

July 23, 2010

A regular board meeting was held on Tuesday, July 13, 2010 at 4:30 p.m. All board members were present. There were 18 public attendees present.

Motion by Dalpra, supported by Takala to approve the minutes from meeting held on June 1, 2010 and Special meeting held on June 10, 2010. All ayes. Motion carried.

Motion by Kut, supported by Seppala to approve the agenda, with 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 the Kuivila Well and were tested at White Water Associates due to the City of Crystal Falls having a bad sample. All our samples met the MDNRE standard requirements.

Monthly water usage reports were tabulated and sent tot the MDNRE in Gwinn.

23 hours were spent on the MDOT US-2 project while Bacco Construction crossed our water and sewer mains.

Logged 152 hours at the Gibson Lake Park removing the tree stumps, demolishing privies, building camp sites and landscaping beach area.

Clean up was done at the Organic Waste Site.

Motion by Seppala, supported by Dalpra to approve the Foreman's Labor Activity report for June 2010. All ayes. Motion carried.

GIBSON LAKE PARK AND UPDATES:

Lesandrini stated that the park is looking good, but there is still a lot to do before Fall. Lesandrini introduced Chris Ponchaud the contractor for Gibson Lake. Ponchaud stated that everything was on schedule. Lesandrini stated that there had been some changes in the last month with our engineering firm in the area. Jeff Bal and Robb Anderson had left AECOM on July 2nd and started working for GEI on July 5th, . Lesandrini stated. We've been working with AECOM, stated Lesandrini, but we've had some interaction problems with them trying to get themselves acclimated (AECOM) trying to prepare themselves with contracts that they have. Unfortunately, stated Lesandrini things have not been going as smoothly as anticipated. Chris and I have spoken, stated Lesandrini and he has not been paid for projects completed last month. I have the completed documents, Lesandrini stated and I also have a call into Mike Ponn ((AECOM project coordinator) and hopefully we can get the problem resolved so that Chris can get paid. Lesandrini stated that the Township has presently 4 projects with AECOM: Gibson Lake, Wellhead, Tobin and the GIS program. Lesandrini stated that he would be in contact with AECOM to suggest they contact GEI to finish those projects. Steve Tinti (township attorney) noted professional contracts usually have an at-will termination, so if AECOM can no longer provide those services satisfactorily , the township has the right to terminate.

FORTUNE LAKE CAMP ROAD PROJECT:

Lesandrini stated that this was approved at our last meeting, but as you can see once the contract came in, it has some estimated construction oversights. Instead of \$22,987.95, stated Lesandrini, which was approved by this board, they took off its 8 percent administration fee, but then added on 8 percent oversight and engineering fee to its projects, which brings up the estimated total to \$30,056.35, instead of \$22,987.95. Takala commented that the increase is almost a quarter of the total project cost. After further discussion a motion was made by Kut, supported by Dalpra not to move forward with the Fortune Lake project. Roll call was taken. All ayes. Motion carried.

WORKERS COMP POLICY HANNULA AGENCY:

Seppala noted that she had been in contact with Mark Hannula and he sent a proposal to the board to review the township's workers comp policy, which can be divided into 4 installment payments to total \$11,591.00. Seppala also noted that Mark had consolidated all the township employees on this plan. Motion by Kut, supported by Seppala to approve the workers comp policy from Hannula Insurance Agency. Roll call was taken. All ayes. Motion carried.

ASSESSOR/ZOING ADMINISTRATOR SALARY:

Kut stated that she had compared other township's assessor salaries and found out that our assessor's salary is way below the assessors within the community. Kut stated that she learned most assessors are paid by the number of parcels and the population in a municipality, plus the level of training. Waisanen is at a level 3 assessor, which is \$21,800.00. After further discussion, Kut stated that her and Dalpra's recommendation was to increase his salary by \$1,000.00 for assessing and \$500.00 for zoning. Motion by Kut, supported by Dalpra to approve Jim Waisanen's salary increase for \$1,000.00 for assessing and \$500.00 for zoning. Roll call was taken. All ayes. Motion carried.

