

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

FEBRUARY 1, 2011

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 Clerk Sersha.

Audience members in attendance were: Brad Reifsteck, John Zlimen, Scott Smith, Steve Shykes and Harvey Thompson.

Motion to approve the minutes of the January 18, 2011 Regular Meeting, made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.

SCHEDULED GUESTS

John Zlimen was in attendance to report he purchased the piece of tax-forfeit property that will be combined with his homesite, and to request the sewer access charged be waived. Mr. Zlimen already has an assessment on his homesite for sewer.

Motion to revoke the pending sewer access charge on CVT 340-0023-00160, project parcel 946, that was purchased and assimilated into the neighboring parcel, made by Chairman Kniefel, support from Supervisor Tamaro. Motion carried unanimously.

REPORTS

Clerk/Treasurer's Report- Bank statements have not arrived at this date, so this report is tentative. For the month of January 2011 there were \$58,278.11 in revenues and \$138,325.54 in expenditures and a transfer of \$196,900.00 from Miners to Mt. Iron Checking. Balance are as follows:

Miners Bank-	\$43,061.83
Assessment Savings-	\$477,342.25
Mt. Iron Checking-	\$852,163.66

Capital Projects Fund 401 was created for the O'Laughlin Square Waterline Project. A certificate of deposit was purchased with the remaining funds. Since the project is completed, the CD should be listed under fund 601 Water. Need board action to do away with fund 401 and transfer the CD to 601 Water Fund.

New signature cards have arrived from Mt. Iron Bank, the appropriate persons need to sign.

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

Motion to accept the January 2011 Road & Bridge Report made by Supervisor Tamaro, support from Supervisor Pernu. Motion carried unanimously.

Motion to accept the January 2011 Police Report made by Chairman Kniefel, support from Supervisor Pernu. Motion carried unanimously.

CORRESPONDENCE

MN Power- They recently completed an audit of street lights in Fayal. Map is attached. When a mercury vapor light fails it will be replaced with sodium vapor. MN Power is no longer offering an Option 2, which the township currently is, which means we own the light fixtures.

When MN Power replaces a fixture it will be moved to an Option 1, and there will be a charge of \$50 and the monthly cost will increase, but MN Power will be responsible for all maintenance and replacement costs moving forward. Referred to PUC.

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

League of MN Cities- Safety & Loss Control Workshop, April 7, Giants Ridge. Placed on file.

Ron & Julie Beldo- Letter concerning their mutual right to use the town road right-of-way on Woodlawn Blvd. West. The Beldos state their access has been barricaded by their neighbor deliberately shoveling large amounts of snow at the point where their snowmobile path adjoins the ROW. Referred to Police Chief Thompson.

Steve Shykes, Fire Chief- Letter regarding proposed purchases under the MN DNR Grant, which is \$2000 from the DNR with a \$2000 match from the fire department. Referred to New Business.

OLD BUSINESS

Supervisor Erjavec-

Gilbert Effluent Agreement- Have heard nothing from Gilbert. Supervisors Erjavec & Tammaro, Dennis Pernu of the PUC, Diane Stewart and Dale Dickson met with Brad Reifsteck of SEH on updating the sewer rate study. Mr. Reifsteck will contact Gilbert and the MPCA for information regarding costs for wastewater treatment.

Supervisor Tammaro-

Street Projects- Brad Reifsteck will be meeting with Steve Verkovich on which roads will be done. Report at the next meeting.

Fire Department Water Tender- Supervisor Tammaro suggested the fire department obtain a quote to see how much it would cost to repair the existing truck. Fire Chief Shykes stated the truck is 20 years old, has an open cab configuration and the lining in the tank is flaking off, and is only used as a last resort. Shykes will check into repair costs.

Chairman Kniefel-

Skateboard Grants- Grants are available for low income communities. Fayal's per capita income is too high to qualify.

NEW BUSINESS

Supervisor Tammaro distributed specifications on a new dump truck for Road & Bridge. The quoted cost from Skubic's is \$128,000, including a \$5-9,000 trade-in allowance on our old truck. Clerk Sersha questioned if there were any other vendors that were contacted? Supervisor Tammaro stated this quote is from the state bid.

Chairman Kniefel reported on a list of personal protective gear etc. the fire department wants to purchase with the \$2,000 matching DNR grant.

Motion to proceed with the purchases and authorize the clerk and chair to sign the appropriate documents, made by Chairman Kniefel, support from Supervisor Branville. Motion carried unanimously.

Motion to eliminate fund 401, O'Laughlin Capital Projects fund, and transfer the Certificate of Deposit to Fund 601, Fayal Water Company, made by Chairman Kniefel, support from Supervisor Erjavec. Motion carried unanimously.

Regarding the donation to the SLC Fair, the issue died due to lack of support.

Chairman Kniefel reminded the Board of the March meeting schedule. The Annual Meeting will be held March 8.

Motion to cancel the Regular Meeting of March 1, and hold only the Regular Meeting of March 15, made by Supervisor Tamaro, support from Chairman Kniefel. Motion carried unanimously.

Chairman Kniefel stated he would like to move the levy discussions to the end of the meeting after hearing from the citizens in attendance.

