

TOWN OF FAYAL
4375 SHADY LANE, EVELETH, MN 55734

Judy M. Sersha, Clerk/Treasurer

Steven J. Kniefel, Chairman

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

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REGULAR MEETING OF THE FAYAL TOWN BOARD

FEBRUARY 19, 2008

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 Stewart, Supervisor Branville and Clerk Sersha. Supervisors Tammaro and Pernu were absent.

Audience members in attendance were Diane Stewart, Mike Erjavec and Scott Smith.

Motion to approve the February 5, 2008 Regular Meeting minutes, made by Supervisor Branville, support form Supervisor Stewart. Motion carried unanimously.

REPORTS

Clerk/Treasurer's Report-

For the year 2007, January 1 - December 31, activity in the individual departments was as follows:

Buildings & Grounds- Beginning balance was (\$1,290.23), total receipts were \$42,745.00, expenditures were \$41,605.62, leaving an ending balance of (\$150.85).

Fire Department- Beginning balance was \$690.05, receipts were \$85,475.00, expenditures were \$92,029.01, leaving an ending balance of (\$5,863.96).

Police- Beginning balance was \$29,148.45, revenues were \$34,219.62, expenditures were \$30,065.79, leaving an ending balance of \$33,302.28.

Recreation- Beginning balance was \$75,128.65, revenues were \$25,200.00, expenditures were \$25,496.22, leaving an ending balance of \$74,832.43.

Road & Bridge- Beginning balance was \$101,649.20, revenues were \$238,229.84, expenditures were \$182,589.51, leaving an ending balance of \$157,289.53.

Capital Equipment- Beginning balance was \$165,661.18, revenues were \$35,616.65, expenditures were \$21,482.64, leaving an ending balance of \$179,795.19.

Mining Effects- Beginning balance was \$46,533.02, revenues were \$48,865.00, expenditures were \$18,054.29, leaving an ending balance fo \$77,343.73. Of this balance, \$46,533.02 has been designated to the bike trail and \$30,810.71 has been designated to the water main meter project with the City of Eveleth.

Lodging Tax- Beginning balance was \$1,733.38, revenues were \$672.88, leaving a balance of \$2,406.26.

Public Utilities- Beginning balance was \$21,110.35, revenues in the form of franchise fees were \$10,635.40, expenditures were \$23,794.13, leaving an ending balance of \$7,951.62.

Employee Benefits- Beginning balance was \$78,957.28, interest of \$3,692.15 and a \$5,000 transfer from general were received leaving an ending balance of \$87,649.43.

MPFA Interest for Town- This is interest earned by the town on the difference between what the town is charging for the assessments versus what it is paying. These funds can be used for administrative accounting purposes or to pay down the PFA loan. Beginning balance was \$57,189.89, interest earned was \$42,356.08, auditing and accounting expense was \$4,414.00, leaving a balance of \$95,131.97.

Differding Pt. Interest- This account was cleared out due to negative fund balance and moved from reserved to unreserved.

Capital Purchases Interest- This is interest earned by the assessment savings account and these funds can be used to make capital purchases for the sewer company, or to pay down the PFA loan. Beginning balance was \$28,712.24, interest earned was \$14,820.21, leaving an ending balance of \$43,532.45.

Overall, the sum of all general fund departments unreserved fund balance was at \$250,731.55 as of January 1, 2007 and the unreserved fund balance as of December 31, 2007 was at \$249,250.48. Net change in unreserved general funds was for the year was (-\$1,481.07.)

Road & Bridge Special Revenue fund- The beginning reserve as of January 1, 2007 was \$101,649.20, with the ending reserve as of December 31, 2007 being \$157,289.53, an excess of revenue over expenditure of \$55,640.33

For the month of January 2008, there were \$62,865.67 in revenues, \$168,989.45 in transfers, \$103,305.81 in expenditures, leaving ending balances as follows:

Miners Bank-	\$12,064.00
Mt. Iron Checking-	\$803,177.17
Special Assessments Savings-	\$384,287.96

For the month of February 2008 to date, there have been revenues of \$12,585.44 and expenditures of \$51,094.99.

CORRESPONDENCE

Sam Aluni, Gilbert City Attorney- Revised Memorandum of Understanding for Sparta Sewer. Referred to Old Business.

SNAP, Contented Critters, Faye Peters- Letter dated February 12, 2008 stating they will not be doing animal pickup in our township, and advising that it would be to our advantage to find someone else. Referred to New Business.

Quad Cities Sewer- Meeting minutes of January 17, next meeting is Thursday, February 21, 10 AM, Fayal Town Hall. Placed on file.