ACCEPT AND REVIEW AUDIT REPORT:

After further discussion, motion by Dalpra, supported by Takala to accept the audit for 2009-2010. Roll call was taken. Motion carried.

GEI PROPOSAL:

Mike Gatzow of engineering firm GEI addressed the Crystal Falls Township board July 13th, explaining he and nine other AECOM employees recently joined a smaller, privately held, publicly owned firm called GEI Consultants. Gatzow commented that he can't speak on behalf of everybody else, but this was a better opportunity for us and to also sustain our livelihood here, where we live and work, and also wanted to keep the work in the area. Gatzow stated that they are in the Windsor building in Iron River and offer the same engineering services we did at AECOM. Jeff Bal stated that the township never signed an agreement for the study at the new industrial park. Bal presented an agreement from GEI, stating the MEDC has \$10,000.00 for the preliminary work and the township will put aside \$10,000.00. The study will include a detailed survey, maps, and environmental assessments for potential development Bal stated. GEI would also look at water, sewer and soil conditions as well as costs to get everything in place so the township can quickly help a developer. Bal stated that they would also look at extending the railroad track spur to the Industrial Park and Connor Sports Flooring. We have been in contact with a developer, Bal stated, and hope to have drawing developed for her. GEI put together a scope of 11 items and is coordinating with EDC director Julie Mechiori and the township board for grant dollars. After further discussion a motion by Seppala, supported by Kut to move forward with the GEI Industrial Park Planning proposal. Roll call was taken. All ayes. Motion carried.

CCI BROADBAND FIBER OPTIC:

Tinti stated that approximately one month ago, he had received a call from Randy Simms of CCI Systems of Iron Mountain, with respect to the interest of constructing a fiber optic line along Forest Avenue. In discussing the issue with him, stated Tinti, I indicated that a permit would be needed from the Board of County Road Commissioners along with the permission of the township of Crystal Falls for the same. Lesandrini stated that a Right-of-Way Permit #0062010, was issued on June 23, 2010. Kut noted that along with that, the letter stated that all utilities will be located prior to work starting and they will be responsible for all restoration to be back to original or better condition. A motion by Kut, supported by Takala to approve the installation of the fiber optic line by CCI. Roll call was taken. All ayes. Motion carried.

REVIEW FIRE DEPARTMENT STATUS AND ISSUES:

Lesandrini stated that the township has been in business with a fire department for almost over a month, but things have come together well with few surprises. Lesandrini stated that the board has been looking at a budget and has a budget in place through March 31, 2011. We still have a few issues to go over, stated Lesandrini, including a final audit, (suggesting they contract Diane Rostagno CPA); agreements with Mastodon and Mansfield townships, which he will go over with the Steve Tinti and requesting monthly reports from Fire Chief John Ahola. Tinti explained in the proposed fire protection ordinance, when the fire department gets calls, the fire chief will deal with the calls, charge for the calls, and then get the billing out. The City, explained Tinti, is bound to adopt a substantially consistent ordinance. We want it in place, stated Tinti by September 1, so I can get a draft to the township board. Tinti stated that he had made the ordinance much more simpler. The ordinance will contain a provision for mutual aide when assisting other department, stated Tinti, which for example if we needed to help Mastodon township, Iron River, etc. fight a fire, there would be no charge. Takala stated that he would like more time to review the ordinance before adopting. Takala and Kut were appointed to meet with Fire Chief John Ahola to go over the ordinance, policies and procedures. Lesandrini stated that he would still remain the main contact person on fire

