

**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 16, 2010**

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 Jerry Ulman and John Damberg.

***Motion to approve the minutes of the February 2, 2010 Regular Meeting, made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.***

**REPORTS**

**Clerk/Treasurer's Report**- For the period of February 1-16-, 2010 there have been \$15,896.56 in receipts and \$67,398.41 in expenditures. A transfer in the amount of \$129,950.00 was made from Miners Bank to Mt. Iron Checking. Tentative balances as of this date are:

Miners Bank-	\$17,617.74
Assessment Savings-	\$471,206.74
Mt. Iron Checking-	\$773,598.76

Balances for the period of January 1, 2009 to December 31, 2009 for all funds are as follows:

**General Fund**- Beginning balance was \$231,106.71, there were \$240,590.91 in revenues and \$270,427.34 in expenditures, leaving a reserved balance of \$14,569.31 and an unreserved fund balance of \$186,700.97.

**Buildings & Grounds**- Beginning balance was \$8,013.87, revenues received were \$45,000 in levy funds, and \$1,620.00 in town hall rent for revenues of \$46,620.00. There were \$39,277.78 in expenditures, leaving an ending balance of \$15,356.09.

**Fire Dept.**- Beginning balance was \$5,881.66. Revenues were: \$59,700.00 in levy funds, \$59,124 FEMA grant, \$5,100 DNR grant, Taconite Municipal Aid- \$100.00, State Fire Aid- \$8,933.00, Expenditures were \$142,519.49, leaving an ending balance of -\$1,242.83.

**Rec.**- Beginning balance was \$64,418.44. No levy funds were received. Expenditures were \$16,448.32, leaving an ending balance of \$47,970.12.

**Capital Equipment**- Beginning balance was \$171.134.04, revenues were \$30,000 in levy funds, CD interest of \$4,892.98 for a total of \$34,892.98. Expenditures were \$4,436.47 for town hall generator modifications and \$2,709.94 for the fire department boat motor, leaving an ending balance of \$198,880.61.

**Police**- Beginning balance was \$8,053.21. Revenues were \$36,000 in levy funds and fines of \$722.72, total \$36,722.72. Expenditures were \$29,006.50, leaving an ending balance of \$15,769.43.

**Road & Bridge**- Beginning balance was \$230,340.66, revenues were \$235,730.22 in levy funds, \$10,075.00 in mining effects for the Golf Course Road project, Town Road Aid of \$11,082.81 and miscellaneous of \$1,741.57 for a total of \$278,730.22. Expenditures were \$214,714.48, leaving an ending balance of \$276,353.62.

**Public Utilities**- Beginning balance was \$14,093.63, franchise fees received were \$9,735.32, expenditures were \$3,523.09, leaving a balance of \$20,305.86.

**Mining Effects**- Beginning balance was \$67,492.07, revenue received was \$53,902.00, expenditures were \$2,327.00 for Town Hall Landscape project, \$10,075.00 for Golf Course Road Project, \$7,000 for snowmobile Trail, and designations of \$20,000.00 for Eveleth Ambulance and \$4,500 for FEMA Radio Grant Match, \$10,000.00 for 132 & 96 Beautification Project, total \$53,902.00. Ending balance is \$101,992.07.

**Employee Benefits**- Beginning balance was \$96,550.14, revenues were \$3,668.05 in CD interest and \$5,000 transfer from General, leaving a balance of \$105,218.19.

**Lodging tax**- Beginning balance was \$3,297.21, revenues were \$1,008.28, leaving a balance of \$4,305.49.

**Assessment Account Interest**- This fund is interest earned from the assessment savings account that can be used for purchases for the Fayal Sewer Company. Beginning balance was \$52,853.39, interest earned was \$9,742.46, ending balance is \$62,595.85.

**Special Assessment Interest**- This fund is interest earned from the difference charged to benefitted property owners versus what the town pays on the PFA loans. These funds can be used to pay for administrative costs, such as audit fees, or to pay down the debt on the loans. Beginning balance was \$131,483.98, interest earned was \$32,001.73, expenses were \$5,000.00 for auditing, leaving a balance of \$163,485.71.

**Differding Point Sewer Interest**- This fund is interest earned from the difference charged to benefitted property owners versus what the town pays on the Differding Point PFA loan. Beginning balance was \$16,435.73, interest earned was \$1,618.55, ending balance is \$18,054.28.

**Fayal Water Company Contingency**- Beginning balance was \$9,463.54, revenues were \$6,550.08 ending balance is \$16,013.62.

**Fayal Sewer Company Contingency**- Beginning balance was \$8,176.21, revenues were \$9,000.00, expenditures were \$0.00, leaving an ending balance of \$17,176.21.

