

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

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REGULAR MEETING OF THE FAYAL TOWN BOARD

APRIL 6, 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 Pernu, Supervisor Tamaro and Clerk Sersha.

Audience members in attendance were: Erik Porkanen, Dave Zelinski, Ron Cerar, Jerry Ulman, Mike Erjavec, Dale Dickson and Andrew Strandsky.

Motion to approve the minutes of the March 2, 2004 Regular Meeting made by Supervisor Tamaro, support from Supervisor Beldo. Supervisor Beldo questioned if the amount discussed for the Relief Association was correct. Clerk Sersha stated she used the amount listed in the resolution that was passed by the board. Motion carried unanimously.

SCHEDULED GUESTS

Erik Porkanen was in attendance, and explained to the Board he recently purchased three lots located adjacent to his homesite, two of which have special sewer assessments.

(Clerk's Note- Homesite = Lots 2 & 3 Bl. 1, lake side, & Lots 1 & 2, Bl.3, across the road, all one assessment. Purchased lots = Lot 1, Bl.1, lake side, adjacent to house - one assessment, and Lots 3 & 4, Bl. 3, across the road, adjacent to part of homesite- one assessment)

Mr. Porkanen requested the two special assessments on the lots he purchased be waived, since he is already being specially assessed for sewer on his homesite. The Board questioned if Mr. Porkanen was aware there were assessments on the parcels prior to purchasing them, and Mr. Porkanen answered that yes, he knew about the assessments. Mr. Porkanen stated that the lot located next to his home on the lake side (Lot 1) is too small to build on and questioned how there could be a benefit to that lot? Chairman Kniefel explained that all properties located within the sewered area were considered a benefitted property, and that persons who did not believe there was a benefit to their property had the opportunity to speak at the public hearing. The owner of the property at the time did not protest the assessments. Discussion on whether an assessment can be removed once it has been placed, and the fact that the assessments have been paid for the last three years, and if a refund would have to be made if the assessment were removed. Consensus of the Board is they may consider removal on Lot 1, Bl. 1, but not on Lots 3 & 4, Bl.3.

Motion to table Mr. Porkanen's request until a legal opinion can be obtained on the issue made by Supervisor Beldo, support from Chairman Kniefel. Supervisor Tamaro asked that the motion be clarified to only obtain an opinion on Lot 1 and not Lots 3 & 4, which are not being considered. Beldo and Kniefel agreed to the clarification. Motion carried unanimously.

Ron Cerar was in attendance concerning his subdivision plans. An agreement was drawn up between the township and Mr. Cerar giving credit for the value of infrastructure installed in the subdivision by Cerar against water and sewer access charges and a road, and in exchange, Cerar will turn the infrastructure over to the township. The dollar amount of the value of the infrastructure was in debate. Cerar wants \$138,800 in credit towards the access charges, which includes legal fees, surveying, advertising and other costs. Supervisors Tamaro and Kniefel had been negotiating with Mr. Cerar and felt that \$120,000 would be fair. Supervisor Beldo was concerned that there are no provisions for the road to be blacktopped and that the township would be taking over a road that would need to be upgraded. Beldo states there is no money in the budget to blacktop the road and is concerned with the dust from the road going all over the neighborhood. Special assessments would have to be considered for the blacktop. Much discussion by the Board.

Motion to credit \$132,000.00 in access charges in exchange for the infrastructure made by Supervisor Tamaro, support from Chairman Kniefel. Much more discussion. Beldo and Erjavec do not agree with the dollar amount, and vote no. Tamaro, Kniefel and Pernu vote yes. Motion carries. Ron Cerar states he believes the \$138,800 figure is a fair price, based on prior discussions and what he was told to do. Kniefel states we will reconsider the motion later in the meeting, but at this time we will table any further discussion.

REPORTS

Clerk/Treasurer's Report-For the month of February 2004, receipts for all accounts were \$66,076.75 and expenditures were \$112,642.93. March 2004 receipts for all accounts were \$84,346.06 and expenditures were \$63,286.48, leaving ending balances as of March 31, 2004 as follows:

Miners Bank-\$98,090.94
American Bank Checking- \$676,876.51
American Bank Assessment Account- \$437,864.30

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

Motion to accept the March 2004 Police Report made by Chairman Kniefel, support from Supervisor Tamaro. Motion carried unanimously.

