

2016 FAIRVIEW TOWNSHIP ANNUAL MEETING

The Annual Meeting of the residents of Fairview Township was called to order at 6:30 PM on Tuesday, March 8th, 2016 in the Fairview town hall by Clerk Marla Yoho with the Pledge of Allegiance.

Sharon Owen/ Walt Richmond/ Unanimous: Motion to appoint Jim Weizenegger as moderator.

Treasurer's Report:

BEGINNING CASH January 1, 2015

Adjusted Checking	\$	109,166.75
Bremer Money Market		<u>177,428.85</u>
ADJUSTED BEG. CASH		286,595.60

	REVENUE	<u>BUDGET</u>	<u>BALANCE</u>
Interest	89.08	100	11
Cass Cty	307,151.60	284,500	(22,652)
Minnesota/HACA	12,114.35	18,000	5,886
Gas Tax Allocation	18,198.83	16,000	(2,199)
Bremer Loan Proceeds	250,000.00		
CD Proceeds	122,841.90		
Homeland Security Storm Reimbursement	549,578.86		
Utility Reimb. /Misc	<u>4,781.65</u>	<u>1,000</u>	<u>(3,782)</u>
TOTAL	<u>1,264,756.27</u>	319,600	(22,736)
TOTAL CASH	1,551,351.87		

EXPENSES

ROAD & BRIDGE

Storm Damage Clean-up	704,060.00		(704,060)
Road Projects	7,104.50	110,000	102,896
Blacktop Maintenance	16,336.97	15,500	(837)
Gravel Maintenance	3,154.00	6,750	3,596
General Road Maintenance	3,822.50	19,500	15,678
Snow	<u>12,545.00</u>	<u>25,000</u>	<u>12,455</u>
TOTAL	747,022.97	176,750	(570,273)

FIRE & SAFETY

Mtgs & Signs	3,279.97	2,200	(1,080)
Pillager	<u>69,285.86</u>	<u>75,500</u>	<u>6,214</u>
TOTAL	72,565.83	77,700	5,134

GENERAL

Administration	30,102.61	25,000	(5,103)
Elections	0.00	0	0
Planning Comm	318.51	1,000	681
IRS	2,368.15	2,250	(118)
PERA	4,032.78	4,000	(33)
Medicare (Employee Share)	-1,909.99	-1,250	660
PERA (Employee Share)	-1,907.33	-1,250	657
Supplies	1,981.57	2,000	18
Utilities	3,397.44	4,000	603
Mileage	2,291.50	1,750	(542)
Public Notices	1,044.14	2,000	956
Dues & Subscriptions	1,057.15	1,000	(57)
Insurance	3,740.00	3,500	(240)
Bldg/ Equipment Maintenance	1,592.50	1,750	158
Legal & Special	356,736.23	2,500	(354,236)
Parks & Recreation	2,000.00	<u>2,000</u>	0
*Storm Damage: Building	<u>19,290.69</u>		<u>(19,291)</u>

TOTAL EXPENDITURES	1,245,724.75	304,700	(941,025)
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ENDING CASH		December 31, 2015
Checking		\$ 53,416.72
(Outstanding Checks)		\$255.00
ADJ Checking Balance*		\$ 53,161.72
Bremer Money Market**		<u>252,465.44</u>
ADJUSTED ENDING CASH		\$ 305,627.16
CD INVESTMENTS	\$95,000.00	(\$35,000.00 Community Projects, \$60,000.00 Road Reserves)

The Fairview levy tax rate for 2016 is based on a Taxable Market Value of \$290,814,700.

There was discussion about the impact the July storm and the clean-up had on the budget.

Tom Dechmann/ Walt Richmond/ Unanimous: Motion to waive the reading of all checks written during the year since the monthly expenditure reports are posted on the wall.

Walt Richmond/ Tom Dechmann/ Unanimous: Motion to accept the 2015 Treasurer's Report as presented.

Road Report:

Road Supervisor, Tom Dechmann distributed the following Road Report:

Total expenditures for Road Maintenance and Construction in 2015:	\$747,023
Snow Removal	\$12,545
Blacktop Maintenance	\$16,337
Includes:	
Patching:	\$ 725
Crack Sealing: 59,546 Linear Feet, or 11.28 Miles	\$13,452
Sweeping:	\$ 2,160
Gravel Road Maintenance:	\$3,154
Grading, Class 5 Fill:	\$ 1,530
Patching & Fill:	\$ 622
Survey: Pillager Lake Rd	\$ 1,002
General Road Maintenance:	\$ 3,822
Mowing Roadsides:	\$ 2,760
Roadside Clean-Up, Mailboxes	\$ 1,063
Road Projects:	\$ 7,105
Engineering & Surveys	
Storm Damage Roadside Clean-Up	\$704,060

2015 Road Issues:

Gregory Drive, Green Bass Lake Ln and Forest View Ct:

In June, Bolton & Menk analyzed the work needed on Gregory Drive and determined it needed patching in deteriorated areas, a 1-1/2" asphalt overlay and a 1-foot wide gravel shoulder on the first approximately 3,500 feet of the road. At the same time they surveyed the road to determine where the dividing line is between Fairview and Sylvan Townships. Anderson Bros. Construction provided a winning quote of \$53,497.10.

