
Fire Protection	-	5,247
TOTAL CHARGES FOR SERVICES	3,111	8,177
FINES		
Court Fines	1,873	2,124
CONTRIBUTIONS (Grants)	5,000	-
INTEREST	23,024	3,313
MISCELLANEOUS		
Refunds and Reimbursements	18,441	12,797
<u>TOTAL REVENUES</u>	<u>658,246</u>	<u>650,330</u>
EXPENDITURES - GENERAL FUND		
GENERAL GOVERNMENT		
Chair and Board	27,953	26,163
Administration	133,266	143,618
Clerk	4,413	4,497
Deputy Clerk and Office Assistant	2,905	5,131
Public Utilities	11,353	10,255
Town Hall	49,179	56,713
TOTAL GENERAL GOVERNMENT	229,069	246,377
PUBLIC SAFETY		
Police	50,988	47,622
Fire	111,706	120,389
Fire Relief Association	28,727	29,662
Fire Capital Outlay	212,440	53,518
TOTAL PUBLIC SAFETY	403,861	251,191
CULTURE AND RECREATION		
Parks and Recreation	41,381	10,750
Parks and Recreation Capital Outlay	37,003	87,545
TOTAL CULTURE AND RECREATION	78,384	98,295
DEBT SERVICE		
Principal	35,169	73,813
Interest and Other Charges	10,459	7,301
TOTAL DEBT SERVICE	45,628	81,114
<u>TOTAL EXPENDITURES</u>	<u>756,942</u>	<u>676,977</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(98,696)	(26,647)
OTHER FINANCING SOURCES (USES)		
Transfer In	16,300	74,440
Transfers Out	(51,438)	(55,191)
Sale of Capital Assets	12,000	12,000
TOTAL OTHER FINANCING SOURCES (USES)	(23,138)	31,249
NET CHANGE IN FUND BALANCE	(121,834)	4,602
FUND BALANCE DECEMBER 31	653,746	775,580

<u>ROAD & BRIDGE SPECIAL REVENUE FUND</u>	<u>2023</u>	<u>2022</u>
BEGINNING BALANCE, Jan 1	<u>397,366</u>	<u>378,994</u>
REVENUES - ROAD & BRIDGE TAXES		
General Property	325,620	298,362
Other (Disparities aid, Unmined tac, P&I, tac mun aid)	<u>10,802</u>	<u>13,665</u>
TOTAL TAXES	<u>336,422</u>	<u>312,027</u>
INTERGOVERNMENTAL		
Federal Grants		
FEMA Grant	8,046	-
State		
Mining Effects	-	5,000
Taconite Homestead Credit	29,286	29,399
Town Road Aid	20,288	27,823
State FEMA Grant	<u>2,414</u>	<u>-</u>
TOTAL INTERGOVERNMENTAL	<u>60,034</u>	<u>62,222</u>
INTEREST		
Interest	<u>1,285</u>	<u>94</u>
MISCELLANEOUS		
Refunds and Reimbursements	<u>-</u>	<u>386</u>
<u>TOTAL REVENUES</u>	<u>397,741</u>	<u>374,729</u>
EXPENDITURES- ROAD AND BRIDGE		
CURRENT ROADS		
Road Maintenance	500,996	277,594
Equipment Maintenance	26,966	39,884
TOTAL PUBLIC WORKS	<u>527,962</u>	<u>317,478</u>
DEBT SERVICE		
Principal	69,017	67,596
Interest and Other Charges	<u>10,127</u>	<u>12,273</u>
TOTAL DEBT SERVICE	<u>79,144</u>	<u>79,869</u>
<u>TOTAL EXPENDITURES</u>	<u>607,106</u>	<u>397,347</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(209,365)</u>	<u>(22,618)</u>
OTHER FINANCING SOURCES (USES)		
Transfer In	40,770	31,959
Transfers Out	(5,000)	(5,000)
Sale of Capital Assets	<u>-</u>	<u>14,031</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>35,770</u>	<u>40,990</u>
NET CHANGE IN FUND BALANCE	<u>(173,595)</u>	<u>18,372</u>
FUND BALANCE DECEMBER 31	<u>223,771</u>	<u>397,366</u>

