

**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, Mike Erjavec*

*PHONE (218)744-2878*

*FAX (218) 744-5986*

**REGULAR MEETING OF THE FAYAL TOWN BOARD**

**FEBRUARY 7, 2012**

The Regular Meeting of the Fayal Board of Supervisors was called to order at 4:00 PM by Vice-Chair Tammaro. The Regular Meeting was re-scheduled to an earlier time due to the precinct caucus. The change in time for the Regular Meeting was properly posted at all the usual posting places. Present were: Vice-Chairman Tammaro, Supervisor Erjavec, Supervisor Branville, Supervisor Pernu and Clerk Sersha. Chairman Kniefel arrived at 4:15 PM.

Audience members in attendance were Steve Shykes and Attorney Bruce Williams.

***Motion to approve the minutes of the January 17, 2012 Regular Meeting, made by Supervisor Pernu, support from Supervisor Erjavec. Motion carried unanimously.***

**REPORTS**

**Clerk/Treasurer's Report-** For the period of January 1, 2011 through December 31, 2011:

**General Fund-** Beginning balance was \$191,822.12, there were \$245,829.16 in revenues and \$228,797.89 in expenditures, leaving an unreserved balance of \$208,853.39.

**Buildings & Grounds-** Beginning balance was \$21,799.47, revenues received were \$45,000 in levy funds, \$1,500.00 in town hall rent, and accounts receivable of \$18,952.61 for the Solar Grant for revenues of \$65,452.61. There were \$50,074.03 in expenditures, and \$18,952.61 in accounts payable for the Solar Grant leaving an ending balance of \$18,225.47.

**Fire Dept.-** Beginning balance was \$2,604.33. Revenues were: \$59,800.00 in levy funds, mining effects of \$6,981.82, State Fire Aid of \$9,600.00, DNR Fire Grant of \$2,000.00 and refunds/reimbursements of \$379.90, for total revenues of \$78,258.72. Expenditures were \$85,182.44, leaving an ending balance of \$1,078.61.

**Rec-** Beginning balance was \$22,853.63. Mining Effects of \$7,500.00 for the ballfield and a reimbursement of \$508.03 were received, for a total of \$8,008.03. Expenditures were \$27,364.14, leaving an ending balance of (\$3,497.52).

**Capital Equipment-** Beginning balance was \$226,922.75, revenues were \$30,000 in levy funds, CD interest of \$3,793.18 for a total of \$33,793.18. Expenditures were \$66,772.00 for the new dump truck, leaving an ending balance of \$193,943.93.

**Police-** Beginning balance was \$24,609.11. Revenues were \$4,322.93 in mining effects and fines of \$647.81, total \$4,970.74. Expenditures were \$28,034.96, leaving an ending balance of - \$3,425.85.

**Road & Bridge-** Beginning balance was \$306,826.29, revenues were \$198,323.17 in levy funds, fiscal disparities of \$4,403.93, unmined taconite of \$1,959.91, taconite aid of \$35,662.52, town road aid of \$14,296.23, miscellaneous of \$5,300.57, transfers from capital equipment of \$66,772.00 and mining effects of \$42,650.00 for a total of \$370,368.33. Expenditures were \$394,796.08, leaving an ending balance of \$282,398.54.

**Public Utilities-** Beginning balance was \$25,129.15, franchise fees received were \$10,027.24 expenditures were \$38,467.27 leaving a balance of (\$3,310.88).

**Mining Effects**- Beginning balance was \$97,004.07. Revenue received was \$51,916.00, expenditures were: Township Sign- \$30,097.63, Police Surveillance Camera- \$4,322.93, Fire Department generator and fire engine repair- \$6,981.82, and ball field \$7,500.00, transfer to Road & Bridge for road projects- \$42,650.00, total expenditures- \$48,902.38. Designated funds are: Bike Trail- \$47,298.02, Trail maintenance \$500.00, and Complex Expansion/Improvements- \$10,069.67. Ending balance is \$57,367.69.

**Employee Benefits**- Beginning balance was \$113,410.42, revenues were \$3,289.08 in CD interest and \$5,000 transfer from General, leaving a balance of \$121,699.50.

**Lodging tax**- Beginning balance was \$5,342.86, revenues were \$991.84, leaving a balance of \$6,334.70.

**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 \$65,828.78, interest earned was \$2,090.42, ending balance is \$67,919.20.

**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 \$197,869.02, interest earned was \$24,991.20, expenses were \$5,400.00 for auditing, leaving a balance of \$217,460.22.

**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 \$19,616.78, interest earned was \$1,013.55, ending balance is \$20,630.33.

**Fayal Water Company Contingency**- Beginning balance was \$27,663.70 revenues were \$7,187.58, expenditures were \$1,535.00 for curb boxes and stop repairs, leaving an ending balance of \$33,316.28.

**Fayal Sewer Company Contingency**- Beginning balance was \$26,176.21, revenues were \$9,000.00, expenditures were \$3,034.38 to Northstar Pump, leaving an ending balance of \$32,141.83.

