

**TOWN OF FAYAL**  
**4375 SHADY LANE, EVELETH, MN 55734**

*Judy M. Sersha, Clerk/Treasurer*

*Steven J. Kniefel, Chairman*

*Supervisors: Tony Tamaro, James Pernu, Ron Beldo, Kathryn Erjavec*

*PHONE (218)744-2878*

*FAX (218) 744-5986*

**REGULAR MEETING OF THE FAYAL TOWN BOARD**

**FEBRUARY 3, 2004**

The Regular Meeting of the Fayal Board of Supervisors was called to order at 7:00 PM by Chairman Kniefel. Present were: Chairman Kniefel, Supervisor Beldo, Supervisor Erjavec, Supervisor Tamaro and Clerk Sersha. Also present was James Pernu, who was appointed by the Board at the January 20, 2004 Regular Meeting to fill the vacancy created by the resignation of Wes Ojanpa.

Audience members present were Dale Dickson, Mike Erjavec and Jerry Ulman.

**Motion to approve the minutes of the January 20, 2004 Regular Meeting, made by Supervisor Tamaro, support from Supervisor Beldo. Motion carried unanimously.**

Clerk Sersha then gave the official oath of office to James Pernu, and Mr. Pernu was seated as a board member.

**REPORTS**

**Clerk/Treasurer's Report-** Year end adjustments and accruals have been made. The December 2003 apportionment in the amount of \$33,524.17 was received on February 2 and distributed as follows: \$10,408.30 to General, \$6,734.13 to Road & Bridge, \$16,156.78 to debt service and \$224.96 to the Fayal water and sewer funds. A transfer in the amount of \$85,353.98 was made from Miners to Mt. Iron Checking, leaving a tentative balance as of February 3, 2003, of \$17,583.33 at Miners and \$728,825.78 at Mt. Iron.

Clerk Sersha explained the adjustments and year end transfers that were made. Discussion on the unreserved fund balance and mining effects.

**Motion to approve the Clerk/Treasurer's Report made by Supervisor Beldo, support from Supervisor Erjavec. Motion carried unanimously.**

**Motion to accept the Road & Bridge Report submitted by Steve Verkovich, made by Supervisor Beldo, support from Chairman Kniefel. Motion carried unanimously.**

**Motion to accept the January 2004 Police Report submitted by Chief Thompson, made by Chairman Kniefel, support from Supervisor Beldo. Motion carried unanimously.**

**CORRESPONDENCE**

SLC Assessor- Board of Review has been tentatively scheduled for May 5, 1-3 pm. Placed on file.

CARE Commission- Request for donation for E-G All Night Post Prom and Grad Parties. Referred to New Business.

LGA- Newsletter. Placed on file.

LHB Engineering- Contract for wastewater treatment plant feasibility study. Referred to Old Business.

SLCATO- Regular Meeting minutes of December 3, 2003. Next meeting Feb25, 7:30 pm, Cotton Placed on file.

Mark Weir Eveleth Virginia Airport Attorney- Requesting we adopt the Joint Airport Zoning Ordinance with St. Louis County, and appoint two representatives from Fayal to sit on the planning board. Referred to New Business.

MN Dept of Health- Proposals are being accepted to place public water system construction projects on the Drinking Water Revolving Fund. Deadline is Friday, May 21, 2004 4:30 pm. Placed on file.

City of Gilbert, Richard Homola- Gilbert is developing a Wellhead Protection Program to prevent human caused contaminants from entering our water supply wells. Referred to PUC.

Mesabi Daily News- Offer for advertising in the "Communities" edition. Placed on file.

USDA- Community Facility loans and grants are available and can be used for essential facilities, such as fire halls, rescue equipment, day care, street improvements etc. Placed on file.

Commissioner Nelson- Thank you for hosting the SLC Board of Commissioners meeting on January 27. Placed on file.

MN State Auditor-Preliminary review of SC-03 information for relief association retirement fund. Referred to Old Business.

Chairman Kniefel- 1) Letter to Steve Giorgi informing him the Town of Fayal desires to negotiate a new labor contract, and to contact Ron Beldo or Kathryn Erjavec. 2) Letter to Becky Sabie of the PFA informing her of the dispute with RLK and that we may need to request a disbursement. Placed on file.

## **OLD BUSINESS**

### **Supervisor Beldo-**

**Cedar Island Court/Lane-** Beldo spoke with the residents, and they have not heard back from the surveyor yet. The residents will contact the surveyor.

**Newsletter-** Two hundred newsletters were not delivered, due to the request for return service. The mailing list can now be updated and a copy will be forwarded to the Clerk's office.

### **Supervisor Erjavec-**

**Skating Shack-** The shack is being re-keyed. The keys will be give to Craig Homola for distribution to the attendants. The keys must be returned before the attendants will be given their final paychecks.

### **Supervisor Tamaro-**

**LHB Engineering Agreement-** Tamaro questioned if by signing the contract we would be obligated to LHB for the future. Kniefel stated he did not read the contract that way—the contract was only for the \$4,800 for the wastewater study, and that LHB was remiss in not having us sign the contract prior to the start of them performing the study. The contract will be referred to the PUC for their discussion and recommendation.

**Range Cornice-** No new billing has been received.

### **Chairman Kniefel-**

**Resolution 2004 -1-** Copies of the draft resolution to dedicate Russ Road were distributed to the Board for their review.