Motion to accept the March 10, 2004 Fire Department Regular Meeting minutes made by Chairman Kniefel, support from Supervisor Beldo. Motion carried unanimously.

Motion to accept the unapproved EFGS Joint Rec Regular Meeting minutes of March 10 2004, made by Supervisor Erjavec, support from Chairman Kniefel. Motion carried unanimously.

Motion to accept the unapproved EFGSD Joint Cable TV Regular Meeting minutes of March 4, made by Supervisor Erjavec, support from Chairman Kniefel. Motion carried unanimously.

Motion to accept the March 4, 2004 Road & Bridge Report made by Supervisor Beldo, support from Supervisor Erjavec. Motion carried unanimously.

CORRESPONDENCE

Trenti Law Firm- Copy of letter sent to Andrea Allen of the American Arbitration Association informing her that Fayal will not be proceeding to arbitration with RLK . The matter has been stayed by District Court, and Fayal will not be paying the invoice of \$4,775.00 for arbitrator compensation and expense deposit. Reply letter from Andrea Allen, AAA confirming the parties have agreed to place the matter in abeyance and the Association will hold it for one year. Beyond that, we must provide a payment of \$300 to cover the administrative expense of continued tracking of such cases. Placed on file.

MN Dept. of Health- Report of routine inspection of the community water supply. They recommend the township institute a system of permits and inspections to enforce the Minnesota Plumbing Code. Referred to PUC, placed on file.

SLC Solid Waste Dept- Information on 2004 hours of operation, tipping fees, hazardous waste collection schedules, burn barrel brochure, and recycling. Posted.

City of Virginia Mayor Gentilini- Letter regarding ambulance service, and invitation to meeting on Tuesday, March 23, 4:45 pm, Council Chambers, Virginia City hall. Referred to New Business.

Office of the State Auditor- Information on the 2002, 2003 and 2004 municipal contributions for the Fayal Fire Relief Association. Referred to Fire Relief Association.

There was ice and snow damage to the air conditioning unit behind the town hall. Referred to Buildings & Grounds.

Alan Doberstein, Total Control Systems- Letter regarding an invoice that has not been paid. If not paid by the end of March they will begin collection proceedings,. Referred to Supervisor Tammaro.

City of Gilbert, Gary Mackley- Two copies of the Gilbert/Fayal Water Agreement. One executed copy was sent to Gilbert, the other placed on file.

SLC CDBG- 2005 Program Kickoff will be held Wednesday, April 7, 1:00 - 3:00 pm, Mt. Iron Community Center. Placed on file.

SLCATO- Regular Meeting minutes of February 25, 2004. Next meeting is April 28, Cotton Community Center, Annual Election of Officers and Annual Meeting. Placed on file.

LGA- Several updates on annexation legislation. A new bill was introduced which would impose a temporary moratorium on all contested case annexations until June 2006. Placed on file.

Scott Neff- Draft of the Developers Agreement in connection with the Ron and Marilyn Cerar Plat. Referred to New Business.

Diane Stewart- Request, on behalf of the Boy Scouts, for the old address posts to be removed by the R & B Dept. To be used for a Scout project involving placing duck houses. Referred to New Business.

Mesabi Daily News- They will be running a special promotion during National Police Week, and they want to know if we want to place an ad. Placed on file.

George Aune - Request for renewal of Sunday and on-sale intoxicating liquor license. Referred to New Business.

Richard Sarazin II- Request for renewal of 3.2 malt liquor license. Referred to New Business.

MediaCom- Franchise fees for 4th qtr. 2003 in the amount of \$2,373.33. Placed on file.

Rudy Schoolerman- SLC will hold a third Hazard Mitigation meeting on Tuesday, April 20, 9:30 am at the SLC Emergency Operations Center in Duluth. Placed on file.

SLC Solid Waste- Solid waste coupon vendors list. Placed on file.

MSI Insurance- They are officially named Country Insurance & Financial Services. Placed on file.

Greater MN Agency- Letter informing us we will soon receive our group rate renewal package from BC/BS. Premium will increase 16.3%. Placed on file.

BC/BS- Information packet on benefits, rates and changes to the health plan. Placed on file.

