

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, Mike Erjavec

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REGULAR MEETING OF THE FAYAL TOWN BOARD

OCTOBER 6, 2009

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 Erjavec, Supervisor Branville, Supervisor Pernu, Supervisor Tamaro and Diane Stewart. Clerk Sersha was absent.

Audience members in attendance were: Steve Shykes, Jerry Ulman, Dale Dickson, George Sedgeman, several high school students.

Motion to approve the minutes of the September 15, 2009 Regular Meeting made by Supervisor Branville, support from Supervisor Pernu. Supervisor Tamaro abstained due to his absence. Motion carried unanimously.

Motion to approve the minutes of the September 30, 2009 Special Meeting made by Supervisor Branville, support from Supervisor Pernu. Supervisor Branville comments these are the most thorough minutes he's ever seen. Motion carried unanimously.

SCHEDULED GUESTS

None.

REPORTS

Clerk/Treasurer's Report- Bank statements have not yet arrived, so this is tentative. For the month of September 2009, there were revenues of \$65,184.21 and expenditures of \$56,149.23. Bank balances are as follows:

Miners Bank- \$71,531.14

Assessment Savings- \$335,724.41

Mt. Iron Checking- \$749,903.65

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

Motion to accept the PUC Regular Meeting minutes of June 9, 2009, made by Supervisor Erjavec, support from Supervisor Tamaro. Motion carried unanimously.

Motion to accept the PUC Variance Hearing Meeting minutes of July 14, 2009, made by Supervisor Erjavec, support from Supervisor Tamaro. Motion carried unanimously.

Motion to accept the Planning Commission Meeting minutes of September 30, 2009, made by Chairman Kniefel, support from Supervisor Tamaro. Discussion. Tamaro feels they should be shopping for prices, they are not planning on completing the sign until Spring 2010. Motion carried unanimously.

Report from Al Jurenic dated October 6, 2009 regarding a water pump, hose, chain and lock that was stolen. The St. Louis County Sheriff has been notified. He has a replacement and a plan to keep it from being stolen.

CORRESPONDENCE

St. Louis County Assoc. Of Township Officers- Regular Meeting minutes of June 24, 2009. Next meeting is October 28, 7 pm, Cotton Community Center, speakers Melanie Ford and Sen. Dave Tomossoni. Placed on file.

Eveleth Fee Office -Request for current copy of Certificate of Liability. Request has been satisfied, copy forwarded. Placed on file.

St Louis County Environmental Services Dept. - SLC Recycling and Waste Reduction Grant program has been extended. Placed on file.

SEH Engineering - Credit invoice for project related/general engineering services. Referred to Old Business.

St Louis County Planning - Board fo Adjustment will hold a variance hearing on Tuesday, Oct 13, 9:10 am, Northland Office Center on the variance request from Roger Rigstad, 7450 Differding Lane. Placed on file.

Social Security Administration - requesting report of wages of Dennis Pernu. Placed on file.

AFSCME Memo of Understanding - requesting medical insurance change from current BC/BS to a high deductible HSA plan. Referred to New business.

OLD BUSINESS

Supervisor Erjavec-

IRR Grant Project- Nothing at this time. Tammaro asks if we have to file for an extension on this before the end of the year, yes we will.

Gilbert WWTP Improvement Project/funding - Clerk Sersha met with Gary Mackley from Gilbert and they reviewed the figures. There were expenditures from the special fund that were not used for the sewer plant and do not benefit Fayal. For a more accurate accounting, Mr. Mackley suggested we contact their auditor.

Supervisor Branville-

Potential Fire Hall Sites - Shykes reported Dick Walsh sent an update saying they awarded the first \$380 million round of grants, and first round of denials. We were not on either list.

Supervisor Pernu-

Buildings & Grounds -The Town hall was professionally cleaned and the tile sealed this last week. No word yet on the fire alarm system.

Supervisor Tammaro-

Golf Course Rd Project- The project is nearing completion and everything looks good. Tammaro did contact Mr. Scuffy regarding his mailbox. The R & B crew will take care of it.

SEH Engineering- Tammaro reviewed the credit invoice for project, and it coincidentally comes to \$6,000. Supervisors Tammaro and Erjavec found duplication that has already been paid. Jim Johnson said he never saw it. More to come.

NEW BUSINESS

Supervisor Erjavec-

Ordinance 93-1 Revision- Chairman Kniefel was asked by Stewart to make a resolution for revising the PUC bi-laws. The ordinance must be amended, and the changes published. A resolution is not sufficient.

7:30 Jim Johnson from SEH Engineering arrives.