CITIZEN CONCERNS AND COMMENTS

Fire Chief Steve Shykes reported there was a major repair on Engine 91, and that as of yesterday, the fire department has gone out on 24 calls for the month of January, with 10 of them being fire calls.

Scott Smith, John Zlimen, Harvey Thompson and Brad Reifsteck had no comment.

2012 LEVY

The Board tentatively decided at the last meeting on a total levy of \$521,800, which includes a levy amount of \$36,000 for the police department. Supervisor Branville stated that at the Annual Meeting, it was voted to decrease the levy by \$36,000 and questioned if the reduction was designated as police funds and what is the police department operating on in 2011? Clerk Sersha stated it is operating on carryover funds from past years of approximately \$25,000 at this time. Supervisor Branville asked how the police department would be funded when those funds run out? Clerk Sersha cited examples of other departments that have run at a deficit in past years and explained that the department either runs at a deficit until funded, or the board may decide to fund it with unreserved general funds. Supervisor Branville stated that we need to be prepared to answer this question at the Annual Meeting because the people at the Annual Meeting voted to not fund the police and it has not been discussed by the board one time since the Annual Meeting. Supervisor Branville stated now we are talking about putting the \$36,000 back in, and the intent at the Annual Meeting was, people do not want to spend \$36,000 on police protection when we have St. Louis County available to us. Supervisor Branville stated we have not explored that and maybe St. Louis County could give us a laundry list of services they could provide. Supervisor Tamaro stated St. Louis County did give us a proposal, and the cost would be \$55 per hour, so if we kept it at 20 hours per week it would cost us \$16,000 more than we are spending now. Supervisor Branville commented that is if it decided that extra police is even needed beyond what SLC is providing, and that the \$36,000 could be put to better use. Supervisor Branville stated the cost does not justify the benefit.

Discussion then turned to what the intent of the people at the Annual Meeting was— cut the levy by \$36,000 or get rid of the police department? Clerk Sersha stated the original motion made by Mr. Wudinich was in writing and was different than the motion repeated by the moderator following the discussion. There was more discussion by Supervisor Branville concerning keeping the department but laying off the staff, or totally eliminating it by referendum. Supervisor Tamaro questioned what authority the people at the Annual Meeting have? Chairman Kniefel stated they do not have the authority to eliminate a department, but they can request it be put to a vote on the ballot at the next election. Chairman Kniefel went on to say they also do not have the authority to make personnel decisions— to staff, hire, not hire etc. Chairman Kniefel stated the only real power the people at the Annual Meeting have is the levy. Chairman Kniefel went on to explain that when a levy gets certified to St. Louis County for collection on the tax roles, there are two sections in the levy- general and road & bridge. All of the sub-categories the board assembles are for the purposes of planning and bookkeeping, and are creations of the town board. The Board has the latitude to use money from the general fund to keep the police department here.

Supervisor Branville stated he knew that but wanted it explained to him for the record. Branville stated that we are going to get that question again at the Annual Meeting—what are you doing, why do we still have him, why can't we be saving the \$36,000 and put it to better use? Chairman Kniefel responded the town board has to take the action to make a personnel change, and there has been no initiative on the part of the board in the last year to do anything with it.

Supervisor Branville stated he is just trying to warn everyone that if there is a ton of people at the Annual Meeting wondering why we haven't done anything in the last year, the board better be prepared to answer. Supervisor Erjavec stated the vote was not unanimous and the supervisors represent both sides— some people wanted it, some did not.

Regarding the letter received from SLC Sheriff Ross Litman outlining the costs to have the sheriff provide additional police protection in the township, Supervisor Branville stated he did not receive a copy and was not aware we had received this information. Clerk Sersha stated the letter was brought to correspondence and was discussed by the board, and a copy would be provided to Supervisor Branville.

(Clerk's Note- The letter in question was presented to the town board under Correspondence at the January 4, 2011 Regular Meeting).

Discussion then turned to the levy for other departments. Supervisor Tammaro stated he is satisfied with keeping the road & bridge and capital equipment levy the same, but noted an increase to \$62,000 for fire. Chairman Kniefel stated he penciled that in and will meet with the fire department before the next meeting. Supervisor Branville noted the Greenwood Township fire department levy is \$110,000.

Supervisor Erjavec stated he would like to see the police levy lowered, since there has been a carryover, so there could be a 0% levy increase from 2010. Chairman Kniefel stated the police budget includes funding for vehicle replacement every five years, and we will probably be using the carryover for 2011. Supervisor Erjavec suggested reducing the police budget by the increase amount for the fire department and stretching out the replacement of the police vehicle. Supervisor Tammaro agreed the levy could be lowered because we are not paying PERA for our police officer at this time.

Tentatively, the board agreed to presenting a \$519,500 levy to the Annual Meeting, but further discussion will be held at the next regular meeting.

Motion to pay the bills made by Supervisor Branville, support from Supervisor Erjavec. Motion carried unanimously.

Motion to adjourn by Supervisor Tammaro.

Chairman Kniefel adjourned the Regular Meeting at 7:55 PM.

Respectfully submitted,

Judy M. Sersha
Clerk of Fayal

Approved: _____ **Date:** _____
Chair

Attest: _____
Clerk