

**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**

**JULY 20, 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 Tammaro and Clerk Sersha.

Audience members in attendance were: Jamie Lindseth, Scott Smith, Jerry Ulman, Steve Shykes and Jim Johnson.

***Motion to approve the minutes of the June 15 ,2010 Regular Meeting, made by Supervisor Pernu, support from Supervisor Tammaro. Motion carried unanimously.***

***Motion to approve the minutes of the June 28, 2010 Special Meeting, made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.***

**SCHEDULED GUESTS**

Jamie Lindseth was in attendance to report on the renewal of the township's property casualty, liability, auto and work comp insurance from the League of Minnesota Cities. Liability insurance increase is 4%, damage insurance is down 6%, auto is down 4%. Last year's premium was \$29,522, this years will be \$29,816. That increase is due to work comp insurance. A resolution is needed from the town board if any elected officials are to be included in the work comp insurance. The cost for that coverage is \$54 per year. Mr. Lindseth asked if there were any questions or concerns from the board. Supervisor Branville thanked Mr. Lindseth for attending the meeting and stated this is the first time an agent has come to a meeting to inform the board on insurance issues.

Mr. Lindseth then reported on the ballfield. There have been seven games, with the final one being tomorrow. There have been very good comments about the field, and many neighborhood people have been attending the games. Supervisor Tammaro suggested we contact the tech school to see about having dugouts and bleachers constructed. Mr. Lindseth thanked the board for their support of the ballfield.

**REPORTS**

Clerk/Treasurer's Report- For the month of June 2010, there were \$55,244.80 in expenditures and \$49,607.86 in revenues. All bank statements have been reconciled and ending balances are as follows:

Miners Bank-	\$100,057.29
Assessment Savings-	\$421,550.95
Mt. Iron Checking-	\$695,789.13

For the month of July to date, there have been \$27,724.82 in expenditures. The first half of the St. Louis County Property tax apportionment was received and consisted of revenues of \$171,519.60 which was deposited to Assessment savings and \$275,922.78 to Mt. Iron Checking. Total revenues for July to date are \$461,988.64. All departments have been funded at fifty percent. Tentative balances as of this date are:

Miners Bank-	\$116,917.12
Assessment Savings-	\$593,070.55
Mt. Iron Checking-	\$936,940.81

The August PFA payment in the amount of \$324,717.95 is due. A transfer in the amount of \$284,054.85 will be made from the Assessment Savings to Mt. Iron Checking for the Big and Differding Point loans and the remainder of \$40,663.10 will be paid from the sewer fund.

Second quarter 2010 water and sewer finance reports have been distributed to all board and PUC members. Cash balances are: Fayal Water Company- \$10,013.56 and Fayal Sewer Company- \$60,377.55. This balance is after the PFA 3<sup>rd</sup> loan has been paid.

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

***Motion to accept the June 2010 Police Report made by Supervisor Branville, support from Supervisor Pernu. Supervisor Tammaro questioned the notation regarding the \$600 training application. Clerk Sersha explained that is an application made to the MN POST board for reimbursement of expenses for continuing education of the police officer. Motion carried unanimously.***

***Motion to accept the June 2010 Road & Bridge Report made by Supervisor Tammaro, support from Supervisor Pernu. Motion carried unanimously.***

***Motion to accept the June 9, 2010 Fire Department Regular Business Meeting minutes, made by Supervisor Branville, support from Supervisor Tammaro. Motion carried unanimously.***

***Motion to accept the May 11, 2010 Public Utilities Commission Regular Meeting minutes, made by Supervisor Erjavec, support from Supervisor Tammaro. Motion carried unanimously.***

***Motion to accept the June 8, 2010 Public Utilities Commission Regular Meeting minutes, made by Supervisor Erjavec, support from Supervisor Tammaro. Motion carried unanimously.***

## **CORRESPONDENCE**

State Demographer- April 1, 2009 population estimate is 1,765, household estimate is 762. Placed on file.

