

June 3, 2010

A regular board meeting was held on Tuesday, June 1, 2010 at 4:30 p.m. All board members were present. There were 9 public attendees present. Motion by Kut, supported by Dalpra to approve the minutes from the meeting on May 11, 2010. All ayes. Motion carried. Motion by Seppala, supported by Takala to approve the agenda with corrections and additions. All ayes. Motion carried.

PUBLIC WORKS FOREMAN'S REPORT :

Monthly bacti water samples were collected from the Lind and Townline systems and the Lind Wells 4 & 5 and sent to the State Lab in Houghton for testing. All samples met the MDNRE standard requirements.

Monthly water usage reports were sent to the MDNRE in Gwinn.

22.5 hours were spent marking water and sewer lines for the MDOT US-2 project.

Logged 101 hours at the Gibson Lake Park removing tree stumps and landscaping.

Clean up was done at the Organic Waste Site.

Motion by Seppala, supported by Dalpra to approve the Public Work's Foreman's report. All ayes. Motion carried.

GIBSON LAKE PARK AND UPDATES:

Robb Anderson and Jeff Bal were present to update the board and public on Gibson Lake Park. Lesandrini stated that he and Jeff Bal were out at Gibson Lake on Friday. It looks really good, stated Lesandrini, the guys have been cleaning up the brush, which will make for some nice campsites. Lesandrini stated that he had a call from Bruce Tusa, Hematite Supervisor, stating that they were not informed that the park is closed. Lesandrini stated that due to the construction, with trucks moving around, along with wet concrete it is a liability hazard. Possibly we could open on the weekend, stated Lesandrini, being that the people are ignoring the closed road sign anyway, but I would have to contact Chris Ponchaud, the contractor to see what he could do with his equipment on the weekends and also have him check his liability insurance. The park is due to be finished in August, stated Lesandrini. The other option would be to have them swim on the North side of the lake by the boat launch. After further discussion, Lesandrini stated that he would contact Ponchaud to get some feed back from him.

Anderson stated that he had provided information on the Octagan and Rectangle pavilion. Kut stated that because the Octagan is \$5,000.00 more, she would make a motion, supported by Seppala to approve the Rectangle pavilion. All ayes. Motion carried

Anderson noted that there were 2 bids for the fishing pier. American Dock, submitted a bid for \$5,350.00 and Aqualand Manufacturing at \$6,917.08. Anderson recommended that the Township accept the bid from American Dock as low bidder. Kut question the stability of the dock. Anderson stated that he would check into the specs and will get back to the board at the July 13th meeting. Board agreed.

FIRE AUTHORITY UDATE:

Steve Tinti addressed the board stating that as a result of the action that the board took at last month meeting, he had put some documents together and provided the board with copies of them. Tinti stated the first document is the termination agreement of the Fire Authority. Tinti noted that he left the date blank in June, that it takes affect, because June 12th had been selected in the past because it was the end of the payroll period. Tinti stated that depending on the action of the City and Township and earlier date could be selected. Tinti stated that the agreement deals with some of the issues regarding the legacy cost of the 2 retired employees of the Fire Department. Along with that, Tinti stated are the transfer of the remaining balances, and the records that are out there. It also says, Tinti stated, 1/2 of the assets are owned by the City and 1/2 are owned by the Township. Once the termination agreement has been executed, Tinti stated, the Township needs to have an ordinance that has a fire department in place. Tinti provided a draft copy of the ordinance to the board for consideration. Tinti stated that both documents also have been provided to the City of Crystal Falls. Tinti also provided the board with a service contract that the Township would provide to the City. Tinti stated that he laid out the perimeter discussed to work within the perimeters of the City of Crystal Falls, indicating that it would provide funds for. Also, Tinti stated that he dealt with the issues of transfer of ownership of personal property over a period of time. Tinti stated that if the board would take those documents and apply the method of operating you are likely to see, without any other townships participating, almost a 20% savings in cost to this township in the operation of a fire department. If Mastodon and Mansfield townships would participate, Tinti stated, that the township could be looking at reducing the cost in excess of 25%.

After further discussion, it was recommended by Lesandrini the board have a special meeting. Board agreed. A special meeting will be held on Thursday, June 10, 2010 at 6:00 p.m.

PLANNING AND ZONING MEMBERS TERMS EXPIRING:

Motion by Kut, supported by Takala to appoint Cary Gustafson to the Planning and Zoning board. All ayes.

Motion carried. Kut noted that this is a 3 year term.

AUDIT REPORT: SCOTT KENNEY

Kenney provided the board with a copy of the Township's Audited Financial Statements. Kenney noted that the board engaged him to do the pre-audit. Kenney stated that Barry Gadette did the audit, but has not finished his report. Kenney stated that the Township's total assets in the general fund are \$634,874.00. Kenney noted that the Township had spent \$51,412.00 more than what was taken in, which means the township's expenditures exceeded its revenues. The fund balance started at \$664,455.00 and ended at \$613,043.00, still at a very solid financial position, stated Kenney. Kenney stated the cash and investments are slightly in excess of ½ million dollars, and if the receivables were included in that figure it would exceed \$600,000.00. Kenney stated that the unreserved balance is at \$607,416.00, which again is a very solid financial position for the township to be in. In the fire protection, the revenues were in excess of expenditures of \$22,000.00, bringing the fund balance at \$275,237.00, also a very solid financial position. In the township improvement fund, the fund balance has been increased about \$62,000.00. Kenney noted that this account is basically the non-utility capital projects, which would also include the Gibson Lake project. The business type funds, Kenney stated are the utilities. The sewer utility shows a net loss of \$5,995.00, stated Kenney, and the net loss in the water utility are \$39,172.00. Kenney noted that the water fund has a deficit of \$25,433.00 and the state may ask to file a deficit elimination plan. Lesandrini stated that this month we are tracking higher than our projection. Kut asked the question, "How would this deficit affect the township if we wanted to do a water project somewhere"? The State is filed with a plan, stated Kenney, and an explanation is given how and why it happened and how it will be corrected. Kenney stated that once the state has accepted the plan it would be like it didn't happen. Lesandrini stated that the money that we are taking in is used for the betterment of the community, not banking it. If we are going to be in a banking business, Lesandrini stated we may as well not collect taxes. Kenney stated that the township is in a solid financial state, but to be cautious as to where and how the money is spent.

JIM WAISANEN RECOMMENDATION 2010/2011 WAGE INCREASE:

Dalpra stated that Waisanen had some concerns as to why he didn't receive a salary increase this year. After discussing it further, Dalpra and Kut suggested because of the increase in work in the Zoning area, that he receive a \$1,500.00 annual salary increase. Lesandrini commented that he would like to see some comparables from other township. Kut stated that Waisanen has e-mailed her even into the night, so he does work more than 3 hours a day. The issue was tabled until next month's meeting, when some comparables will be given.

Motion by Dalpra, supported by Kut to approve the EFT's in the amount of \$738.00, Prepaid's in the amount of \$28,515.65 and Monthly's in the amount of \$17,221.05, with a total of \$46,474.70. Roll call was taken. All ayes. Motion carried.

Motion by Dalpra, supported by Seppala to adjourn the meeting. Meeting was adjourned at 6:30 p.m.

Joanne Seppala/Clerk