SLC Assessor- Board of Equalization has been set for Fayal on Wednesday, April 16, 1-2 PM. Placed on file.

SLC Auditor- We must levy at least \$84,079 for taxes payable 2008 to receive gas tax money. Placed on file.

EFGSD Joint Rec- The March meeting has been cancelled. Next meeting is April 9, 2008. Placed on file.

OLD BUSINESS

Supervisor Branville-

Golf Course Road/Kunnari Sewer Connection- Branville reports that the connection was discussed between Joe Sopp, Julie Kennedy and Dale Dickson. After discussions, wastewater operator Dale Dickson is in agreement with Jola & Sopp that the connection will meet our standards. Jola & Sopp will state in their quote the project will not exceed \$29,500.00.

Motion by Supervisor Branville, second by Supervisor Stewart to accept the proposal and go ahead with the connection to Kunnari's. Supervisor Stewart questioned who will own the line, will it be deeded back to the township? Supervisor Branville states that we would own the line to the manhole, and they (Kunnari's) would be responsible for the service line from the manhole to the house. Chairman Kniefel stated the memo from Julie Kennedy had some concerns, such as bury depth (6 feet versus 8 feet) and questioned if the town is willing to take the liability of accepting the line? Supervisor Branville stated there are many of the town's main lines that are at a lesser depth, and insulation was put over the pipe, with no problems. Kniefel also questioned the interior/exterior drop of the manhole, and Stewart was concerned with the ownership issue of assuming the risk when the project is built to a lower standard. Branville stated this is our first extension and if the population increases, we will be doing more of these. Branville stated that the contractor is an experienced one who has done a lot of work in this area, and his recommendation along with the wastewater operator's, that this project will work, is more than adequate for him. ***Motion carried unanimously.***

Gilbert Rate Negotiations/Sparta Agreement- A memo of understanding was received from Gilbert Attorney Sam Aluni. The memo did not include a release of liability for Fayal. Otherwise, the rest of the agreement reflected what has been agreed to between the parties.

Motion to table action until the issue has been clarified, made by Chairman Kniefel, support from Supervisor Branville. Branville will contact Sam Aluni tomorrow, Kniefel will speak with the Gilbert Mayor. Motion carried unanimously.

PUC Truck Purchase- Three quotes were received for a 2008 One ton regular cab and chassis 4x4 single rear wheel truck, service body, with plow:

Lundgren's- \$29,314.87, less \$13,000 trade-in for 2001 Ford F-250 w/plow, final price \$16,314.87

Ken Waschke- \$39,937.46, less GM Bid Assistance \$5,000, less trade-in 2001 Ford F-250 w/plow \$10,260.00, final price \$24,677.46

Iron Trail- \$40,836.00, less \$10,000.00 trade-in for 2001 Ford F-250 w/plow, less crane charge and leaf spring \$1,320, final price \$29,516.00

The crane will be removed from the 2001 Ford F-250 and installed on the new truck, all at our expense.

Motion to authorize the purchase of the Ford from Lundgren's, made by Supervisor Branville, support from Chairman Kniefel. Funds have been set aside in the truck depreciation account for this purchase. Motion carried unanimously.

Health Insurance Meeting- A meeting was held with Mick Giblin, AFSCME Rep. Joe Pershern, Supervisor Branville, Clerk Sersha, Steve Verkovich, Al Jurenic, Diane Stewart and Dale Dickson. A good discussion took place and VEBA plan was explained. Another meeting has been tentatively scheduled on March 13, 10 AM, to include discussions with representatives from NESCU and BCBS.

NEW BUSINESS

Supervisor Branville reported that repairs need to be done to the lawn mower, totaling approximately \$500-\$550.

Chairman Kniefel reminded the board we have the Annual Meeting on March 11, 7:00 PM. Due to this fact, in the past we have cancelled one of the regular monthly meetings.

Motion to cancel the March 18 Regular Meeting, due to the Annual Meeting on March 11, made by Chairman Kniefel, support from Supervisor Branville. Motion carried unanimously.

The letter received from Faye Peters of Contented Critters was discussed. No reason was given for why they will no longer be picking up animals in the town. Supervisor Stewart will contact Mrs. Peters.

CITIZEN CONCERNS AND COMMENTS

Scott Smith, Mike Erjavec and Diane Stewart were in attendance but had no comment.

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

Motion to adjourn by Supervisor Branville.

Chairman Kniefel adjourned the Regular Meeting at 7:47 PM.

Respectfully submitted,

Judy M. Sersha
Clerk of Fayal

Approved: _____
Chair

Date: _____

Attest: _____
Clerk