**Fayal Water Company Depreciation**- Designated for the year was \$4,330.80, CD interest earned was \$1,728.29, total funded depreciation is \$59,127.67.

**Fayal Sewer Company Depreciation**- Designated for the year was \$30,000, interest earned was \$4,226.95. Total funded depreciation is \$275,993.08.

**Sewer Replacement Fund**- Beginning balance was \$27,293.96, CD interest earned was \$697.63, set aside for the year was \$3,100.68, ending balance is \$31,092.27.

**Balances as of 12-31-09 for all accounts:**

Miners National Bank-	\$95,743.63
Mt. Iron Bank Checking-	\$768,682.46
Assessment Savings-	\$470,872.17
Employee Benefits CD-	\$105,218.19
Capital Equipment CD-	\$121,218.19
Sewer Replacement CD-	\$27,979.54
FWC Depreciation CD-	\$50,156.21
FSC Depreciation CD-	\$225,877.68
<b>Total Cash 12-31-09</b>	<b>\$1,865,874.17</b>

**Interest Earned for the year 2009-**

Miners Bank-	\$499.37
Mt Iron Checking-	\$22,270.94
Assessment Savings-	\$9,742.46
CD Interest, total-	\$18,591.26
<b>Total Interest 2009-</b>	<b>\$50,604.66</b>

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

***Motion to accept the January 12, 2010 PUC Regular Meeting minutes, made by Supervisor Erjavec, support from Supervisor Tammaro. Motion carried unanimously.***

***Motion to accept the January 19, 2010 PUC Special Meeting minutes, made by Supervisor Erjavec, support from Supervisor Branville. Motion carried unanimously.***

***Motion to accept the February 10, 2010 EFGSD Joint Rec Regular Meeting minutes, made by Supervisor Tammaro, support from Supervisor Pernu. Motion carried unanimously.***

### **CORRESPONDENCE**

SLC Planning- The St. Louis County Water Plan is being updated. The draft plan is available on the county website for public comment. Comments should be submitted by Feb. 19, 2010. Placed on file.

MAT- Township Shortcourse will be held Friday, April 2 at Fortune Bay. Placed on file.

SLC Assessor- Local Board of Appeal and Equalization Training will be held Tuesday, March 30<sup>th</sup>, 5:30-8:30 PM Cotton Town Hall. Erjavec and Kniefel are in compliance until 2012, Branville until 2011. Branville questioned why his compliance date was not the same as the other two, since he attended on the same date. Branville to check on it. Local Board of Appeal will be held Wednesday, April 21, 1-2 PM, Fayal Town Hall. Placed on file.

### **OLD BUSINESS**

#### **Supervisor Erjavec-**

***Gilbert Sewer Rate Proposal-*** The PUC is working on the proposal. Erjavec will be meeting with PUC Chair Pete Bertucci to discuss further. Kniefel stated if Fayal is expected to participate in the total cost of running the plant in Gilbert, we should have some representation as to how the plant is run and the expenditures to run it.

#### **Supervisor Branville-**

***AFSCME Contract-*** The only two items the union is not in agreement with is the hourly wages and increase for the billing clerk position. Another meeting is scheduled Thursday at 9:15 AM.

#### **Chairman Kniefel-**

***Bike Trail-*** Chairman Kniefel read aloud Resolution 2010-01.

***Motion to adopt Resolution 2010-01 Supporting and Approving the Town of Fayal Segment of the Mesabi Trail, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.***

### **NEW BUSINESS**

The Board reviewed a letter to be sent by Clerk Sersha to a property owner in the township regarding the purchase of their property to locate a sewer pond. The board agreed the letter should be sent.

Chairman Kniefel informed the Board that an easement is needed from the township for the Mesabi Trail. The portion of property in question is basically where the existing bike trail is located. Chairman Kniefel read aloud Resolution 2010-02.

***Motion to adopt Resolution 2010-02 authorizing the granting of Recreational Trail Easement across Township Property, made by Chairman Kniefel, support from Supervisor Branville. Motion carried unanimously.***

Chairman Kniefel stated that once the plan is approved the project will be let.

**CITIZEN CONCERNS AND COMMENTS**

Jerry Ulman was in attendance but had no comment.

John Damberg was in attendance and stated that he has been on the PUC for quite some time and stated his concern that the PUC is not being notified of all correspondence and meetings and they need to be better informed.

***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 7:58 PM.

Respectfully submitted,

Judy M. Sersha  
Clerk of Fayal

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

**Date:** \_\_\_\_\_

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