

TOWN OF FAYAL
4375 SHADY LANE, EVELETH, MN 55734

Judy M. Sersha, Clerk/Treasurer

Steven J. Kniefel, Chairman

Supervisors: Tony Tamaro, James Pernu, Lee Branville, Joe Stewart

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ANNUAL MEETING

MARCH 13, 2007

The Town of Fayal Annual Meeting was called to order at 7:00 PM by Clerk Judy Sersha. Approximately 26 people were in attendance. A list of those attending is attached to these minutes.

Clerk Sersha stated the first order of business was to stand and say the Pledge of Allegiance.

Clerk Sersha then called for nominations for moderator.

Motion by Jim Pernu, support from John Damberg to nominate Steve Shykes as moderator. Clerk Sersha asked if there were any more nominations. There being none, Sersha called for the question. Motion carried unanimously.

Steve Shykes welcomed the people to the Annual Meeting and explained that this is the meeting for people to bring any of their concerns or issues up for discussion. Mr. Shykes explained the order of business for tonight's meeting, and asked that people identify themselves by name when speaking.

APPROVAL OF THE 2006 ANNUAL MEETING MINUTES

Motion to approve the minutes of the March 14, 2006 Annual Meeting, made by Jim Pernu, support from John Damberg. Motion carried unanimously.

FINANCIAL AND TREASURER'S REPORT

Moderator Shykes then called upon Clerk/Treasurer Judy Sersha to report on the financial status of the town. The General fund ended the year with a \$668,404 balance and the Road & Bridge Special Revenue Fund ended the year with a \$101,649 balance. A complete report is attached to these minutes.

Frank Erjavec questioned if there would be a report on sewer and water funds. Clerk Sersha stated she is reporting only on levy funds, but the enterprise fund numbers are available in the audit report and at the next PUC meeting, which is March 20.

Motion to approve the 2006 Financial & Treasurer's Report, made by Joe Petrich, support from Denny Bone. Motion carried unanimously.

FINANCIAL NEEDS FOR THE TOWN

Moderator Shykes called upon town chair Steve Kniefel to make his report.

Mr. Kniefel welcomed everyone and thanked Steve Shykes for agreeing to serve as moderator again this year. Mr. Kniefel introduced and thanked his fellow board members for all of their hard work. Mr. Kniefel explained the 2008 board recommended levy to the audience. Proposed for 2008: General- \$90,000, Buildings & Grounds- \$41,210, Fire- \$55,000, Recreation- \$12,400, Police- \$33,000, Capital Equipment- \$30,000, Road & Bridge- \$250,000, for a total of \$511,610.00 or a 2.10% increase over 2007. A complete report is attached to these minutes.

DESIGNATING POSTING PLACES

Moderator Shykes explained the present locations of our designated posting places are as follows: 1) Fayal Town Hall 2) West Long Lake 3) East Long Lake Road (across from Art Tweten's) 4) Ely Lake Shortstop 5) At Your Convenience (Hwy. 53 South) 6) Differding Point.

Motion to approve the existing posting places made by Frank Erjavec, support from Mike

Priest. Denny Bone questioned if the minutes are always put on the web page. Clerk Sersha answered that upon approval they are posted on the web site, and archived by year. Denny Bone offered a suggestion to include the web site as another official posting place. Frank Erjavec amended his motion to reflect the addition of the web site as a seventh official posting place, and Mike Priest supported the amendment. Motion carried unanimously.

SETTING TOWN BOARD SALARIES

Moderator Shykes then stated the next order of business is setting compensation for the town board. Currently, the salaries are as follows: Supervisor- \$3,204.00 per year or \$270.00 per month, plus mileage and expenses as incurred and Chair- \$3,600.00 per year or \$300.00 per month, plus mileage and expenses as incurred. The current Conus mileage rate, which was approved at last years Annual Meeting is 48.5 cents per mile and is subject to change throughout the year.

Denny Bone stated that since the levy increase recommendation by the board is at 2%, the board members all be given a 2% increase in salary.

Motion to increase the town board salary by 2% made by Denny Bone, support from George Sedgeman. Motion carried unanimously.

FIRE DEPARTMENT BUSINESS

Moderator Shykes, who also serves as the Fire Chief, called upon Assistant Fire Chief Scott Smith to give the Annual Fire Report. Smith reported there were a total of 65 calls in 2006- 10 structure fires, 5 wildland fires, 3 vehicle fires, 3 rescues, 39 EMS calls and 5 other alarms. Currently there are 19 firefighters on the department and there were three retirements, those being Jess Nuno, Greg Weaver and Nick Domiano, who retired with 20 years of service. Smith reported on the \$227,000 in FEMA grants the department received and the equipment that was purchased. Also in 2006 the Fayal Fire Department and Eveleth Fire Department entered into a simulcast paging agreement for fire calls, which has worked out well. The department also completed the final phase of the Fire Wise Program.

Denny Bone stated he appreciated the work the Fire Department did on the Firewise program, which evaluated home sites on fire danger by assessing the proximity of trees and vegetation to homes. Mr. Bone questioned if the department is prepared for the spring, as a drought is expected. Mr. Smith answered they are prepared. Mr. Bone also stated his concern on illegal burning in the township and questioned if there is a way for residents to be notified that only the burning of vegetative material is legal. Mr. Shykes answered that is under the control of the DNR and if illegal burning activity is going on, it should be reported to the DNR. Clerk Sersha stated that when she issues burning permits, persons are told it is only for brush and leaves, but she cannot control what people burn. Mr. Bone questioned if an insert could be placed in the utility bills informing people what is legal to burn. Sersha stated that could be done, but only a portion of people living in the township receive bills.

Jim Pernu questioned how the new fire truck is working out. Mr. Smith answered it is a good truck and the department is very satisfied with it.