***Motion to adopt Resolution 2004-1 to dedicate Russ Road as Fayal Township road 6711, made by Chairman Kniefel, support from Supervisor Beldo. Motion carried unanimously.***

**RLK Dispute-** The issue of whether to remand the issue to district court, and not to arbitration will go before the judge on February 10. Our attorneys will keep us informed on the ruling.

**Sewer & Water Agreements-** Nothing at this time.

**OLD BUSINESS (Kniefel, continued)**

**Relief Association**- A letter was received from the state auditor's office informing the town that next year's township portion will be over \$21,000.00. Discussion on whether this is due to the Board's action to raise the yearly amount to \$1,800, from \$1,500.

***Motion to table the issue for further clarification from the auditor's office, made by Supervisor Beldo, support from Supervisor ERjavec. Motion carried unanimously.***

### **NEW BUSINESS**

Supervisor Beldo reported on the Road & Bridge Department's concern of the sewer pickup being gone last week when Dale attended training. Beldo reported there was no vehicle to pull the generator. Tammaro disagreed and stated there is a fire vehicle that can pull the generator. Discussion.

Supervisor Beldo stated he favors re-keying the township facility, due to items turning up missing. Short discussion on options, no action taken.

Supervisor Erjavec reported that the term on the Joint Rec Board recently resigned by Mark Mesich lasts until January 2005. Clerk Sersha reported that Dean Vincent and Tim Thompson have expressed interest in filling the term.

***Motion to appoint Tim Thompson to as a Fayal representative on the Joint Rec Board until January 2005, made by Supervisor Erjavec, support from Supervisor Tammaro. Erjavec, Tammaro, Beldo and Pernu voted yes. Kniefel voted no. Motion carried.***

Supervisor Pernu reported that Al took him on a tour of the town complex, and there are many items and areas in need of repair. Chairman Kniefel advised Supervisor Pernu to put together a package and present it to the Board.

Supervisor Tammaro reported he will be putting together a schedule for carrying the pager. The schedule will be flexible, and scheduling is not a contract issue. Supervisor Beldo disagreed, and stated that the contract states employees can opt out of carrying the pager. Discussion.

Chairman Kniefel reminded the Board that in March there are Regular meetings scheduled the first and third Tuesdays and the Annual Meeting is the second Tuesday.

***Motion to cancel the Regular Meeting on the third Tuesday of March, made by Supervisor Tammaro, support from Chairman Kniefel. Motion carried unanimously.***

***Motion to authorize Chief Thompson to purchase records management software from the mining effects funds, not to exceed \$3,200.00, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.***

Discussion on the request from the Eveleth-Virginia Airport for Fayal to adopt their zoning ordinance by resolution, and for the appointment of two individuals from Fayal for the zoning board. Kniefel states the ordinance should be re-crafted, and then adopted by all parties. Board discussion.

***Motion to table the issue until the next meeting, and consult with Paul Cerkvenik on the need for the ordinance to be re-done by all parties, made by Chairman Kniefel, support from Supervisor Beldo. Motion carried unanimously.***

***Motion to donate \$200.00 to the Care Commission for the Post Grad and Prom Parties, made by Supervisor Tammaro, support from Supervisor Erjavec. Motion carried unanimously.***

### **CITIZEN CONCERNS AND COMMENTS**

Jerry Ulman, Mike Erjavec and Dale Dickson were present but had no comment.

### **BUDGET 2005**

Discussions on the unreserved fund balance, and what needs to be funded.

***Motion to transfer \$100,000.00 to the Capital Equipment fund, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.***

**Motion to transfer \$50,000.00 to Road & Bridge made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.**

**Motion to transfer \$30,000.00 to fund an employee benefits liability fund, made by Supervisor Erjavec, support from Supervisor Tammaro. Motion carried unanimously.**

Discussion on uses for the 2003 Mining Effects funds. Clerk Sersha to report to IRRRB that 2003 funds will be used for the bike trail and building and grounds improvements.

Discussion on the levy and budget. At the last meeting proposals for the levy came in at \$494,700, a 3.38% increase over 2004. Much discussion on whether the board should present a lower increase in levy. Supervisor Erjavec disagreed with lowering the levy and stated we are losing funds, and the levy should be increased.

**Motion to present a 2% increase in the levy from 2004 to \$487,500.00 for the year 2005, made by Chairman Kniefel, support from Supervisor Tammaro. Kniefel, Tammaro, Beldo and Pernu voted yes. Erjavec voted no. Motion carried.**

At this time, 9:14 PM, Chairman Kniefel stated that Supervisor Beldo requested we close the meeting to discuss union contract strategy.

Motion to close the meeting to discuss union contracts, made by Supervisor Beldo, support from Supervisor Erjavec. Motion carried unanimously.

**(Clerk's Note- Per MN Statute 13D.03, Subd. 2 (a) & (b) the closed portion of the meeting was tape recorded. The tape will be preserved for two years after the contract is signed and will be made available to the public after all labor contracts are signed by the board.)**

The meeting was reopened and adjourned at 9:45 PM.

Respectfully submitted,

Judy M. Sersha  
Clerk of Fayal

**Approved:** \_\_\_\_\_  
**Chair**

**Attest:** \_\_\_\_\_  
**Clerk**