SLCATO- Regular meeting minutes of May 26, 2010. Next meeting is Sept. 22, Cotton Community Center. Placed on file.

Laurentian Chamber of Commerce- A meeting has been scheduled regarding the highway 53 re-route on Thursday, July 22, 7:30 am, Iron Range Rehab Center Auditorium, downstairs of the VRMC. They are asking for relevant data from the township. Placed on file.

MN POST Board- Police Chief Thompson applied for, and will receive, \$600 in reimbursement monies for continuing education expenses for fiscal year 2010. Placed on file.

SLC Auditor- Townships that hold their elections in November must now designate the seats up for election. Referred to New Business.

Jackie Monahan-Junek, Eveleth City Clerk- Agreement for Eveleth to act as fiscal agent for the FY 2008 Assistance to Firefighters Grant, and also agree to pay our matching portion of the grant, and if Eveleth must have a single-audit because they are acting as fiscal agent, we will pay our portion of that cost based on the value of the radios and accessories received by us. Referred to Old Business.

League of MN Cities- Dues will increase by 3% for fiscal year 2011 and are calculated by population. Placed on file.

SLC Auditor- Notice of vacancies for the CDBG Advisory Committee. There are five vacancies. Persons interested should contact Patricia Stolee by August 30. Placed on file.

MPCA- Preliminary Effluent Limitations to a newly proposed discharge from a Wastewater Treatment Facility owned by Fayal Township. Referred to PUC.

Attorney Bruce Williams- Copy of letter sent on behalf of Fayal to Gilbert regarding effluent treatment contract. Placed on file.

## **OLD BUSINESS**

### **Supervisor Erjavec-**

**AFSCME Grievance-** Supervisor Erjavec reported he met with the union employees and their representative Joe Pershern on June 24 regarding the dental insurance. Supervisor Branville was unable to attend the meeting. The union's proposal is as follows: Article XII, Section 2- Effective June 1, 2010 the employer shall contribute 100% single coverage and up to a maximum of \$80 per month toward family coverage.

**Motion to accept the AFSCME proposal, made by Supervisor Branville, support from Supervisor Pernu.** Discussion. Supervisor Erjavec stated he would like to add the following caveat: If the employee's spouse/dependant has other dental coverage or it becomes available through their other employer, the township will not pay for family coverage. **Supervisor Branville, supported by Supervisor Pernu made a motion that the caveat be added to the original motion. Motion carried unanimously.**

**Office Manager Contract-** Supervisors Erjavec and Branville met with the office manager. Supervisor Branville reported all changes to contract language were explained, and the office manager agreed to come down 0.50 per hour on her salary request.

**Motion to accept the Office Manager contract, as is, retroactive to January 1, 2010, made by Supervisor Erjavec, support from Supervisor Branville. Motion carried unanimously.**

Supervisor Erjavec reported on a property owner on the Gilbert side of Fayal's waterline on Cedar Island Drive has refused to sign a water agreement and will not pay a monthly fee. Dale has installed a lock on the connection. The Board agreed that the property owner must follow the same procedures as everyone else in order to have a water connection to the property.

### **Supervisor Branville-**

**Fire Department Sites-** Supervisor Branville reported he met with Jim Johnson of SEH to obtain a proposal for a new fire building. Sites for the new building are available at no charge at either the airport or the Eveleth Water Plant. Branville stated he would like to see the project proceed and not just sit on the shelf. Supervisor Tammaro questioned why we are asking for a proposal from SEH when we already have one from Architectural Resources? Discussion. Issue tabled to the next meeting.

**FD Radio Grant-** Clerk Sersha reported to the board that the request from Eveleth to act as the fiscal agent for the radio grant, that is in conjunction with five other communities, needed to be signed and returned by July 19. Clerk Sersha stated she signed it and it was returned. The agreement also included that we would pay our portion of the match and our portion of a single audit based on the value of the radios/accessories, if it is needed. Fire Chief Shykes reported on the status of the radio grant and bids.