Kelly Campbell commended the Fire Department on the wonderful open house that took place last October. Mr. Campbell stated it is a great opportunity for people to get out and see what the department has, and it should be an annual or bi-annual event. Mr. Smith stated they were very pleased with the turnout and it was a celebration of the Fire Department's 20 year anniversary.

SUPERVISORS REPORTS

Road & Bridge- Jim Pernu reported on the activities and duties during the past year of the two road employees, Steve Verkovich and Al Jurenic. Mr. Pernu reported that in conjunction with St. Louis County, overlays were done on Burke Road, Park Boulevard, one half mile of Thunderbird Trail, Pine Drive, west of Hwy. 53, Long Lake Drive East and Moon Lake Drive South, at a cost of \$175,265.00. A complete copy of the report is attached to these minutes.

Denny Bone added that the Road crew also put a lift of Class 5 on St. Mary's Court last summer.

Police- Joe Stewart reported there were a total of 744 law enforcement 911 calls in 2006. Our police department is manned by one 20 hour per week officer, Harvey Thompson, who carries a full-time license. Primary law enforcement is the St. Louis County Sheriff, although they do not enforce our township ordinances. Chief Thompson enforces the local ordinances but advises to always call 911 in an emergency, even if you are in doubt that it is an emergency. If you need to speak to Thompson for another reason you may call him at home or leave a message and he will get back to you. Chief Thompson's complete report is attached to these minutes.

Denny Bone questioned why the SLC Sheriff won't enforce local ordinances. Mr. Stewart explained that they just do not, and as a retired sheriff himself, he knows the Sheriff's Department will not get into the enforcement of local ordinances. Mr. Bone questioned what local ordinance we have that would need enforcement? Mr. Stewart explained the one that is enforced the most by Chief Thompson is the animal ordinance, and many of them are processed by Thompson every year.

Buildings & Grounds- Jim Pernu reported on projects that were done in 2006 and what is planned for 2007. In the past year, new "Welcome to Fayal" signs were purchased and installed, the skating rink boards were repaired, automatic door openers were installed to the town hall and clerk's office with the help of a federal HAVA grant. Also new panels were installed on the garage front, new locks and re-keying was done on the complex, and tree stump removal etc was done in the park area. With the installation of the new hot water system and the re-zoning of the complex heating system we have saved about \$3893 in gas utilities over the last year. Plans for 2007 are for new carpet and reconfiguration in the clerk's office, with the addition of some new office furniture to make it handicap accessible and painting in the town hall. Landscaping will be done in the park area, with it to be covered in three inches of topsoil and seeded. Mr. Pernu thanked the fire department for burning the brush pile after the removal of several trees in the park area.

Mr. Pernu also reported on the skating rink, stating there have been many positive comments and nearly 1,000 kids have skated at the rink this past winter. Mr. Pernu commended the two rink attendants, Charlie Erickson and Dennis Pernu for doing an excellent job. Mr. Pernu's complete report is attached to these minutes.

Planning Commission- Steve Kniefel thanked the members of the Planning Commission for all of their hard work. There is currently a vacancy on the Commission and a volunteer is needed. The Commission reviews variance requests submitted to St. Louis County Planning and they often comment on them to see to it the requests conform to the township's comprehensive plan. The commission has been doing an excellent job and is working on a long range site plan for the town complex and will be looking at updating the town's comprehensive plan.

Public Utilities- Lee Branville reported on activities of the Public Utilities Commission. Members are: Peter Bertucci, Kelly Campbell, Mike Erjavec, John Damberg and Dennis Pernu. There is currently a vacancy on the commission and a new member is needed. The PUC deals with water, sewer, cable TV, street lights, natural gas and sewer variances. It is very important that variances be obtained for outbuildings and saunas, as they must be connected to the sewer. The water system has been running well with no problems. As for natural gas, contact Minnesota Energy for information.

Mike Priest questioned why it costs twice as much for sewer than water. Kelly Campbell answered that the treatment costs for sewer are much higher, as is the maintenance costs.

Frank Erjavec questioned why there is no franchise fee on DSL internet service from Qwest, and there is a fee for internet from Mediacom. Mr. Branville answered that there is currently a bill in Congress that will do away with franchise fees for cable companies, so in the future we may not be able to collect those fees.

Ed Vest questioned if all of the legal work has been completed on the sewer line easements. Steve Kniefel explained that there were four right-of-way plats recorded showing where the lines are located on private property, but as for each individual easement being described and recorded, that has not been done. However, by recording the plats, the easement will show up on individual's parcels.

OTHER BUSINESS TO COME BEFORE THE MEETING

Moderator Shykes stated there are two items of business from last year's Annual Meeting to discuss.

Publishing Costs for Minutes- Clerk Sersha submitted a report showing what the cost would be for

publication in either the Mesabi Daily News or Manney's Shopper. Per inch cost for MDN is \$9.68 per column inch. A typical set of minutes consisting of four legal pages, not including a listing of the bills would be \$513.05 from the MDN and \$12.38 per column inch from Manney's Shopper or \$656.14. The Manney's Shopper is not a legal newspaper, but they will publish the minutes.

Denny Bone stated that is too high of a cost and stated he is satisfied with the places of posting, especially with the addition of the Fayal web page being included as an official place of posting.

Snowmobiling/ATV's on town waterlines- This issue was tasked to the PUC for their research and recommendation. Mike Erjavec presented the PUC's official motion: Motion to have the Town Board amend ordinance 99-2 snowmobile ordinance to make it unlawful for snowmobiles to drive over peoples waterlines in the ditches, whether on county roads or township roads and to allow people to use non-lethal means to stop snowmobiles.

Ed Vest questioned the legality of such an amendment, since it is legal to drive in the ditch bottom. Steve Kniefel stated the problem arose last year when several citations were issued against homeowners that erected barriers or structures in the right-of-ways that could be dangerous to drivers of ATV's or snowmobiles. Discussion, no action taken.

Moderator Shykes asked if there were any other issues anyone would like to discuss.

