

**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 21, 2012**

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: Scott Smith, Steve Shykes, Jerry Ulman, Brad Reifsteck and Jim Johnson.

***Motion to approve the minutes of the February 7, 2012 Regular Meeting made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.***

**REPORTS**

**Clerk/Treasurer's Report-** All bank statements for the month of January 2012 have been received, and all accounts have been reconciled. There were revenues of \$65,020.53 and expenditures of 124,198.28. A transfer in the amount of \$180,600.00 was made from Miners to Mt. Iron Checking. Ending balances are as follows:

Miners Bank-	\$65,837.32
Assessment Savings-	\$450,680.75
Mt. Iron Checking-	\$758,256.40

For the period ending December 31, 2011 balances for utilities are:

**Public Utilities-** (\$3,310.88)

**Fayal Water Company-** Checking balance- \$61,017.21. Accumulated within checking: Depreciation not in CD- \$7,545.41, Maintenance Contingency-\$34,517.94, Standby Water-\$10,233.67, Test fees- \$339.27, leaving a cash balance of \$9,582.58.

**Fayal Sewer Company-** Checking balance- \$240,204.88 and accumulated within checking: Maintenance Contingency- \$32,141.83, PUC Truck Depreciation- \$14,154.26, Depreciation not in CD- \$60,208.85, Sewer Access Charges- \$25,900.96, leaving a cash balance of \$107,798.98.

Recommendation on transfers was referred to New Business.

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

***Motion to accept the January 11, 2012 Fire Department Regular Business Meeting minutes, made by Chairman Kniefel, support from Supervisor Erjavec. Motion carried unanimously.***

***Motion to accept the minutes of the February 8, 2012 EFGSD Regular Meeting, made by Supervisor Tamaro, support from Supervisors Pernu. Motion carried unanimously.***

***Motion to accept the minutes of the December 7, 2011 E-F Joint Cable TV Regular Meeting made by Supervisor Tamaro, support from Supervisor Branville. Motion carried unanimously.***

***Motion to accept the January 2012 Road & Bridge Report, made by Supervisor Tamaro, support from Supervisor Pernu. Motion carried unanimously.***

***Motion to accept the minutes of the January 10, 2012 PUC Regular Meeting, made by Supervisor Erjavec, support from Supervisor Tamaro. Motion carried unanimously.***

***Motion to accept the January 2012 Wastewater Operator Report made by Supervisor Erjavec, support from Supervisor Tamaro. Motion carried unanimously.***

### **CORRESPONDENCE**

SLC Assessor- Board of Appeal training will be held Tuesday, March 27, 6-9 pm, Cotton Community Center. Board of Appeal will be held April 11, 2012, 1-2 pm, Fayal Town Hall. Placed on file.

Jan Jackson, and other local SLC Assessors- Letter informing the county wants to have full control of the assessment process, which means the county assessors would do all the assessing for all cities and townships. The local assessors are asking we contact our county commissioners and tell them we do not want to be denied the right to choose. The commissioners will be making their decisions in March. Referred to New Business.

Fire Dept. Membership Committee- Recommendation to hire Eric Moe as a firefighter. Referred to New Business.

SEH- Pay Estimate #2 for the Solar Project. Referred to New Business.

### **OLD BUSINESS**

#### **Supervisor Erjavec-**

**Wastewater Contract-** Nothing new.

Chairman Kniefel stated now that we have a decision on the lawsuit, we will need to make an adjustment to the sewer rates, and suggested we seek an outside resource for a recommendation. Discussion.

***Motion to proceed with Walker, Giroux & Hahne to give a rate study for end users for our consideration, made by Chairman Kniefel, support from Supervisor Erjavec, for discussion.*** Supervisor Tamaro questioned if we would have a five year projection done? Supervisor Erjavec stated last time we had them do a rate study we ignored their advice. Supervisor Tamaro stated we made adjustments to the amounts WGH advised us to put away for depreciation so we did not have the rate as high as was suggested in the study. Supervisor Erjavec suggested the only fair way is to have meters installed and use monthly water usage as a basis for the rate. Discussion on metering personal wells. Supervisor Branville stated he is against that. Discussion on meter costs. Chairman Kniefel stated all of those things are up for consideration in the future, but we need to do something now. ***Motion carried unanimously.***

Clerk Sersha will contact Walker, Giroux & Hahne regarding the rate study.

#### **Supervisor Branville-**

**Building Committee-** Supervisor Branville, Supervisor Tamaro and Steve Shykes met with Ryan Turner of DSGW. Supervisor Branville has requested the information from the study done by Architectural Resources be forwarded to us, but we have not received it at this time. Next meeting will be the first week in March.