Bolton & Menk also provided engineering specs for an overlay needed on Green Bass Lake Ln. and Forest View Ct. Anderson Brothers Construction submitted a bid of \$58,870.90. The Board was prepared to award the contracts to Anderson Brothers at the July 14th meeting, but after the storm hit, it was apparent the roads were too covered in tree debris to be accessible to road crews. It was also evident that all of the roads would be receiving more damage from the trees and logging trucks. Anderson Brothers agreed to hold the specs and quotes until the summer of 2016, with the understanding that prices may have to be adjusted.

Fondie Lane:

In the fall of 2014 the residents on Fondie Lane petitioned the township to accept the road into the township. The Board voted to accept the road with the stipulation the residents pay for having it crack sealed in the spring of 2016. Anderson Brothers suggested the township experiment with Polymastic, a product designed for areas that are depressed or distressed. The product supposedly has a longer life than standard crack sealing. The total cost for crack sealing and filling four depressions on Fondie Lane was \$3,840.12. The residents were billed back at a rate of \$295 per lot.

Rardin Minimum Maintenance Road:

60 yards of Class 5 was applied to Rardin Minimum Maintenance Rd last spring. The township has been slowly widening the road and building up the wet areas in anticipation of home construction taking place along that stretch of road. The effect of removing fallen trees on the roadbed has not been determined yet.

Pillager Lake Rd:

A resident at the end of the Fairview portion of Pillager Lake Rd has raised questions about why the township is not providing regular maintenance on her end of the road. She maintained that no one cleared the road after the storm. There is some question about whether that portion of the road is actually designated as Minimum Maintenance. The road proceeds into Sylvan Township but they don't recognize it as a road and will not provide any maintenance. Bolton & Menk have surveyed the road to determine the Fairview/ Sylvan dividing line. The situation will be revisited this summer.

Anderson Road/ Driveway:

The Township worked with the Cass County Recorder to correct the designation of the old Interlachen roadbed that lies south of Sandy Point Rd. In the past it has been designated as the Anderson Minimum Maintenance Road, but it is actually just a driveway since it leads nowhere and has not been maintained by the township.

SNOW REMOVAL COMPARISON

	2012-2013	2013-2014	2014-2015	2015-2016
Nov			1,838	
Dec	3,725	3,389	5,182	
Jan	3,923	9,073	2,493	9,800
Feb	9,653	8,291	5,720	9,760
March	10,747	11,428		<u>5,756</u>
April	12,679	<u>9,447</u>	<u>4,333</u>	
May	<u>1,427</u>			
TOTAL	42,154	41,628	19,566	25,316

Seasonal Road Restrictions: Spring Load Restrictions for the Central Frost Zone will go into effect on Tuesday, March 8, 2016 at 12:01 AM.

Fire Report:

Walt Richmond reported it was a very busy year for the Fire Dept. They responded to **279 emergency runs in 2015**, 33 more than in 2014. 44 of the calls (or 17%) were in Fairview Township.

There are 24 volunteer firefighters right now. Each volunteer is required to attend 40 hours of in-house training and 25% of all calls. All firefighters are required to be medical First Responder and 'Firefighter I with Haz Mat Ops' certified within 2 years of joining the team. Most all have gone on to be Firefighter II certified. They also must pass the physical ability evaluation every year. Two of the firefighters are Certified EMTs (one is a Crosby Ambulance attendant and one is a Brainerd Policeman).

The 2017 budget for the Pillager Fire Dept. will be \$175,450, which is up \$3,500 over 2016 (a 2% increase). The Fairview assessment will be approximately \$74,778 for 2016. This amounts to about 43.7% of the budget, with the current formula based on market value of property in each of the six member city and townships. One of the Fire Association members is working on a new formula that should significantly reduce the amount Fairview pays. It would be based 50% address count and 50% on number of runs.

The Fire Association took in almost \$50,000 in grants and donations during 2015.