Motion by Steve Kniefel, support from Mary Maki to have a PA system at next year's Annual Meeting so everyone can hear. Motion carried unanimously.

Joe Petrich asked if the citizens could give a raise to the clerk and deputy clerk. Steve Kniefel answered the town board sets those salaries, which are similar to the board's salaries, at the Reorganization Meeting every two years. The clerk also has a separate contract as office manager for business hours. As for the supervisor's and chair salaries, the town board has deferred the setting of those salaries to the people at the Annual Meeting for many years. The town board can reaffirm their salaries at the next regular meeting.

Denny Bone questioned what the procedure is to work towards a bituminous surface on St. Mary's Court. Steve Kniefel stated that if the residents on that road are considering an upgrade, the first step is to petition the town board of their proposed improvement and the board can decide what action to take. Ed Vest stated there is not a lot of drainage on the road and it needs work, also the material on the road is very messy and something needs to be done soon. Becky Bone stated she remembers that the road was supposed to be paved but the money went to another road. Steve Kniefel stated that there used to be funds from the IRRRB used in the paving of roads, but those funds do not exist anymore. Mary Maki stated she has lived on her road for 56 years and last year Pine Drive was re-paved and the blacktop still stops short of her house. Mrs. Maki questioned if she has to live there another 56 years before she gets blacktop?

Moderator Shykes stated if there were no further business from the floor, he would ask for a motion to set the levy.

Motion to set the levy for 2008 at \$511,610.00, as proposed by the town board, made by Frank Erjavec, support from John Damberg. Denny Bone questioned why the rec budget was reduced and how much is the fund balance? Clerk Sersha answered that for many years funds were being set aside to upgrade the bike trail and the balance is at approximately \$75,000. Steve Kniefel explained that the bike trail will be upgraded by the Rail Authority and be a spur of the Mesabi Trail. We have more than enough in the rec fund for matching purposes, and that is why that budget was reduced. Motion carried unanimously.

Motion to adjourn by Mike Priest, support from Frank Erjavec. Denny Bone thanked Steve Shykes for acting as moderator. Motion carried unanimously.

Annual Meeting 2007 adjourned at 8:50 PM.

Respectfully submitted,

Judy M. Sersha
Clerk of Fayal

2007 FAYAL TOWNSHIP ANNUAL MEETING AGENDA

**I. INTRODUCTION- CALL TO ORDER- PLEDGE OF ALLEGIANCE
ELECTION OF MODERATOR**

II. ANNUAL MEETING BUSINESS

- Approval of a Moderator
- Approval of Annual Meeting Minutes of 2006
- 2006 Financial Report of the Clerk/Treasurer
- Report of the Town Chair on the Financial Needs for the Town in 2008
- Designating posting places
- Setting Compensation for Town Supervisors
- Fire Department Business
- Town Supervisors Reports
- Any other business which might come before the meeting
 - Publishing Costs of Minutes in Mesabi Daily News and/or Manney's Shopper
 - PUC Report on Snowmobiles/ATV's driving on town waterlines
 - Setting the time for the Annual Meeting of 2008
- Setting of the town levy for year 2008

III. ADJOURNMENT

TOWN OF FAYAL
Proposed 2008 Levy
March 13, 2007

TOWN OF FAYAL
Proposed 2008 Levy

	Approved Levy 2001	Approved Levy 2002	Approved Levy 2003	Approved Levy 2004	Approved Levy 2005	Approved Levy 2006	Approved Levy 2007	Proposed Levy 2008
General Fund	\$ 83,000.00	\$ 70,000.00	\$ 88,000.00	\$ 100,000.00	\$ 96,000.00	\$ 89,300.00	\$ 99,000.00	\$ 90,000.00
Buildings & Grounds	\$ 21,000.00	\$ 30,000.00	\$ 30,000.00	\$ 27,000.00	\$ 30,000.00	\$ 35,000.00	\$ 41,300.00	\$ 41,210.00
Fire	\$ 49,500.00	\$ 51,000.00	\$ 52,500.00	\$ 53,900.00	\$ 55,500.00	\$ 56,600.00	\$ 47,000.00	\$ 55,000.00
Police	\$ 30,000.00	\$ 30,000.00	\$ 31,750.00	\$ 32,100.00	\$ 33,000.00	\$ 33,600.00	\$ 33,600.00	\$ 33,000.00
Recreation	\$ 16,500.00	\$ 16,500.00	\$ 30,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 25,000.00	\$ 12,400.00
Capital Equipment	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 30,000.00	\$ 30,000.00
Summer Jobs	\$ 3,000.00	\$ 4,000.00	\$ 3,000.00	\$ -	\$ -	-		
Public Utilities	\$ 15,000.00	\$ -	\$ -	\$ -	\$ -	-		
Road & Bridge	\$ 162,000.00	\$ 200,000.00	\$ 210,000.00	\$ 210,000.00	\$ 218,000.00	\$ 218,000.00	\$ 225,000.00	\$ 250,000.00
TOTAL	\$ 400,000.00	\$ 421,500.00	\$ 465,250.00	\$ 478,000.00	\$ 487,500.00	\$ 487,500.00	\$ 500,900.00	\$ 511,610.00
Yearly Increases	12.88%	5.10%	9.40%	2.70%	1.95%	0%	2.75%	2.10%