issues. Scott Kenney stated that the township should also look into requesting an actuarial study done from June 13th. Tinti stated that in the termination with the Fire Authority basically states that any expenses that would come up legacy related should be agreed before you incur them, and two were mentioned tonight, a final audit, which is required by law and an actuarial study, which is a requirement that needs to get done, because that Authority no longer exists and the City of Crystal Falls no longer has any employees. Motion by Dalpra, supported by Kut to request from the City an actuarial study and an audit for the termination of the Fire Authority. Roll call was taken. All ayes. Motion carried. Lesandrini stated that the township plans on funding its share of fire protection services with a millage. Residents will be going to the polls on August 3rd for the Primary, and they will vote on a two- mill-four-year renewal for fire protection. One mill, stated Lesandrini, is to run the department. The second mill would be spent on a new fire hall. Lesandrini stated that we have 15 acres at the township hall with water and sewer. A new building could house the fire department and maybe other uses. We've cut the fire budget in half, stated Lesandrini and it has been working. We want to put the decision in the resident's hands if this is right for us. With Rural Development money, grants and millage, stated Lesandrini, we think we could pay off the new building in four year. Kut explained the proposed operating budget from June 13, 2010 through March 31, 2011 with two full-time drivers, is \$125,521.41. This includes the two drivers, volunteers, training, various insurances, FICA, pension, rental and utilities, gas and repairs, dues and tournaments and legacy costs. We may be able to raise our deductible on our equipment insurance, saving another \$1,500.00 on insurance costs.

Charlie Sandstrom, a resident of the township asked how much could be saved by going with an all volunteer fire department.? Kut stated, for this nine month period, the fire chief makes \$25,080.00, the driver/engineer makes \$24,472.00 for a total of about \$50,000.00. Volunteers make \$8.00 an hour and \$2,500 has been budgeted. Lesandrini stated that the volunteer number would increase, because we would still have a part-time fire chief, and that position would be \$5,000.00. Lesandrini stated that we are not ready to go all- volunteer. So this is a good choice for us to train everyone. Lesandrini stated that the City is 1 ½ mills, and the township is paying one mill, adding we live in a large area and need full-time drivers. Kut added if the mileage doesn't pass, the township will still incur those costs. We would cut the two-drivers, but we would still have costs. This isn't a city-township issue, Lesandrini stated, this is a community, one community.

After further discussion a motion was made by Kut, supported by Dalpra to amend the budget from 6/13/10 through 3/31/11 in the amount to \$125,521.41. Roll call was taken. Motion carried.

PUBLIC WORKERS PROMOTION:

Kut noted the past two years, this board has been trying to come up with a job description for both Terry Alexa and Randy Bucek. The last few years that Randy has been with us, one of the requirements that we recommended to him was to get the Water Certification so he could be a back-up for Terry in the event that Terry would retire. With that in mind, Randy went ahead and was certified, therefore looking at increasing his salary. Kut stated that she had compared these salaries with the City and Michigan Township Association, which MTA provided her with salaries from all the communities on Water Directors and Water Technicians. However, Kut stated, our employees are multi-tasking. Looking at various formulas and years of service, she recommended Alexa get an increase of \$2.00 per hour, Bucek get an increase of \$3.00 per hour and Frederickson get an increase of \$1.00 per hour raise. Along with that Alexa, will be promoted to Water Superintendent/Foreman, and Bucek will be promoted to Assistant Water Superintendent/Assistant Foreman. Motion by Kut, supported by Seppala, to approve the employee raises as stated. Takala stated that he would like to have time to review this. Kut and Seppala both reeinded their motion. Lesandrini stated that this would be put on the August meeting agenda. Takala made a motion, supported by Kut to table this issue until next month meeting. All ayes. Motion carried.

Kut made a motion, supported by Seppala to approve the Fire Volunteers @ \$8.00 per hour until it can be re-evaluated. Roll call was taken. All ayes. Motion carried.

Motion by Kut, supported by Dalpra to approve the EFT's in the amount of \$782.00, the Monthly's in the amount of \$68,397.92 and the Prepaid's in the amount of \$90,853.65 with a total of \$160,033.57. Roll call was taken. All ayes. Motion carried.

Motion by Seppala, supported by Takala to adjourn the meeting. Meeting was adjourned at 7:05 p.m. Roll call was taken. All ayes. Motion carried.

Joanne Seppala/Clerk