#### **Supervisor Pernu-**

Rink- There has been problems with the workers not showing up, and the rink has been closed more than it has been open. Craig Homola decided to close the rink two weeks early. Supervisor Branville stated that is not fair to the residents of Fayal– the joint rec is supposed to take care of the staffing.

#### **Chairman Kniefel-**

**Fund Transfers-** The finance committee met and made the following recommendations for fund transfers:

**All transfers effective January 1, 2012:**

**Recommendation:** Transfer sewer access charges from 602 sewer to 103 public utilities- \$2,460 franchise fees received on January 12, so PUC is currently at (\$-850.83). Suggest a transfer of \$10,000. This will allow enough money to have a rate study done by WGH, and pay future lawyer bills. Expect about \$8,000 in franchise fees during the course of this year.

***Motion to transfer \$10,000.00 from Fund 602, Sewer Access Charges, to Fund 103 Public Utilities, made by Chairman Kniefel, support from Supervisor Erjavec. Motion carried unanimously.***

**Recommendation:** Transfer accumulated mining effects dedicated to bike trail to the Rec Department, and earmark \$10,000 of it for the ballfield. Total accumulated Mining Effects dedicated to the trail is \$47,298.02.

***Motion to transfer \$47,298.02 in accumulated mining effects to the rec department and earmark \$10,000 of the transfer to the ballfield project, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.***

**Recommendation:** Police fund is at (-\$3,425.85) as of 12-31-11, and is currently at (-\$6,880.00). Suggest transfer of \$36,000 from unreserved general funds to this department.

***Motion to transfer \$36,000.00 from unreserved general funds to the police department, made by Chairman Kniefel, support from Supervisor Erjavec. Supervisor Pernu questioned if this amount would be enough to take us to the end of the year? Clerk Sersha stated it should be enough for wages and expenses for the year, but no extras. Motion carried unanimously.***

**Recommendation:** Transfer \$5,000 to employee benefits, effective 12-31-2011, as a matter of record. This has been done yearly for post employment employee benefits and was not done before the end of 2011.

***Motion to transfer \$5,000.00 to employee benefits effective 12-31-2011, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.***

**All transfers are effective January 1, 2012, with the exception of the employee benefits transfer, which is effective December 31, 2011.**

## **NEW BUSINESS**

Supervisor Pernu informed the board there will be a free seminar on playground safety and repair held at NESCU on March 20 and presented by Bruce Pudwill of Midwest Playscapes. Also, by attending the seminar, we will receive a free playground safety inspection in the spring. Supervisor Pernu suggested Dennis Pernu and Charlie Erickson attend along with he and Albert Jurenic.

***Motion to authorize Dennis Pernu and Charlie Erickson attend, and be paid for three hours, to go to the Playground Seminar on March 20, made by Supervisor Pernu, support from Supervisor Tammaro. Motion carried unanimously.***

***Motion to authorize purchase of washer/dryer combo from Keenan's at a cost of \$1,400.00, made by Supervisor Tammaro, support from Supervisor Pernu.*** Supervisor Branville questioned why the washer/dryer was needed? Supervisor Tammaro stated the road and wastewater employees have always had a washer for their work clothes. Supervisor Branville stated he was not aware of that, and questioned if the employees would be washing their clothes on township time? Supervisor Tammaro stated they will be doing that during the course of their day, but will not be sitting and waiting for each load. ***Motion carried unanimously.***

Supervisor Tammaro reported he stopped at the IRRRB. There is no funding available for townships. Next year there may be funding, but it will be only about a half million dollars for all townships to share. Supervisor Branville reported he checked into USDA funding, and we do not qualify for that either.

Chairman Kniefel stated the Annual Meeting will be March 13, and we usually cancel one regular meeting that month. Kniefel also asked if the board would like to set the summer meeting schedule at this time. Short discussion.

**Motion to cancel the second regular meeting in March and the first regular meetings in June, July and August, made by Chairman Kniefel, support from Supervisor Tamaro. Motion carried unanimously.**

**Motion to hire Erik Moe as a probationary firefighter for the Town of Fayal, contingent upon favorable results from a physical exam and background check, made by Chairman Kniefel, support from Supervisor Pernu. Motion carried unanimously.**

Discussion on the proposal to have all assessing done by the county. Chairman Kniefel stated board members can make their individual opinions known to the county commissioners, and felt that action by the town board is inappropriate.

**CITIZEN CONCERNS AND COMMENTS**

Brad Reifsteck had no comments.

Jim Johnson stated he had information on water meter costs from other entities and he will forward them to us for consideration.

Jerry Ulman, Scott Smith and Steve Shykes had no comment.

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

Motion to adjourn by Supervisor Tamaro.

Chairman Kniefel adjourned the Regular Meeting at 7:57 PM.

Respectfully submitted,

Judy M. Sersha  
Clerk of Fayal

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

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

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