YEAR 2008 TOWN BOARD LEVY RECOMMENDATION \$511,610.00

PERCENTAGE INCREASE OVER 2007 LEVY 2.10%

TOWN OF FAYAL 2006 FINANCIAL REPORT - 2007 ANNUAL MEETING

	<u>2006</u>	<u>2005</u>
BEGINNING BALANCE JAN 1-	729,146	694,504
REVENUES - GENERAL FUND		
PROPERTY TAXES	188,953	211,757
SPECIAL ASSESSMENTS (Diff P1 Waterline due to Gen)	2,094	5,981
TACONITE HOMESTEAD CREDIT	40,656	20,137
TACONITE PRODUCTION	37,449	32,940
FRANCHISE FEES	9,737	9,757
OTHER MISC	7,946	8,852
TOTAL TAXES	286,835	289,424
LICENSES AND PERMITS	333	372
INTERGOVERNMENTAL		
FEDERAL		
FEMA- Fire Truck Grant	139,650	68,400
HAVA Grant	2,600	
STATE		
Disparity Aid	6,550	2,507
Mining Effects	47,192	47,303
Residential Market Value Credit	27,750	34,918
PERA Aid	512	512
Fire Aid	10,747	9,910
DNR Fire Dept. Grant		7,800
Other	2,495	2,514
COUNTY		
Playground Grant		20,000
TOTAL INTERGOVERNMENTAL	237,496	193,864
CHARGES FOR SERVICES		
TOWN HALL RENT	1,778	1,070
FEES	25	40
PUBLIC SAFETY- Fire Contracts		8,705
TOTAL CHARGES FOR SERVICES	1,803	9,815
GIFTS & CONTRIBUTIONS	<u>2050</u>	
FINES		
COURT FINES	<u>801</u>	<u>705</u>
INTEREST	27,349	17,283
MISCELLANEOUS		
REIMBURSEMENT AND REFUNDS (Sewer Fund Audit services)	<u>5,746</u>	<u>5,404</u>
TOTAL REVENUES	562,413	516,867
EXPENDITURES - GENERAL FUND		
GENERAL GOVERNMENT		
Town Board	18,882	18,835
Administration	136,159	126,118
Clerk	4,200	4,535
Deputy Clerk	3,558	2,750
Public Utilities	5,751	10,185
Buildings & Grounds	40,813	36,675
Playground		50,194
TOTAL GENERAL GOVERNMENT	209,363	251,292
PUBLIC SAFETY		
Police	27,865	26,753
Fire	122,038	39,859
Fire Truck	125,131	125,000
Fire Relief Association	23,747	25,744
TOTAL PUBLIC SAFETY	298,781	217,356
CULTURE AND RECREATION		
Recreation	<u>16,231</u>	<u>18,965</u>
TOTAL EXPENDITURES	524,358	487,643
EXCESS OF REVENUES OVER EXPENDITURES	38,055	29,224
OTHER FINANCING SOURCES (USES)		
Transfer In (Enterprise Funds Accounting Services)	3,126	5,418
Sale of capital assets (old fire truck)	1,815	
Transfers Out- Road & Bridge	-103,738	
	<u>-98,797</u>	<u>5,418</u>
FUND BALANCE DECEMBER 31	668,404	729,146

	<u>2006</u>	<u>2005</u>
<u>ROAD & BRIDGE SPECIAL REVENUE FUND</u>		
BEGINNING BALANCE, Jan 1	188,356	103,766
REVENUES - ROAD & BRIDGE		
TAXES		
GENERAL PROPERTY	147,126	170,318
TACONITE HOMESTEAD CREDIT	31,642	16,302
OTHER	4,525	3,950
<u>TOTAL TAXES</u>	<u>183,293</u>	<u>190,570</u>
INTERGOVERNMENTAL - STATE		
RESIDENTIAL MARKET VALUE	27,625	27,041
TOWN ROAD AID	11,251	10,892
<u>TOTAL INTERGOVERNMENTAL</u>	<u>38,876</u>	<u>37,933</u>
CHARGES FOR SERVICES		
SALE OF MATERIALS & SUPPLIES	361	180
MISCELLANEOUS		
REIMBURSEMENTS AND REFUNDS	0	540
<u>TOTAL REVENUES</u>	<u>223,029</u>	<u>229,233</u>
<u>EXPENDITURES</u>		
PUBLIC WORKS		
ROAD & MAINTENANCE	408,902	117,431
EQUIPMENT MAINTENANCE	25,326	27,212
<u>TOTAL PUBLIC WORKS EXPENDITURES</u>	<u>434,228</u>	<u>144,643</u>
<u>EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES</u>	<u>-211,199</u>	<u>84,590</u>
<u>OTHER FINANCING SOURCES</u>		
Transfer in	103,738	
Sale of Capital Assets (loader)	20,754	
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>124,492</u>	
NET CHANGE IN FUND BALANCE	-86,707	
FUND BALANCE DECEMBER 31, 2006	<u>101,649</u>	<u>188,356</u>

TOWN OF FAYAL STATEMENT OF NET ASSETS - DEC. 31, 2006

	Governmental	Business-type	
	<u>Activities</u>	<u>Activities</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash & cash equivalents	1,094,821	395,318	1,490,139
RECEIVABLES			
Taxes receivable	23,502		23,502
Spec. Assessments Rec.	3,468,155		3,468,155
Accounts Receivable	2,490	31887	34,357
Internal Balances	110,606	-110,606	
Restricted Cash			
for sewer replacement		19,536	19,536
Capital Assets			
Land	35,506		35,506
Improvements	80,952		80,952
Buildings	229,981	1,498,168	1,728,149
Infrastructure	600,082	10,241,787	10,841,869
Machinery & Equipment	113,825	88,832	202,257
Licensed Vehicles	377,232	1,993	379,225
<u>TOTAL ASSETS</u>	<u>6,127,152</u>	<u>12,166,895</u>	<u>18,304,047</u>
<u>LIABILITIES</u>			
Accounts payable	38,035	11,109	49,144
Accrued salaries	7,814	6,297	14,111
Accrued interest payable		30,226	30,226
Non Current Liabilities			
Due within one year		271,000	271,000
Due in more than one year	0	4,086,000	4,086,000
<u>TOTAL LIABILITIES</u>	<u>45,849</u>	<u>4,404,632</u>	<u>4,450,481</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	1,437,578	7,494,682	8,932,460
Restricted for sewer replacement		19,536	19,536
Unrestricted	4,653,725	247,845	4,922,672
<u>TOTAL NET ASSETS</u>	<u>6,091,303</u>	<u>7,762,263</u>	<u>13,853,566</u>
(12-31-05)			
Total Net Assets 12-31-05			<u>13,665,789</u>

Costs for Publication of Minutes

Example used: **Regular Town Board Meeting of February 6, 2007**
(This example is average for length, but does not include listing of paid bills, minutes only)

Number of printed pages: 4 legal size pages

Number of Characters: 10,660

Number of Words: 1,962

Number of Lines; 257

This translates into 53 column inches in the legal section for newspaper publishing purposes.

