

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

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REGULAR MEETING OF THE FAYAL TOWN BOARD

JUNE 19, 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 Tammaro and Clerk Sersha.

Audience members in attendance were: Lorrie Janatopoulos, Brad Reifsteck, Steve Shykes and Scott Smith.

Motion to approve the minutes of the May 15, 2012 Regular Meeting, made by Supervisor Branville, support from Supervisor Tammaro. Motion carried unanimously.

SCHEDULED GUESTS

Lorrie Janatopoulos was in attendance to introduce herself and explain her qualifications to everyone as a candidate for DFL State Representative in this fall's election.

REPORTS

Clerk/Treasurer's Report- For the month of May 2012, all bank statements have been received and reconciled. A new savings account was opened for the purpose of depositing the Certificates of Deposit. There were a total of \$50,232.07 in revenues and \$196,251.41 in expenditures, of which \$152,000.02 was sent to the City of Gilbert for the court judgement and back billings for debt service and sewage treatment. Balances as of May 31, 2012 were:

Miners Bank-	\$46,961.72
Assessment Savings-	\$453,756.86
Mt. Iron Checking-	\$707,879.53
CD Savings-	\$581,504.35

For the month of June 2012 to date, there have been \$20,450.87 in revenues and \$15,052.64 in expenditures.

Clerk Sersha asked the board for a decision as to how much they are going to transfer from the depreciation to the sewer fund for the payment made to Gilbert.

Motion to transfer \$152,000.00 from sewer depreciation account to the sewer fund, made by Supervisor Erjavec, support from Supervisor Tammaro. Motion carried unanimously.

Clerk Sersha reported her new computer arrived last week.

The GASB 45 valuation was recently completed by Vanlwaarden & Associates and a copy was forwarded to Walker, Giroux & Hahne. The Actuarial Accrued Liability valuation report for Fayal Township's Other Postemployment Benefits as of January 1, 2012 is \$519,063. This compares to \$1,374,955 on January 1, 2009. The large decrease in the liability is due to the insurance plan change to age based premiums and the purchase of Medicare Supplement for retirees over age 65. Most of the assumptions and methods are the same as those used in the prior valuation, however health care trend rates were updated.

Motion to accept the GASB 45 Actuarial Accrued Liability Report as prepared by Vanlwaarden & Associates, made by Chairman Kniefel, support from Supervisor Pernu. Motion carried unanimously.

Clerk Election training will be Wednesday, June 20, Clinton Town Hall, 12:30 pm. Clerk Sersha and Deputy Clerk Zattoni will be attending.

Clerk Sersha stated the question on whether the board should be allowed to provide for police protection needs a title on the ballot this fall, per the county auditor. Sersha asked for suggestions. Referred to New Business.

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

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

Motion to accept the April 2012 Wastewater Operator's Report, made by Supervisor Erjavec, support from Supervisor Tamaro. Motion carried unanimously.

Motion to accept the May 8, 2012 PUC Regular Meeting minutes, made by Supervisor Erjavec, support from Supervisor Tamaro. Motion carried unanimously.

Motion to accept the May 2012 Wastewater Operator's Report, made by Supervisor Erjavec, support from Supervisor Tamaro. Motion carried unanimously.

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

Motion to accept the June 13, 2012 EFGSD Joint Rec Regular Meeting minutes, made by Supervisor Tamaro, support from Supervisor Pernu. Tamaro states lifeguards should have been hired for the beach this summer, it is a part of the budget. Motion carried unanimously.

Motion to accept the May 2012 Police Report, made by Chairman Kniefel, support from Supervisor Branville. Motion carried unanimously.

Motion to accept the May 9, 2012 Fire Department Regular Business Meeting minutes, made by Chairman Kniefel, support from Supervisor Branville. Motion carried unanimously.

CORRESPONDENCE

MN Revenue- 2012 tentative valuations on unmined ore in our taxing district. Placed on file.

MN Assn of Small Cities- Requesting our membership. Placed on File.

Mike Wiskow- Aquaduct is closed between St. Mary's and Ely Lakes because St. Mary's has risen to 1375.10. Placed on file.

SLC Public Works-Jurisdictions may participate in the county dust control program again this year. Materials may be ordered from Tri-City Paving. Foreman Verkovich states we can get it for .77 a gallon from Enviro Tech in Mt. Iron.

SLC Land Dept- They are in the process of setting up a timber sale in Sections 14, 15, 23 in Fayal. They are proposing the use of South Airport Drive as an access route. Referred to Steve Verkovich, who is recommending about 150 yards of tailings on the east end of the road.

SLCATO- March 28, 2012 Regular Meeting minutes. Next meeting is June 27, 7 pm, Midway Town Hall. Placed on file.

EFGSD Joint Rec Board- Annual audit for year ending Dec. 31, 2011, done by Walker, Giroux & Hahne. Placed on file.

Jackie Corradi Simon- Letter stating Gilbert is in receipt of the judgement and will file a satisfaction with the court. Satisfaction was received June 4, 2012. Placed on File.

E-G Schools- The school board is exploring restructuring the Franklin and Nelle Shean Elementary Schools. Meetings are schedule for June 5, 7, 11, 13, 18 and 21, from 6-8 pm in the E-G Board Room. Members for the restructuring committee are also needed. Placed on file.