**Fayal Water Company Depreciation**- Designated for the year was \$4,330.80, CD interest earned was \$1,486.43, total funded depreciation is \$70,720.54.

**Fayal Sewer Company Depreciation**- Designated for the year was \$30,000, interest earned was \$7,060.85. Total funded depreciation is \$344,463.97.

**PUC Truck Depreciation**- Beginning balance was \$9,796.68, designated for the year was \$4,354.08 for an ending balance of \$14,150.76.

**Sewer Replacement Fund**- This is a fund required by the PFA to allocate ten cents per thousand gallons of wastewater to be placed in a special sewer replacement fund. Beginning balance was \$34,806.21, CD interest earned was \$829.20, set aside for the year was \$2,837.01, ending balance is \$38,472.42.

**Balances as of 12-31-2011 for all accounts:**

Miners National Bank-	\$205,204.36
Mt. Iron Bank Checking-	\$697,026.16
Assessment Savings-	\$476,369.13
Employee Benefits CD-	\$111,699.50
Capital Equipment CD-	\$128,818.97
Sewer Replacement CD-	\$38,472.42
FWC Depreciation CD-	\$53,087.45
FSC Depreciation CD-	\$239,791.45
<b><u>Total 12-31-11</u></b>	<b><u>\$1,950,469.44</u></b>

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

***Motion to accept the December 2011 Wastewater Operator's Report made by Supervisor Erjavec, support from Supervisor Pernu. Motion carried unanimously.***

***Motion to accept the January 2012 Police Report made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.***

***Motion to accept the minutes of the December 13, 2011 PUC meeting, made by Supervisor Erjavec, support from Supervisor Pernu. Motion carried unanimously.***

## **CORRESPONDENCE**

SLCATO- Regular meeting minutes of Dec. 7, 2011 and Jan. 25, 2012. Next meeting is Feb. 22, 7 pm, following meeting is March 28, 7 pm. Both meetings to be held in Cotton. Placed on file.

SLC Auditor- We must levy at least \$83,844 under road & bridge in 2013 to receive gas tax money. Placed on file.

Admin MN- Cooperative Purchasing Agreement renewal. Placed on file.

MN Twins Community Fund- We have been awarded an additional \$10,000 grant from Justin and Krista Morneau for our baseball field renovation. Placed on file.

IRRRB- Invitation to Open House Wed. Feb. 22, 2012 1:30 PM. Placed on file.

## **OLD BUSINESS**

**Supervisor Branville**- The building committee will be meeting to discuss complex/fire department expansion improvements this Thursday at 5:30 pm, Fayal Town Hall.

Supervisor Branville asked to be kept informed on the bike trail.

Chairman Kniefel arrived at this point in the meeting (4:15 PM). Kniefel stated there was no mention of discussions on the levy in the January 17 meeting minutes. Clerk Sersha stated the discussions were left out in error, but they indeed did take place at the end of the meeting.

## **NEW BUSINESS**

Clerk Sersha stated there are several fund adjustments that she is recommending, but would like to wait until the next meeting.

***Motion to table the fund adjustments to the next meeting, made by Supervisor Erjavec, support from Supervisor Pernu. Motion carried unanimously.***

Chairman Kniefel reported he and Supervisor Pernu met with Chief Thompson regarding snowmobiles driving near the rink and recreational area. Thompson has advised snowmobilers they are not allowed in those areas. Kniefel stated an ordinance needs to be crafted to include all types of recreational and motorized vehicles on where they are, and are not allowed, on township grounds. This will be a work in progress and GPS data will need to be obtained. Supervisor Erjavec suggested the ballfield be included in the ordinance.

Supervisor Tammaro reported he met with Mike Wiskow of Eveleth and discussed the project they may do in the old gravel pit by St. Mary's Lake.

Discussion on the 2013 levy. Board consensus is to present to the people at the annual meeting a 2013 levy recommendation of \$526,800.

## **CITIZEN CONCERNS AND COMMENTS**

Steve Shykes questioned how Eveleth plans to run their new water line to the St. Mary's project. Tammaro explained they plan to run it down Miller Trunk to the airport, picking up customers along the way, and then to the pit. They may run a loop to connect water lines to the existing one on Hwy. 53. This would enable Woodline Mfg and Tire Retread to be on the water line.

Bruce Williams had no comment.

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

**Motion to close the Regular Meeting to discuss legal proceedings with Attorney Bruce Williams, made by Supervisor Pernu, support from Chairman Kniefel. Motion carried unanimously.**

Regular Meeting closed at 4:35 PM, and re-opened at 5:57 PM.

**Motion to pay the new sewer rate to Gilbert of \$4.82 per thousand gallons as of December 1, 2011, made by Supervisor Tamaro, support from Supervisor Erjavec. Motion carried unanimously.**

Motion to adjourn by Chairman Kniefel.

Vice-Chair Tamaro adjourned the Regular Meeting at 5:58 PM.

Respectfully submitted,

Judy M. Sersha  
Clerk of Fayal

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

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