Mesabi Daily News- \$9.68 per column inch or \$513.04

Manney's Shopper- \$12.38 per column inch, or \$656.14
(Manney's Shopper is not a legal newspaper)

The Town Board holds two regular meetings per month, on the first and third Tuesdays at 7:00 PM. Special Meetings and Public Hearings are scheduled and posted, as needed. Meetings are held in the town hall.

The PUC meets the second Tuesday of the month at 7:00 PM. Special Meetings and Variance hearings are scheduled and posted, as needed. Meetings are held in the town hall.

The Planning Committee meets the fourth Tuesday at 4:00 PM. Meetings are held in the town hall.

The Fayal Fire Department meets the second Wednesday at 7:00 PM. Meetings are held in the Fire hall.

ANNUAL MEETING - 13 MARCH 2007

Report of Chairman and Financial Needs of the Town

Welcome to your annual meeting of the Town of Fayal. This is an important meeting as it is the yearly opportunity for the community to gather and discuss local needs and determine the level of taxes to be collected to meet those needs.

I would like to introduce and thank my fellow Town Board members who continue to lend their time and talent to the Township - Tony Tammaro, Jim Pernu, Lee Branville and our newest supervisor Joe Stewart..

I would like to thank Steve Shykes for agreeing to serve as moderator for tonight's meeting.

As Chairman, it is my task to present the upcoming financial needs of the Town to the annual meeting for consideration.

FINANCIAL NEEDS FOR THE TOWN in the year 2008

Town Boards in Urban Townships have authorities and responsibilities not unlike City Councils and County Boards. One fundamental difference is that Town Boards do not have the authority to levy taxes on the properties of the Town for the general operation of the Town. It is the responsibility of the voters of the Town to determine what services they want and need and to levy an appropriate amount of taxes to provide them. The decision lies with the attendees at the annual meeting. The Town Board has reviewed the overall financial condition of the Town, which Judy has just presented to you, and determined that the financial health is good. We are tasked with making a recommendation of how much taxes need to be collected to maintain that good financial health.

The levy under discussion tonight is for the year 2008. Taxes that will be collected in 2007 for the operation of the Town were set at last year's annual meeting. As Judy reported, the Town of Fayal does receive revenues from sources other than property taxes. These revenues are such things as interest, grants, fees, and returns on investments as well as funds held in reserve. In its discussions of the levy recommendation, the board has considered these miscellaneous receipts and reserves to arrive at a proposed levy amount.

Please refer to the proposed levy section of the agenda sheets as I discuss the various funds:

1. General Fund - This fund provides the general governmental functions such as administrative salaries, assessor, attorneys, and other expenses.
We recommend a levy amount of \$ 90,000 which is a decrease of \$ 9000.00 or 9.0% from 2007.
2. Buildings and Grounds - This fund provides for the operation and maintenance of the Town Hall Building Complex and the Public Grounds adjacent to it.
We recommend a levy amount of \$ 41,210 which is a decrease of \$ 90.00 or 0.2% from 2007.
3. Road & Bridge - This fund provides for the salaries of our two R & B employees, operation and maintenance of all R&B equipment, and all supplies and materials for the maintenance of the Towns 32 miles of Roads.

We recommend a levy amount of \$ 250,000 which is an increase of \$ 15000 or 6.4 % from 2007.

4. Fire - This fund provides for the operation of the Volunteer Fire Department, to include pension provisions, Emergency Medical Support and all needed training, supplies and equipment.

We recommend a levy amount of \$ 55,000 which is an increase of \$ 8000 or 17 % from 2007.

5. Public Utilities - This fund provides for the operation of the Public Utilities Commission and the functions assigned to it to include wastewater, water, cable television, street lighting, and natural gas. The PUC, and the water and wastewater operations it oversees, receives funding from Cable TV franchise fees and service fees from the users of the utilities and is adequately funded at this time from these sources, therefore

We recommend a levy amount of \$ 000.00 which is unchanged from 2007.

6. Recreation - This fund provides for recreational facilities and programs for the Township, primarily our participation in the EFSD Joint Rec Program and the operation and maintenance of the Towns recreational areas.

We recommend a levy amount of \$ 12400.00 which is a decrease of \$ 12,600 or 50 % from 2007.

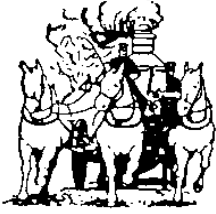
7. Capital Equipment - We recommend that funds be set aside into a capital equipment fund for the eventual replacement of major pieces of equipment and other large capital outlays.

We recommend a levy amount of \$ 30,000 which is unchanged from 2006.

8. Police - This fund provides for salaries and equipment for the Township Police Section.

We recommend a levy amount of \$ 33,000.00 which is Unchanged from 2007.

Bottom Line: The Town Board makes a recommendation to the freeholders of the Town to adopt a total levy for 2008 of \$511,610.00 which is a 2.10% increase from 2007. Thank you.