SLC Planning- Conditional use app was received from Lance Minko to build storage units. Meeting is scheduled for July 17, 2012. A variance hearing will also be held that day for Paul Mathieu at 9:10 am. Referred to Planning.

League of MN Cities- The board of directors voted to set a maximum dues schedule increase of 3.5% for the 2013 fiscal year beginning Sept 1, 2012. Placed on file.

Banyon Data Systems- Offering vault backup for BDS programs. Cost would be \$129 per year for 3 programs. Referred to New Business.

Amanda Murfin, 7452 Ely Lake Dr- Copy of her Eveleth utility bill showing how much Eveleth charges for their utilities in the duplex they own. Ms. Murfin also states she is disappointed in the town board's ability to manage money and she requests to have the board figure out a way to provide similar services for the same amount of money. Clerk Sersha reported she also spoke with Ms. Murfin on the phone, and informed her the board is always open to ideas and suggestions from residents, and she is more than welcome to bring any she may have forward. Ms. Murfin was also invited to attend the PUC meeting and she was informed the PUC is in need of members,

Mark Forte- Request for expenditure for ballfield watering equipment. Total cost- \$1698, plus tax. Project will be done with volunteer labor. All volunteers have been instructed and shall sign a Volunteer Waiver Form and submit to the clerk.

OLD BUSINESS

Supervisor Erjavec-

Sewer Rate- At the last meeting, the increase in monthly rate for Sparta residents was not included in the resolution.

Motion to raise the per-customer rate for Sparta/Gilbert residents to \$45.68 per month, made by Supervisor Erjavec, support from Supervisor Tammaro. Motion carried unanimously.

Supervisor Tammaro-

Demand for payment- Tammaro questioned if Attorney Williams has sent Gilbert a demand letter for sewer charges owed by Gilbert to Fayal? Kniefel will contact Williams.

Solar Project- The project is completed, just waiting to get the Uniform Statewide Contract for Cogeneration and Small Power Production Facilities executed by all parties. The agreement outlines how MN Power will buy our excess electricity. We will also receive a \$20,000 rebate for the solar installation from MN Power.

Building Project- The Building Committee met and decided to build a road behind the solar panels and move the dirt piles so people will not have to use the road in the front for access. It was also decided to have a heated floor in the building, install the overhead doors, divide the building, and add a mezzanine for storage.

Motion to move forward with the lowest quotes, for the cement work, division of the building and overhead doors, not to exceed \$50,000.00, made by Supervisor Tammaro, support from supervisor Erjavec. Motion carried unanimously.

The road and drainage will be done in-house.

Ballfield- Due to all the rain, the area will be pumped out, and then the grading can be completed.

Road Salt- The price obtained from Enviro Tec is less than the county price.

Motion to authorize the town foreman to buy the road salt at the most economical price, made by Supervisor Tammaro, support from Supervisor Pernu. Motion carried unanimously.

Road Signs- Tabled at this time.

Chairman Kniefel-

South Airport Drive- The road needs some work, within the realm of minimum maintenance standards and also needs to be monitored for damages once the timber sale begins. The road foreman can make those judgements.

RCB- The issue was referred to Scott Neff. Mr. Neff sent a letter to RCB.

Ballot Question Title- Clerk Sersha stated she has been advised by the county auditor that the ballot question needs to be titled, and asked for input from the board. Discussion. Title and question will read as follows:

Continuation of Township Provided Police Protection

Shall the Fayal Town Board be allowed to provide for Police Protection?

NEW BUSINESS

Supervisor Erjavec reported he and Supervisor Pernu attended the last Eveleth City Council meeting to discuss sewage treatment. Eveleth is very interested and would like to meet as a full council with the town board.

Supervisor Pernu reported everything is going good in the Buildings & Grounds Department.

Clerk Sersha reported she received a request from Mark Forte to purchase watering equipment for the ballfield in the amount of \$1,698. Sersha contacted Chief Shykes to see if the fire department had any old hose that could be used. Shykes and Forte discussed, and the fire department will take care of the watering at no cost.

Motion to approve the Fire Mutual Aid Agreement between the Fayal Fire Department and the Lakeland Fire Department and authorized the chair to sign, made by Chairman Kniefel, support from Supervisor Pernu. Motion carried unanimously.

Motion to authorize Banyon data storage for the payroll, fund and utility billing software, made by Supervisor Tammaro, support from Supervisor Pernu. Motion carried unanimously.

CITIZEN CONCERNS AND COMMENTS

Steve Shykes asked if the board would be interested in using badge id's, which could also be used for access to the building. The board made no commitment.

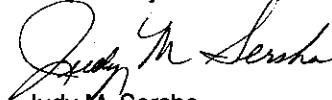
Scott Smith, Brad Reifsteck and Lorrie Janatopoulos had no comment.

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

Motion to adjourn by Supervisor Tammaro.

Chairman Kniefel adjourned the Regular Meeting at 8:05 PM.

Respectfully submitted,



Judy M. Sersha
Clerk of Fayal

Approved: _____
Chair

Date: _____

Attest: _____
Clerk