The Fire Dept. worked with the Quarterdeck property to stage a practice burn on five cabins as a training exercise. On March 12th, in an event organized by CLC, there will be practice burn on the old hotel/ rental building. 100 firefighters from an extended surrounding area have signed up to participate. The burn will include staged seek and rescue events. Residents are welcome to come and watch, but they will be kept quite a ways away. The burn should go from about 7:30 AM to 5:30 PM.

The Fire Dept. has a contract with East Gull Lake to provide their fire and significant event coverage. They have been very pleased with the service provided and Dutch Cragun has thanked the East Gull City Council for entering into the contract. He has even offered to host a fund raiser for the Fire Dept. at his resort.

Pillager Park Report: Walt Richmond, Pillager Park Liaison, reported that the roof was blown off the pavilion during the July storm. Their insurance coverage should cover the replacement costs. The Park lost a lot of trees during the storm (about half are now gone overall). They did have a host camper during the summer of 2015, and he has agreed to come back for 2016.

Fairview Planning Commission:

Birch Bay RV Resort:

On April 13th, the new owners filed an Environmental Assessment Worksheet (EAW) with Cass County in which they proposed creating 170 campsites (for RV's and park model homes) on the site previously operated as a small resort and golf course. The Board sent a letter of rebuttal, voicing their many concerns and questions about the density, phased timing of construction, and overall effect on the environment and Agate Lake. Area residents, as well as governmental entities, sent well over 50 letters, many demanding an EIS. The Cass County Planning Commission held a hearing where several area residents voiced their concerns. The decision on whether an EIS would be required was delayed to allow the owners' time to address concerns from the DNR and MPCA.

At a hearing on December 28th the Cass County Planning Commission voted to approve the "Resolution for a Negative Declaration for the Preparation of an Environmental Impact Statement", meaning that an EIS would not be required.

In February 2016, the Birch Bay RV Resort owners submitted an application for a Conditional Use Permit. The township has again submitted a letter questioning the timing of the construction, placement of the SSTS system, the placement of a dense sight-and-sound barrier, and voicing opposition to chaining off a public portion of South Agate Shore Drive. There will be a hearing to review the CUP application on Monday, March 14th in Backus.

Quarterdeck Resort CUP:

The Quarterdeck Resort has been sold again, this time to Beach Club LLC out of Naples, FL. The new owner will be making some immediate changes to the resort, including removing all of the old cabins and the older hotel building.

They applied for a permit to remove a considerable amount of soil from the lake side of the lodge in order to provide larger windows and additional light to the lower level of the building. They intend to expand the restaurant area and construct a bar that can be open to the lake when the weather allows. They also plan to excavate soil to create a handicapped access ramp on one of the lodge, and will excavate around the lower level of the newer rental unit to allow for an egress door.

The Pillager Fire Dept. held a practice burn on 5 of the old cabins. On March 12th they will hold a practice burn on the old hotel on a much larger scale, with people hiding inside the building and needing to be rescued.

Year In Review:

Birch Bay RV Resort Lawsuit:

In January, the Board received a petition from an attorney representing the new owners of Birch Bay Resort and Golf Course in which they requested the vacation of a portion of South Agate Shore Drive (Birch Drive) running in front of Lots 7, 8, and 9. Since the new owners would 1) not provide any information on their plans to the Board showing a hardship; 2) the township has provided maintenance and snow removal along that portion of road for many years; and 3) there are still 3 platted lots along that portion of road, the Board voted to reject the petition.

On January 31st, 2016, Birch Bay RV Resort served notice of a lawsuit filed against Fairview Township and 13 other property owners along S. Agate Shore Drive in reference to "Application of Birch Bay RV Resort Inc. for the Vacation of the Right-of-Way of Part of Birch Drive as Depicted on Plat of Birch Bay on Agate".

Through the liability insurance we carry with the MN Assn of Townships, they provided the township with an attorney (Ken Bayliss), who proceeded to collect all the pertinent information and affidavits. Over the following months the township was able to provide records showing ongoing maintenance on that portion of road as well as a history showing the township had refused to vacate that portion of road in the past. A preliminary hearing was set for June 25th, with an actual court date tentatively set for September 16th.

On June 15th our attorney received a "Notice of Motion to Dismiss the Case with Prejudice". If this had been approved, the case would have come off the court docket but would have remained open, with the potential to be reactivated at any time. On June 25th, the attorneys for Agate Lake Homeowners Assn., Ken Bayliss, and Brad Person, the attorney for Birch Bay RV Resort, appeared in court to plead why the case should be dismissed with or without prejudice.

On July 13th the Court issued their findings and dismissed the lawsuit without prejudice. The suit is now closed.