Telephone #
(218) 744-2878

Town of Fayal

FIRE DEPARTMENT

4375 Shady Lane
Eveleth, MN 55734-1813

FIRE PREVENTION
FIRE SUPPRESSION
EMS

March 13, 2006

ANNUAL FIRE DEPARTMENT REPORT FOR 2006

1. There were a total of 65 calls in 2006
 - 10 structure fires
 - 5 wildland fires
 - 3 vehicle fires
 - 3 rescues
 - 39 EMS calls
 - 5 other - alarms
2. There are 19 firefighters on the department. Kelly Erjavac is a new firefighter on the department. One of our firefighters is on active military duty in Iraq and one is in Florida working on tornado relief. There were 3 retirements in 2006.
Two retirement eligible firefighters moved out of state, Jess Nuno and Greg Weaver. The first firefighter to retire with 20 years and full pension was Nick Domiano. There are 6 openings on the fire department and notices of hiring are posted.
3. There are 3 EMS first responders on the fire department.
4. The fire department completed 2 grants in 2006. The fire department grants were from FEMA. One was for 19 self contained breathing apparatus with spare bottles and a thermal imaging camera. The other grant was for a new truck. The amount of that grants totaled \$227,000.

5. In 2005 the fire department had 710 hours of in house training and 228 hours of outside training. The fire department has 3 fire training instructors that teach for Mesabi community College.
6. The fire department completed the third and final phase of the Fire Wise Program in 2006. The fire department has received \$5,500.00 from the grant for the 2007 budget year.
7. In 2006 The Fayal Fire Department and The Eveleth Fire Department entered into a simulcast page agreement for fire calls. How that works is that whenever there is a fire call in either Fayal or Eveleth both fire departments are paged at the same time.
8. The fire department officers for 2006 are;
 - Chief: Steve Shykes
 - Asst. Chief – Scott Smith
 - Captain – Mike Knutson
 - Lieutenant – Dave Hartman
 - Sec./Treasurer – Eric Garman
 - EMS Director – Therese Elverum

Steve Shykes
Fire Chief

**THE FIRE DEPARTMENT SPAGHETTI FUND RAISER IS
SUNDAY MARCH 25, 6007 FROM 11:00 AM TO 5:00 PM.**

POLICE REPORT

Annual
2006

Burglary - 2
Felony theft - 1, 3 persons arrested and convicted
Unsafe equipment - 1
Gas drive-off - 2
Assault with injuries - 1
Careless driving - 2
Dog complaints - 12
Lost dogs - 2
public assist motorist - 4
Illegal fences in right of way, several citations issued. (no more problems this year)
Drive after suspension - 1
No insurance - 3
Citations for speeding - 8
warnings for speeding - 7
House check requests - 3
Domestic - 1
Chimney fire - 1
Check suspicious vehicles - 2
Custody issue - 1
Warning to dirt bike drivers - 4 some were towed and parents notified.
Parking complaint - 1
No motorcycle endorsement - 1
reckless driving - 1
Arrest for heroine possession - 1
Atv on roadway, towed - 2
Motorcycle accident with injury - 1
Littering complaint - person was found and warned.
Damage to highway by contractor - 1
Driving after revocation - 2
vehicle fire - 1
Runaway - 1 (found)
Investigate and identified person with methamphetamine and forwarded report to County Attorney for charges.
Expired plates - 1
Appeared in court - 1
Theft - 1

Death notification - 1

checked on numerous vehicles in ditches etc.

Assisted sheriff and state patrol with various calls and traffic control.

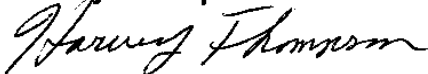
Completed all mandatory training to maintain licensior.

Numerous traffic stops.

Note; Fayal township has an animal ordinance and tags must be obtained from Fayal township for any dog or cat over the age of 6 months. It does not matter if it is a house pet or outside pet. This can also be done by mail if you can not make it in to the Clerks office. Call the Clerks office for information at 744-2878.

Fayal township employs a part-time Police Officer with a Full-Time license. Our Police Officer works 20 random hours per week with no medical or dental benefits. If you have an emergency always call 9-1-1. If you are in doubt that it is an emergency, call 9-1-1. If you want to speak to our officer for any other reason, you may call him at his home at 865-4305. If he is not home you can leave a message and he will get back to you. The Saint Louis County Sheriff's Dept. Is the Primary law enforcement for Fayal township. If our officer is working he will get and handle the call. Our Officer also enforces our numerous ordinances. The Sheriff refuses to enforce local ordinances.

Harvey Thompson



Police Chief

Fayal Township

Phone 865-4305

ST LOUIS COUNTY COMMUNICATIONS DEPARTMENT REPORT OF ALL POLICE CALLS
DURING 2006 - SORTED BY CITY & ACTIVITY 4-Jan-2007
Page 113

	ACTIVITY	COUNT	COUNT
FA	ALRMH	02	
	ALRMS	15	
	ANBITE	01	
FAYAL TWP	ANIMAL	30	
	AOA	03	
	ASLT	02	
	ASTINV	01	
	ATL	28	
	ATTPU	06	
	BURG	06	
	BURGP	01	
	CB	25	
	CIVIL	02	
	CKHAZ	19	
	CKWEL	11	
	CSC	03	
	DAMP	10	
	DETAIL	02	
	DIST	13	
	DITCH	02	
	DK	02	
	DOA	04	
	DOMES	03	
	DOMESP	01	
	DRUG	01	
	DUMP	01	
	F ALRM	01	
	F AUTO	03	
	F CHIM	01	
	F CO	02	
	F GRAS	02	
	F LINE	04	
	F SMOK	03	
	F VEH	02	
	FC	01	
	FIGHT	01	
	HOTROD	05	
	ICR	01	
	INFO	10	
	LOCK	06	
	MCVA	01	
	MDIFFB	02	
	MEDIC	36	
	MHEART	02	
	MISC	30	
	MOD	02	
	MSEIZ	02	
	MUSIC	01	
	NOPAY	13	
	NOTIFY	01	
	OFP	01	
	OUTW	24	

ST LOUIS COUNTY COMMUNICATIONS DEPARTMENT REPORT OF ALL POLICE CALLS
 DURING 2006 - SORTED BY CITY & ACTIVITY
 4-Jan-2007
 Page 114