SLC Public Works- The SLC Public Works Department maintenance employee have filed a job action and a strike could begin between April 2 and April 22. If that happens only minimal or emergency road maintenance will be performed. Placed on file.

Judge Florey- The conciliation court proceeding between Ryan Turner versus RLK and Fayal was dismissed because the plaintiff did not meet his burden of proof. Placed on file.

SLC Fair- Request for donation. Referred to New Business.

Range Landscape- Request for payment of Invoice 5725 in the amount of \$1,500, plus finance charges of \$1,112.42 for work done in September 1999 on the 132 Trail Realignment project. Referred to New Business.

MN Revenue- Taconite aid payments to be received for 2004 total \$75,333. Placed on file.

MN Ass'n of Twps- Clerk & Treasurer Bond. Placed on file.

OLD BUSINESS

Supervisor Beldo-

-Attended SLCATO meeting in Cotton. The county assessor's office put on a mock Board of Review, which was done very well. Beldo states the individual discussions with property owners must be open to the public.

- Attended township ShortCourse in Eveleth

NEW BUSINESS (Continued, Beldo)

- Cedar Island Court is in the surveyor's hands, and is currently researching records for a starting point.

-Right to Know- Laura Korpi will be holding a training class for employees on April 1. Cost for her services is expected to be \$150.

-Employee Union Contracts- Beldo and Erjavec will be meeting with AFSCME rep Steve Giorgi and employees on April 19.

Supervisor Erjavec-

-Attended township ShortCourse in Eveleth. 1)A dental plan is now available through the township association. 2)We will be required to provide handicapped accessible voting machines. 3) Grants are available for handicap accessibility.

-Planning Meeting- 1) Discussed mitigation points required if there is a variance 2) Complex Grounds-Discussion on area across from the Shortstop. Erjavec states the Planning Committee would like for the area to be no parking at any time. No Parking signs cannot not be placed until an ordinance is adopted by the board. Sersha states we have an ordinance for the area on Ely Lake Drive near the seaplane base-perhaps that ordinance could be updated to include other areas. The Committee also has several other ideas for the grounds, but would like to have a landscape architect draw up a plan. A Request for Proposal will be sought.

Supervisor Pernu-

-Waste-site brush pile- If we have the pile chipped, we can sell the material and be at a break-even point, except for the man hours for hauling. Pernu suggests the pile be burned by the fire department, at no cost. Pernu to contact Chief Shykes.

-Garage floor drain- Pernu states he has done extensive research on the four quotes he received, and recommends we go with Curry, who constructed the drain originally. Cost will be \$7,380.00.

Motion to accept the Curry quote on the condition the proper insurance is provided, made by Supervisor Pernu, support from Supervisor Beldo. Motion carried unanimously.

-Door Jamb- Pernu reports he received four quotes, and recommends we go with KBC for a cost of \$885.00

Motion to accept the quote from KBC for repair of the door jam, made by Supervisor Pernu, support from Supervisor Tamaro. Motion carried unanimously.

-Town Hall- Instead of just replacing the panels, Pernu states he would like to get other ideas for the front of the hall and look at refurbishing the entire front. The contractors that were contacted previously for the panels will be contacted for quotes to do the entire front of the hall.

Discussion on the township web page. Erjavec questions why the page is not up? Sersha answers that have the domain name but we need someone to keep up the page.

Supervisor Tamaro-

LHB Engineering Agreement- The PUC has recommended the agreement not be signed, but their bill be paid. The work has been done and there is no need to sign an agreement at this time.

Chairman Kniefel-

Tax Forfeit property special assessments- There are tax forfeit properties that have been sold that need to have a sewer assessment placed. Sersha to research.

NEW BUSINESS

Supervisor Beldo reports we need to have an AWAIR program on file. Laura Korpi will provide a program for us for \$400.00

NEW BUSINESS (Continued)

Motion to approve expenditure of \$400.00 for Laura Korpi to prepare an AWAIR program for Fayal, made by Supervisor Beldo, support from Supervisor Tammaro. Motion carried unanimously.

Supervisor Beldo reports he spoke with Steve and Al regarding the confined space procedures, and feels a review of the policy is needed by all employees. Steve will be reviewing the policy with all employees, and each will be required to check-off on the policy so everyone is on the same page.