July 12th Windstorm:

At 5:30 PM on Sunday, July 12th, an extreme summer wind storm, nearly the strength of a Category 1 hurricane, swept through Crow Wing and Cass Counties, causing excessive damage in East Gull Lake, Fairview, Lake Shore and Sylvan. The two township weather warning sirens sounded and the NIXLE system sent out a weather alert. Due to these warnings, there were no serious injuries or deaths attributed to the storm. Work crews began cleanup and rescue procedures immediately to secure access to roads and restore power. There was a heavy presence of Cass County Sheriff's officers and Pillager Firefighters to patrol, prevent gawkers, and monitor situations with the numerous nomadic tree crews that descended on the area. There were several campers stranded at the Rock Lake Campground, but a front-end loader from Nagel's saw mill was eventually able to clear a path up Orchard Park Ln. so they could get out.

Many areas within the township were without power for almost a week, causing communication problems. The town hall had power so it became command central for the Emergency Mgmt. meetings with the Cass County Sheriff's Dept., the state Homeland Security (HSEM), and the surrounding townships and cities.

At first, various commercial vendors allowed free debris disposal for area residents, but as the piles grew and the extent of the damage became apparent, they had to start charging by the load. East Gull Lake has a debris site for their residents which they opened to Fairview residents at first, but again, it just got too full and there were traffic issues caused by the long lines of vehicles on Cty 18.

Trees fell on the roof of the fire hall, requiring tree removal, repair to the fascia and the installation of a new roof, at a total cost of \$19,291. Insurance covered all but the \$2,500 deductible.

The overall storm damage dollars did not reach the threshold required for FEMA but the damage within Cass (and Crow Wing) county met HSEM levels, allowing us to qualify for 75% reimbursement of roadside clean-up costs, if we kept extensive documentation.

The removal of trees from the township right-of-ways was a daunting project. To facilitate the billing being forwarded to HSEM, East Gull Lake and Fairview agreed to pay \$7.75 per yard for all debris. The sheer mass of debris was a much larger project than Rardin Excavating could handle alone. When there is an emergency declaration, LGU's do not have to go through the standard bidding process, which allowed us to move more quickly than normal. On July 29th, the township entered into contracts with Rardin Excavating and Safety Tree Service (of Kansas City, MO.) for the removal of roadside debris at the rate of \$7.75 a yard. Rardins worked on the west side of the township, where damage was less severe. Safety Tree had 5 crews with 64 to 110-yard capacity grappler trucks working on the east side.

Cass County worked out an agreement with Knife River Paving to allow us to temporarily dump all debris in their gravel pit on Cty. 15, with the understanding it would be chipped and eventually hauled away. On August 10th, without any notice, Knife River closed off their pit due to the sheer volume of debris and their concern about private vehicles dumping amongst the large commercial trucks.

Anderson Bros Construction allowed us to use their Whitney Pit in Lake Shore and then the Hardy Lake Pit in Sylvan. The longer distance to travel and overhead electric lines then meant the process became much slower.

The debris removal bills from Rardins, Safety Tree Service and other smaller companies who helped with initial emergency road opening totaled \$704,060. This amount also includes \$51,561.00 to YTS for the grinding of 20,743 yards of debris at the Knife River pit.

The HSEM reimbursement process takes a while, requiring paperwork to be processed through various audits. They will only issue one check and only after all bills have been paid by the city or township. Fairview didn't have reserves to cover this kind of expense. The Community Projects and Road Reserves CD's were cashed in and the Money Market account was depleted, but it was still necessary to work with Bremer Bank to arrange a short-term \$250,000 line-of-credit.

On September 23rd, we submitted our final billings to HSEM. Total expenses were:

Emergency Road Clearing	\$23,467.50
Right-of-Way Debris Removal	680,592.50
Town/ Fire Hall Repairs	19,290.69
TOTAL	\$723,350.69
Less Insurance Reimbursement	<u>-16,790.69</u>
TOTAL TOWNSHIP EXPENSE	\$706,560.00

On November 20th the HSEM reimbursed \$530,738.17 to Fairview Township, which is 75% of the township expense, including some of the additional administrative hours worked by the clerk. After the reimbursement, the total storm damage expense absorbed by the township was: \$175,821.83.

Jon Rardin:

On October 15th Fairview Township lost a valuable and dedicated resident. Through the last 18 years Jon Rardin, as the owner of Rardin Excavating, provided the road maintenance and snow plowing services for our township roads. He was our first call for help, whether it was an icy road, an unexpected overnight snowstorm that left a resident snowbound early in the morning, or a tree that had fallen across a road. He worked countless hours this summer, clearing roads immediately after the storm, (even though his own home suffered major damage) and working with his crews to clear our roadside ditches to make our roads safer. He carried on his father's (Jim Rardin) legacy of service to his neighbors and community and is sadly missed.