ACTIVITY	COUNT	COUNT
PARK	03	
PARTY	03	
PD	23	
PDHR	02	
PERGUN	01	
PERMAG	17	
PERMCG	16	
PERMEX	01	
PHONE	04	
PI	14	
POR	01	
PROP	04	
PTRANS	03	
PUBLIC	12	
RICR	01	
RUN	06	
SHOP	01	
SLUMP	01	
SUICT	02	
SUSPP	05	
SUSPV	10	
THEFT	18	
THREAT	02	
TRAFFC	01	
TRAFFIC	187	
TRBCUS	01	
TRBKID	04	
TRBNBR	02	
TRBUNK	10	
UNWANT	05	
VINFO	32	
VTHEFT	01	
TOTAL CALLS FOR CITY		744

ALRM55 - SIGNAL 55 ALARM	F OUT - FIRE REPORTED OUT	PERGUN - PERSON W/GUN
ALRMA - AUDIBLE ALARM	F RAIL - RR INCIDENT	PERLST - LOST PERSON
ALRMH - HOLD UP ALARM	F SMOK - SMOKE VISIBLE	PERMIT - BURNING PERMIT
ALRMS - SECURITY ALARM	- ODOR IN AREA	PERWEA - PERSON W/WEAPON
ANBITE - ANIMAL BITE	F TEST - TEST FIRE SIDE	PHONE - NUISANCE CALLS
ANIMAL - ANIMAL DISTURBANCE	F UTIL - FLOODED BSMT	PI - PERSONAL INJURY ACC
AOA - ASSIST OTHER AGENCY	F VEH - VEHICLE FIRE	PIHR - PERS INJ HIT/RUN
ASLT - ASSAULT	F WARN - FIRE EVAC WARNING	PIP - PERS INJ W/PEDESTRIAN
ASTINV - ASSIST INVALID	FC - FIRE CRACKERS	PIPHR - PERS INJ PED HIT/RUN
ATL - ATTEMPT TO LOCATE	FIGHT - FIGHT	PRKVIOL - PARKING VIOLATION
ATTFU - ATTEMPT TO PICK UP	FIGHTW - FIGHT W/WEAPON	PROP - PROPERTY FOUND/LOST
	FORG - FORGERY	PROWL - PROWLER/PEEPER
BOMB - SUSPECTED BOMB		PSYCH - PSYCHIATRIC DIFF
BOMBT - BOMB THREAT	HAZMAT - HAZARD MATTER	P TEST - POLICE TEST
BURG - BURGLARY	HELP - OFFICER NEEDS HELP	PTRANS - POLICE TRANSPORT
BURGP - BURG IN PROGRESS	HOTROD - HOT RODDERS	PUBLIC - PUBLIC ASSIST
		PURSUE - POLICE PURSUIT
CB - CALL BACK MESSAGE	ICR - CASE NUMBER	POR - PREDATORY OFFENDER
CHASE - POLICE PURSUIT	INFO - INFO ON FILE	RESCUE - CAVE IN/COLLAPSE
CHILD - ABAND/NEGLECT CHLD	ITEM - ITEMS	ROB - ROBBERY PERS/BUSI
CKHAZ - CHECK HAZARD		RUN - RUNAWAY
CKWEL - CHECK WELFARE	KIDNAP - ABDUCT/KIDNAP	
CRANK - CRANK 911 CALLS		SHOOT - SHOOTING
CRASH - AIRLINE CRASH	LOCK - LOCK IN / OUT	SHOP - SHOPLIFTER
CSC - CRIMINAL SEXUAL ASLT		SHOTS - SOUNDS OF SHOTS
	MCVA - STROKE	SLUMP - SLUMPER
DAMP - DAMAGE TO PROPERTY	MDIFFB - DIFF BREATHING	STAB - STABBING
DETAIL - SPECIAL OPERATIONS	MEDIC - MEDICAL EMERG	SUICA - SUICIDE ATTEMPT
DIST - DISTURBANCE	MHEART - HEART ATTACK	SUICT - SUICIDE THREAT
DK - DRUNK	MISC - MISCELLANEOUS	SUSPP - SUSPICIOUS PERSON
DOA - DEAD HUMAN BODY	MOB - MATERNITY	SUSPV - SUSPICIOUS VEHICLE
DOMES - DOMESTIC	MOD - OVERDOSE	
DOMESP - PHYSICAL DOMESTIC	MSEIZ - SEIZURE	THEFT - THEFT
DOMESW - DOMESTIC W/WEAPON	MTRANS - MED TRANSPORT	THREAT - THREATS
DRUG - DRUG INCIDENT	MUSIC - LOUD MUSIC	TRAFFC - TRAFFIC/DISABLED
DUMP - GARBAGE CALL		TRAFFIC - TRAFFIC STOP
	NOPAY - DRIVE OFF/NO PAY	TRBCUS - CUSTOMER TRBL
EMERG - EMERG MSG FROM MDT	NOTIFY - NOTIFICATION	TRBKID - KID TROUBLE
EXPLOS - EXPLOSIVES		TRBNBR - NEIGHBOR TRBL
	OFF - ORDER FOR PROTECT	TRBTEN - TENANT TROUBLE
F ALRM - FIRE IN BUILDING	OP99 - WILDFIRE RESP CALLOUT	TRBUNK - UNKNOWN TRBL
F AUTO - AUTOMATIC FIRE ALARM	OP100 - OPERATION 100	
F CHIM - CHIMNEY FIRE	OUTW - OUT WITH/ONVIEW	UNSBIZ - UNSECURE BUSINESS
F CO - CARBON MONOXIDE ALARM		UNWANT - UNWANTED PERSON
F ELEV - ELEVATOR STUCK		
F EVAC - FIRE EVACUATION	PARK - PARKING PROBLEM	VDAMP - VEH EXT DAMAGE
F GAS - GAS LEAK/ODOR IN/OUT	PARKBD - BLOCKED DRIVE	VINFO - VEH INFO/DITCH
F GRAS - GRASS FIRE	PARTY - PARTY	VPROWL - VEHICLE PROWL
F JUMP - JUMPER	PARTYC - COLLEGE PARTY	VTHEFT - THEFT OF VEHICLE
F LINE - LINE/POLE PROBLEM	PARTYI - PARTY INTERVENT	VRECOV - RECOVERY OF 10-29
F MISC - MISC FIRE	PD - PROP DAMAGE ACCIDENT	WATEM - WATER EMERGENCY
F OTS - FIRE OUTSIDE	PDHR - PROP DAM HIT/RUN	WEATHR - WEATHER EMERG