Supervisor Beldo informs that a new computer is needed in the Road & Bridge Department.

Motion to purchase a computer, at a cost not exceed \$950.00, for the Road & Bridge Department, made by Supervisor Beldo, support from Supervisor Tammaro. Motion carried unanimously.

Supervisor Beldo questioned if resolutions adopted by the Board could be posted with the minutes. Clerk Sersha answered that is no problem.

Motion to post resolutions as they are done, starting in 2004, made by Supervisor Beldo, support from Chairman Kniefel. Motion carried unanimously.

Discussion on the 2003-04 budget and the proposed 2004-05 budget for the Joint Cable TV. Supervisor Erjavec reports there is a shortfall in the 03-04 budget, and Fayal's share is \$180.00.

Motion to contribute Fayal's portion of the shortfall in the amount of \$180.00, contingent upon the other entities involved approving the shortfall, made by Supervisor Erjavec, support from Supervisor Beldo. Motion carried unanimously.

Motion to accept the 2004-04 Joint Cable TV budget, and fund it from the franchise fees, made by Supervisor Erjavec, support from Chairman Kniefel. Motion carried unanimously.

Supervisor Erjavec stated she would like to develop an actual amount of what the employee's retirement benefits are going to be so we can better plan to fund them. Clerk Sersha will contact Gary Giroux.

Supervisor Pernu reminded the Board the yardwaste site will be open Noon-5, April 23,23,25,30, May 1,2,7,8,9. Supervisor Pernu also commented on the terrible condition the bike trail is in. Al will sweep the trail.

Supervisor Tammaro reported he is still working on the Relief Association by-laws, but should have them done soon.

Discussion on the letter received from Dennis Serшон of Range Landscape. Mr. Serшон is requesting final payment on Invoice 5725 from September 1999, for work done by his company on the hill by the Vet's Park. One-half of the \$3,000.00 invoice was paid in November 2000, but there is still \$1,500.00 owing. To that, Mr. Serшон has added finance charges compiled in the amount of \$1,112.42. Mr. Serшон's total request is \$2,612.42. The Board is still not satisfied with how the hill looks.

Motion not to pay the balance of Invoice 5725 or the finance charges, submitted by Dennis Serшон of Range Landscape, made by Supervisor Beldo, support from Supervisor Tammaro. Motion carried unanimously.

Chairman Kniefel reported on the ambulance meeting he attended in Virginia. The meeting was well attended and Virginia is looking for the outlying areas to help support the ambulance service. Eveleth is having the same funding problems with their ambulance. Kniefel states we can anticipate hearing from Eveleth as well.

Motion to approve the request for renewal of the 2004-2005 3.2 Percent Malt Liquor License for Richard Sarazin II d.b.a. R.D. Sarazin II Golf Management, Eveleth Municipal Golf Course, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.

Motion to approve the request for renewal of the 2004-2005 request for Sunday and on-sale intoxicating liquor license for George Aune, d.b.a. Aune's Supper Club, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.

Motion to donate \$0 to the St. Louis County Fair, made by Supervisor Tammaro, support from Chairman Kniefel. Motion carried unanimously.

The Board discussed the Cerar development agreement, but took no further action.

Motion to donate the used 911 sign posts to the BoyScouts to use for duck houses, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.

CITIZEN CONCERNS AND COMMENTS

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

Dale Dickson was in attendance and informed the Board that there are eight weeks where no one is scheduled for the pager. Dickson asked who is responsible for coverage? Chairman Kniefel answered the town board liaison should be taking care of it. Supervisor Beldo said that on a week that is not scheduled, it can be delegated.

Dickson then asked for clarification on who is responsible to carry the pager during the working hours of the day, because the town foreman refuses to carry the pager during the day if he is not getting paid extra for it. Discussion, Beldo will speak with the foreman.

Motion to pay the bills, and add the second half of the LHB bill, code the M & M bill to Fire, and to not approve the past due portion of the A-1 bill until invoices are received, made by Supervisor Tammaro, support from Supervisor Beldo. Motion carried unanimously.

Motion to adjourn by Supervisor Tammaro.

Regular Meeting adjourned at 9:52 PM.

Respectfully submitted,

Judy M. Sersha
Clerk of Fayal

Approved: _____
Chair

Attest: _____
Clerk