

September 9, 2009

Regular board meeting was held on Tuesday, September 8, 2009 at 5:00 p.m. All board members were present. There were 18 public attendees present.

Motion by Kut, supported by Takala to approve the minutes from the meeting held on August 11, 2009. All ayes. Motion carried. Motion by Seppala, supported by Dalpra to approve the agenda with corrections. All ayes. Motion carried.

INDUSTRIAL PARK PLANNING UPDATE: JEFF BAL

Bal stated that he met with Julie Melchori 2 weeks ago. Discussion was made on what potential developers might want to see. Bal stated that he also followed up with the state. Bal noted that after speaking with them on September 1, 2009, they requested some revisions. Bal also stated that the state also requested revision be done on the schedule. Bal stated that the schedule that was submitted on August 12, 2009 showed the project to be completed in March. With the new revisions being made, Bal stated that it is very unlikely that the township will see any mapping done this Fall. Bal commented that the completion date probably will not be until August of 2010.

After further discussion, it was decided by the board to have Bal come up with a cost, at least for the mapping.

FORTUNE LAKE 2ND LAKE BRIDGE:

Lesandrini stated that he had been in touch with the Drain Commissioner, Tom Clark. Clark went out with a crew to do some dredging. Lesandrini stated that there are still some bigger rocks and boulders that have to be moved onto the shoreline. Lesandrini stated that he would like to get a crew together and line the bank with them.

PUBLIC WORKS FOREMAN'S REPORT:

See attached.

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

TOWNSHIPS AUDITED FINANCIAL STATEMENT REVIEW (SCOTT KENNEY)

Mr. Kenney supplied the board with the bound copy of the financial statements. Kenney stated that Barry Gadette had performed the township audit services for the year and had rendered his opinion, which is an unqualified opinion, which is the highest level of an opinion that a governmental entity or any entity could get. Kenney stated that the township's financial statements are in compliance with generally accepted accounting principals for the United States. Kenney stated that the total revenues for the year are \$791,000, the expenditures for the year are \$803,000 with a fund balance ending of \$965,000. The township ended the fiscal year with net assets of \$4.9 million, so it is in fine financial shape, Kenney commented. Kenney stated that the sewer fund has \$13,000.00 in it, which is on the plus side, water fund has \$97,000.00 in it, which has to have debt payments made out of it, so Kenny suggested that the board keep an eye on this fund. Overall, Kenney stated that Barry was satisfied with what he looked at in getting all the information done. Kenney also stated that there was a lot of activity this year and he found all record in good shape. The staff has certainly taken steps forward with the reconciliations. Kenney stated that was a struggle in the past, this year the information was there. Kenney gave his complements to the staff for taking care of that.

TOWNSHIP FALL CLEAN-UP:

Seppala made a motion, supported by Takala to approve the Fall clean-up for Saturday, October 3rd, 2009 from 8:00 – noon. All ayes. Motion carried.

FIRE AUTHORITY 2010 PROPOSED BUDGET:

The board had a discussion on the Fire Authority budget provided to the board. Most agreed that this was not a budget and requested a budget be brought or sent to the board for review. Also, it was suggested that the City along with the Fire Authority board be invited to one of the township board meeting. Lesandrini stated that the City has only budgeted \$50,000.00 for the Fire Authority for next year, although Lesandrini stated, he has not received any documentation regarding that fact. Tinti stated that he had heard that the formula was changed to 1/3,1/3,1/3. Kut stated that in the minutes from August 25, 2009 Fire Authority meeting, which was approved by that board, stated that a motion to renew the Fire Authority Agreement that expired in November 2007 including a change in Article 9 entitled "Financing Fire Authority" reverting back to the original formula used in the original Fire Authority Agreement dated August 1990. Also, it was mentioned that the calculations of Article 9 which includes that each entity will contribute an amount that is based on 33% SEV, 33% Population and 34% average of 3 years use. Tinti stated that the Authority does not have the legal ability to amend the document with the City of Crystal Falls. Tinti stated that this was more of a recommendation. Tinti stated that the City of Crystal rather in- artfully, as to its other partner in the Authority, stated basically they don't have the money to perform the agreement as its written to give adequate funding to the Authority. Tinti stated that what needs to be done is a discussion between the funding partners, not the Authority. This is a partner that created a fund with this Authority, Tinti stated. Kut suggested that the board needs to see a contract that shows the expenditures and revenues. Lesandrini stated that he told the Authority the township paying \$50,000.00 more is not acceptable,

or if that be the case the township will have its own fire department . It was decided by the board members that the township needs a budget that shows expenditures and revenues. It was suggested to the board by Tinti to table the issue until the board is presented with a budget. Also he recommended correspondence be set up with the City to sit down and discuss this issue of funding the Authority. Kut made a motion, supported by Dalpra that we postpone making a decision on the Fire Authority 2010 budget, with the request the board has more detailed information on their budget. Roll call was taken. All ayes. Motion carried.

2009 TAX RATE REQUEST:

Motion by Takala, supported by Dalpra to approve the 2009 Tax Rate to be left the same as it was last year, 1.75 mills for Fire Authority and 3.000 mills for Operating. Roll call was taken. All ayes. Motion carried.

REQUEST FOR WATER AGREEMENT EXTENSION FOR CITY OF CRYSTAL FALLS AND HEMATITE :

Tinti stated that both the City of Crystal Falls and Hematite are going thru the Rural Development funding process for projects to improve their water systems. One of the standard Rural Development requirements is that the agreement with any supplying or municipal governmental entity is that the term of the contract of the 2 entities make sure that it is a period of 40 years and that the 40 years runs consecutively with the loan closing. Motion by Kut, supported by Dalpra to have Tinti prepare and execute the document. Roll call was taken. All ayes. Motion carried.

Motion by Dalpra, supported by Kut to change the monthly meeting starting with the October 13th meeting to be held on the second Tuesday of every month at 4:30 p.m. Roll call was taken. All ayes. Motion carried.

Motion by Seppala, supported by Dalpra to enter into Executive session at 6:55 p.m. Roll call was taken. All ayes. Motion carried.

Motion by Kut, supported by Dalpra to reconvene into regular board meeting at 7:15 p.m. Roll call was taken. Motion carried.

Motion by Dalpra, supported by Kut to approve the payments for the EFT's in the amount of \$738.00, the prepaids in the amount of \$42,537.00 and the monthly's in the amount of \$10,908.88 with a total of \$54,183.88. Roll call was taken. Motion carried.

Motion by Takala, supported by Seppala to adjourn the meeting. All ayes. Motion carried. Meeting was adjourned at 7:30 p.m.

Joanne Seppala/Clerk