FAYAL TOWNSHIP
2006 ROAD AND BRIDGE REPORT

In 2006, Steve and Al improved a 4000 foot section of Airport Road North by changing culverts, cleaning ditches and adding taconite tailings and class 5 to the driving surface.

Landscaping was performed at Pernu Park and Playground. In partnership with St. Louis County, Burke Rd., Park Blvd. East, one half mile of Thunderbird Trail, Pine Dr.(west of Hwy. 53), Long Lake Dr. East and Moon Lake Dr .South were overlaid at the cost of \$175,265. The Road and Bridge Department supplied and applied the shouldering material. The Township entrance signs were replaced along with other various signs.

As much as possible Steve and Al perform in house the required maintenance and repair on township equipment. Other duties include snow plowing and sanding, graveling and grading dirt roads, ditch cleaning, tree trimming and removal in the road right of ways, dust control, sign repair and replacement, culvert replacement and steaming, shouldering and patching blacktop roads, road side mowing, noxious weed control, operating and maintaining a yard waste site, sweeping roads and intersections and building or reconstructing segments of roadways. Building and Grounds, Recreation and Public Utilities are other departments that they work for. They also carry the pager and fill in for the water/waste water operator.

Steve Verkovich will have 28 years of service in October and Al Jurenic will have 23 years of service in May.

March 13, 2007

Tony Tammaro

Road and Bridge Supervisor

Buildings & Grounds 2006, Jim Pernu

I would like to bring to your attention what projects have been accomplished since our last Annual Meeting and what we have planned for the year 2007.

At the last Annual Meeting I brought to your attention the tree cutting near the Shortstop and leading down towards the Eveleth Park. The trees were cut because they were dead on top or growing too close to one another which would cause the more healthy trees to also die off. This was recommended by Roger Nelson of the DNR. A lot of brush was also cut away to open up that area. Al & Steve, our employees, leveled a lot of that land with the loader and removed stumps with the backhoe. The result was a large brush pile which was burned by the Fayal Fire Department in January.

After spring cleanup in that area, there is a total of 47,350 square feet, which we plan to cover with a three inch dirt overlay. Total needed is 438 cubic yards. Right now we are planning to haul the dirt from RM Construction located near the end of Ely Lake Drive. After that, we will seed it and cover it with hay mulch to help activate its growth. The dirt, grass seed and hay mulch will cost \$4,500.00. I believe it will be an added attraction to the Fayal area.

In spring 2006 we ordered nine "Welcome to Fayal" signs. The new signs are made of high intensity sheeting with a 10 year warranty for a cost of \$677.78. The signs you will notice when entering Fayal Township at various locations.

Over the years, the front of the Fayal garage has been dented and it became necessary to make repairs. This part of the garage is over 30 years old so it was difficult to find the correct metal siding to match. It was decided to do the bottom portion from the ground four feet up and the brown color for contrast. Century Building Products found the correct material in Illinois. The cost was \$1,383.71. Richard Gasperlin was hired to do the installation of this material. This was done in October 2006. Total cost was \$3,779.91.

A federal grant was received from the Help America Vote Act for \$2,600.00 for handicap door openers. This amount was matched with mining effects money and we had two handicap door openers installed Sept. 2006 by Tromco Electric for the total amount of \$5,200.00. One is on the outside door and the other is on the first door leading to the Clerk's Office.

The installation of the Rinnea hot water system and rezoning of the town hall, at a total cost of \$7,156.00. This change was done in the fall of 2005 and has continued to cut the cost on gas utilities. The cost for fuel this past winter was reduced by \$3,856.80 in just one year. I think this was a wise investment as indicated by the month to month savings on gas utility bills.

The town hall also had to have new door locks installed and re-keyed. In the past, repairs have been made and re-keyed but not replaced with new. Employees were experiencing difficulty opening the doors with their keys because of wear internally. The new door locks included the town hall, garage, cold storage building, skating rink shack and fire hall. This work was completed by Biss Lock of Virginia in December 2006, cost was \$3,736.38.

The interior of the hall will be painted as it has not been done for quite some time. Also the interior of the office will be painted and new carpet installed. The carpet in the office has been there for better than 10 year and needs replacement. We will be replacing it with carpet tiles 2 foot square.

The idea behind this is if for some reason the carpet is damaged and needs replacement we can do so by replacing the squares. The removal of the old carpet plus the floor prep and installation of the new will cost \$3,500.00 and be done by Karl Brysch. Paining material and labor will cost \$540.00. We will do this hiring casual labor. This work is in progress now. Also there will be modification and changes in the office to make it handicap accessible by replacing the partitions with lower ones. There is also some office furniture to be replaced but at this time details are still being worked on.

Skating Rink- We have had a lot of good reports on the skating rink this year and such comments aa it is the best outside rink in the area. There have been nearly 1000 kids who have skated at the Fayal Rink this winter. To my knowledge there have not been any accidents or incidents reported. The ice and skating shack has been well looked after. I think Charles Erickson and Dennis Pernu, rink attendants, should be commended for a job well done and for extending an extra effort for the well being of the kids who spend time there. Also would like to thank the Fayal Fire Department for flooding eh rink last November.