### **Supervisor Pernu-**

**Fire Dept. Door-** The door and frame definitely needs replacement. Cost is not going to be less than \$2,400. Three quotes have been obtained, with Bob Rozinka being the lowest. The lock included in his quote is not what is wanted by the FD, so the lock will be purchased elsewhere and the cost of the lock in Rozinka's quote will be deducted. Shykes will report to Pernu on the type and cost of the needed lock by the end of the week.

**Motion to have the fire department door replaced at a cost not to exceed \$2,400.00, made by Supervisor Pernu, support from Supervisor Tammaro. Motion carried unanimously.**

### **Supervisor Tammaro-**

**IRR Grant-** Since we will not be installing a waterline on Lakeside Drive because the residents do not want it, Tammaro stated we should pursue changing the purpose of the grant from water to sewer. Supervisor Erjavec met with Dick Walsh regarding the conversion of the grant, and Mr. Walsh stated it must go to the IRR board for approval.

**Motion to request the IRR Board change the grant from water to wastewater and ask for an extension, made by Supervisor Tammaro, support from Supervisor Branville. Motion carried unanimously.**

**Chairman Kniefel-**

**Gilbert Wastewater Contract-** Attorney Bruce Williams has been retained by Fayal. Mr. Williams has drafted and sent a letter to Gilbert on Fayal's behalf.

**NEW BUSINESS**

Supervisor Pernu reported the handicapped parking area will be repainted.

Chairman Kniefel read aloud Resolution 2010-03.

***Motion to adopt Resolution 2010-03 to include elected and appointed officials in workers compensation coverage, made by Chairman Kniefel, support from Supervisor Branville. Motion carried unanimously.***

Chairman Kniefel reminded the board of the Hwy. 53 re-route meeting to be held July 21, 7:30 am, VRMC auditorium.

Discussion on the memo from the SLC Auditor stating that according to the MN Secretary of State, once you move your township elections to November and there is more than one supervisor's seat up for election, you must designate the open seats. This will mean that each supervisor's seat will have direct competition and will no longer be elected by the top two or three vote getters.

***Motion to designate the supervisors seats as follows: Seat 1- Mike Erjavec, Seat 2- Tony Tammaro, Seat 3- Lee Branville, Seat 4- Steve Kniefel, Seat 5- Jim Pernu, with Seats 1, 3 and 5 up for election on the state elections and Seats 2 and 4 up for election on the presidential election year, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.***

**CITIZEN CONCERNS AND COMMENTS**

Scott Smith, Jerry Ulman and Jim Johnson had no comment.

Steve Shykes stated he was disappointed in the services from Architectural Resources for a new fire hall. The fire department is looking for an improvement on the plans and would like to go on record stating for safety reasons we must continue to move ahead with a new fire hall. Much discussion.

Mr. Shykes informed the board of a training this Saturday through the college. A structure will be burned on Bodas Road.

Mr. Shykes requested \$2,000 more in mining effects funds to finish the fire department trailer.

***Motion to allocate \$2,000 in mining effects funds to the fire department for completion of the trailer, made by Supervisor Tammaro, support from Supervisor Branville. Motion carried unanimously.***

Jamie Lindseth commended the board for their interest in the improvements made to the ballfield. The team will be having a barbeque at the town hall picnic area on Wednesday, and invited those interested to attend.

Chairman Kniefel reported the bids were opened for the bike trail improvement. Low bid was Mesabi Bituminous, and should be awarded at the next county board meeting.

***Motion to pay the bills made by Supervisor Tammaro, support from Supervisor Pernu. Supervisor Branville abstained from approval of the Five Seasons bill. Motion carried.***

Motion to adjourn by Supervisor Tammaro.

Chairman Kniefel adjourned the Regular Meeting at 8:15 PM.

Respectfully submitted,

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

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

Judy M. Sersha  
Clerk of Fayal