Chairman Kniefel-

Proposed Change to Health Insurance Plan- Met with the employees. Discussed converting the healthcare plan from BCBS from NESCU to a High Deductible plan with an HSA. The union did bring forward a Memorandum of Understanding relating to the health benefit portion of the contract. If approved by the board, that part of the contract will be settled.

Board action will also have to be taken to cancel our existing insurance and agreement with NESCU.

Supervisor Branville spoke with our existing agent, Mick Giblin. Branville stated that no contact was made with Giblin to present the BC/BS to the employees or explain the plans, but Jamie Lindseth was here several times. Branville states that Mick Giblin has been our agent for 14 years and should have been invited. Branville informed the board that Mick Giblin could have sold us the Health Partners plan, but he signs an agreement with BC/BS and the cooperative and cannot actively solicit us away from that plan, unless he is asked.

Supervisor Tamarro states Giblin was given the opportunity last year when he met with the board regarding insurance options. Branville states he was not asked this time. Branville stated his concerns regarding risk to the township, lack of a track record, and no stop loss. Branville did not agree that the town should pay 100% of the premium and deductible for the new plan as the Memo of Understanding states, and also disagrees with the fairness of single over family. Branville states the issue should be studied further.

Tamarro states Mick Giblin told us last year, when he was asked, that nothing could be done. Tamarro stated that even if the insurance doubles, we will still be paying less than we are now.

Erjavec states there will be a savings for the water and sewer customers as well. Tamarro is looking at dollars and cents. The union and the employees are on board.

Kniefel states we have been presented with the change of insurance plan, and a decision needs to be made. Discussion on how to fund the HSA for the remainder of this year.

Motion by Chairman Kniefel; with regards to the Memorandum of Understanding presented to us today; The Town agrees to this M.O.U., provided additional language is inserted regarding the contribution of the employer to the HSA plan, be prorated for the current year 2009, support by Supervisor Tamarro. Discussion- as far as the contract term the MOU goes away with the contract. We are agreeing we would close the issue of health insurance for that period of time. Supervisor Branville- so the next contract we are giving up the 90/10 split. We are agreeing to pay 100% of the deductible and the premium. Kniefel responds yes. Tamarro states if the rates go up we can always ask to go shopping for a different company.

***Kniefel -yes Erjavec - yes Pernu - yes Tamarro - yes
Branville - No***

Motion carries 4 to 1

Kniefel asks Dickson to bring it back to the union and get it amended for signatures.

Motion by Chairman Kniefel to move forward with converting the healthcare plan from NESCU to the Health Partners Empowerment plan as presented by Range Reliable Agency Jamie Lindseth's proposal, and authorize the Clerk and the Chairman to sign the appropriate paperwork. Support by Supervisor Tamarro.

***Kniefel -yes Erjavec - yes Pernu - yes Tamarro - yes
Branville - No***

Motion carries 4 to 1

Motion by Supervisor Tamarro to allow the Chairman to cancel our insurance with NESCU, as long as the Clerk is not here, support by Supervisor Erjavec.

***Kniefel -yes Erjavec - yes Pernu - yes Tamarro - yes
Branville - No***

Motion carries 4 to 1

CITIZEN CONCERNS AND COMMENTS

A number of high school students were present but had no comment.

Mert Sedgeman questions how many people are covered by medical insurance, only 5. Why did the residents of Gilbert have a choice to connect to the municipal sewer on the same lake Fayal had to connect. Supervisor Tamarro states that was Gilbert's decision. Questions the road by the beaver pond, was it vacated or what. It was between the house and the lake by Hawleys. Not sure, he has two parcels of land across the road, each one has a pond on them. By Maki's it is 2' over flood stage. Are they going to add or change the culvert that goes under the bike trail. The culvert on 132 was put in too high its backing up into Korva and Braski's yard. Chairman Kniefel asks if he could meet with

Bob Lloyd.

Steve Shykes- The trailer for the fire dept should be here soon, and a check will need to be drafted in order to pick it up.

Jerry Ulman nothing.

Dale Dickson verified he would have the M.O.U. changed with the union.

Jim Johnson SEH Engineering- Golf Course Road project is done. We got super pave mix instead of the normal mix. Scuffy's mailbox post was broken and will need to be replaced and installed. The project raised the grade about six inches. The pay estimate is being compiled and will be here for the next meeting. Jim will meet with Supervisor Tammaro about the SEH transmittal.

***Motion to pay the bills, made by Supervisor Tammaro, support from Supervisor Pernu.
Motion carried unanimously.***

Motion to adjourn by Supervisor Tammaro.

Chairman Kniefel adjourned the Regular Meeting at 8:04 PM.

Respectfully submitted,

Diane Stewart
PUC Coordinator/Billing Clerk

Approved: _____

Date: _____

Attest: _____