TOWN OF FAYAL STATEMENT OF NET POSITION - DEC. 31, 2023

Includes
Governmental

ASSETS	
Cash & Cash Equivalents	2,188,547
Taxes Receivable	32,980
Spec. Assessments Rec.	3,743
Accounts Receivable	53,695
Grants Receivable	46,014
Inventories (class 5)	6,000
Prepaid Items	8,485
Capital Assets not being depreciated	
Land	56,267
Capital Assets, net of accumulated depreciation	
Buildings	1,397,185
Infrastructure	8,264,282
Improvements	208,893
Machinery & Equipment	519,067
Licensed Vehicles	<u>668,086</u>
<u>TOTAL ASSETS</u>	<u>13,453,244</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to other postemployment benefits	12,623
Related to Pensions	<u>85,269</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>97,892</u>
LIABILITIES	
Accounts Payable	56,789
Accrued Salaries	25,528
Customer Deposits	13,940
Unearned Revenue	28,366
Accrued Interest Payable	4,416
Noncurrent Liabilities	
Due Within One Year	
Certificates of Indebtedness and	
Financed Purchases	107,750
Severance Payable	9,477
Due In More Than One Year	
Certificates of Indebtedness and	
Financed Purchases	392,165
OPEB	271,239
PERA Net Pension Liability	293,041

TOTAL LIABILITIES	<u>1,202,711</u>
DEFERRED INFLOWS OF RESOURCES	
Related to Pensions	<u>5,705</u>
NET POSITION	
Invested in Capital Assets	10,613,865
Restricted For:	
Debt Service	16,772
Unrestricted	<u>1,712,083</u>
TOTAL NET POSITION	<u>12,342,720</u>
Total Net Position 12-31-22	<u>12,240,111</u>

TOWN OF FAYAL STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION PROPRIETARY FUNDS - DEC. 31, 2023

	Business-type Activities- Enterprise Funds		Totals
	Enterprise Fund	Enterprise Fund	
OPERATING REVENUES			
Charges for sales and services	84,322	712,319	796,641
Standby Charges	1,969	-	1,969
Access Charges	3,600	2,221	5,821
Miscellaneous Fees	-	2,272	2,272
TOTAL OPERATING REVENUES	<u>89,891</u>	<u>716,812</u>	<u>806,703</u>
OPERATING EXPENSES			
Purchased Water	26,350	-	26,350
Sewage Collection	-	458,352	458,352
Salaries	18,086	83,962	102,048
Employee Benefits	7,407	30,530	37,937
Insurance	-	7,779	7,779
Office Supplies	1,342	4,597	5,939
Operating Supplies	-	2,525	2,525
Professional Services	5,501	23,056	28,557
Repairs and Maintenance	1,169	2,969	4,138
Training	275	23	298
Utilities	561	34,951	35,512
Depreciation	66,136	175,199	241,335
TOTAL OPERATING EXPENSES	<u>126,827</u>	<u>823,943</u>	<u>950,770</u>
OPERATING LOSS	<u>(36,936)</u>	<u>(107,131)</u>	<u>(144,067)</u>
NONOPERATING REVENUES (EXPENSES)			
IRRRB Grant	-	35,554	35,554
Interest Income	6,596	22,900	29,496
Miscellaneous Revenue	-	1,000	1,000
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>6,596</u>	<u>59,454</u>	<u>66,050</u>
LOSS BEFORE TRANSFERS	<u>(30,340)</u>	<u>(47,677)</u>	<u>(78,017)</u>
Transfers In	1,362	443,460	444,822
Transfers Out	<u>(1,000)</u>	<u>(4,000)</u>	<u>(5,000)</u>
CHANGE IN NET POSITION	<u>(29,978)</u>	<u>391,783</u>	<u>361,805</u>
TOTAL NET POSITION- JANUARY 1	<u>2,408,201</u>	<u>6,870,181</u>	<u>9,278,382</u>
TOTAL NET POSITION- DECEMBER 31	<u>2,378,223</u>	<u>7,261,964</u>	<u>9,640,187</u>