Gull Lake Trail:

The Greater Minnesota Regional Trails Commission division of the Clean Water, Land & Legacy Dept. has designated the "Gull Lake Trail" being constructed through the City of Lake Shore as a "Regionally Significant Trail". This designation and ranking will allow the trail to be included in the statewide Trail System and will allow Lake Shore (and hopefully Fairview) an advantage when applying for funding to complete their portion of the trail.

Broadband Now Throughout the Township:

In February 2015, CTC was awarded a \$2 million Border-to-Border Broadband matching funds grant to subsidize the \$4 million dollar project to install broadband cable through the un-served portions of Fairview Township. Unfortunately, the grant didn't cover three roads in the south end of the township (Gull Lake Dr, White Pine Rd and Norway Pine Rd), which were only served by CenturyLink DSL service, and one north road (Gull Lane) that is in Charter Cable territory, but had no service.

CTC started work along the roadsides as soon as the frost was out of the ground. The storm in July could have caused some major problems for them, but our clean-up crews tried to stay ahead of the cable installers and CTC crews were able to stay on schedule.

As the summer progressed, CTC was able to work out a deal that allowed them to spend some of the grant funds to provide service to Gull Lane. They started hooking up service in October.

SciCable, which provides service to East Gull Lake and Maddens, agreed to extend their service to cover the three southerly roads. Those connections started in December.

Donations: Walt Richmond/ Bill LaTour/ Unanimous: Motion to authorize the Board of Supervisors to, at their discretion, **make the proper donations and expenditures in 2016 to support non-profit organizations that benefit the Township residents, **up to a total of \$10,000.** The Board has discontinued their support of the Cass County Economic Dev. Corp and have instead shifted their \$2,000 membership to Mount Ski Gull, which provides local jobs and recreation. Other agencies receiving donations from the township in the past include the Pillager County Fair, the Cass County Historical Society and the area Dive Team that works in conjunction with the Cass County Sheriff's Office. The residents in attendance were supportive of a plan whereby the township would buy containerized trees from Cass County for distribution to the area property owners for free or to be re-sold at a much-discounted price. The Clerk will investigate the purchase potential with Cass County and the best possible way they can be distributed or re-sold.**

2017 Levy: At the 2016 Annual meeting the residents approved a levy increase of 3.5% (\$9,900). The storm in July depleted much of the township's reserves. When the 2016 levy had to be officially filed in September of 2015, the Board of Supervisors unanimously voted to increase the levy to 9% (\$25,000) to \$310,000. The township's unreimbursed expenses from the storm were \$175,822. The bank account looks strong right now, but there was no road project completed last year and the roads have taken a severe beating from the fallen trees, logging trucks and clean-up crews. The Fire Fund does not have sufficient reserves and there will be large Road & Bridge expenditures through this year and next, which will deplete much of that account.

Ken LaPorte/Walt Richmond/Unanimous: Motion to increase the levy by 3.5% or \$9,950, setting a levy of \$319,950 for 2017. A resident voiced concern that when levies are increased, they don't usually go back down. It was pointed out that the Fairview levy was up to \$310,000 in the years 2007 to 2010, but that it had been reduced to \$284,200 in the years 2011 to 2015. As the reserves are brought back up to an acceptable level (determined by our Audit) the levy can be reduced. Also, when the new Fire assessment formula is adopted and it is prorated into use, the Fairview assessment will be reduced by up to \$20,000. **The new levy will be allocated as follows: Road & Bridge \$135,000, Fire & Safety \$95,000 and General Fund \$89,950.**

Liquor Licenses: Sharon Owen/ Jay Rardin/ Unanimous: Motion to approve the Liquor Licenses for Jake's City Grille, Mount Ski Gull and the Quarterdeck and to approve gambling permits for any special events (such as Lakeshore Conservation Club raffle) that may be requested.

Other Issues:

2017 Fairview Township Annual Meeting: Tom Dechmann/ Judy LaTour/ Unanimous: Motion to approve holding the Annual Meeting on Tuesday, March 14th at the Fairview Town Hall at 6:30 PM.

2016 Board of Review will be held on Friday, April 15th at 1 PM at the town hall.

2016 Annual Road Review will be held on Friday, April 15th starting at 7:30AM.

Sharon Owen/Jay Rardin/Unanimous: Motion to adjourn the Annual Meeting at 8:20 PM.

Respectfully submitted,
Marla Yoho, Clerk