

**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*

*PHONE (218)744-2878*

*FAX (218) 744-5986*

**REGULAR MEETING OF THE FAYAL TOWN BOARD**

**AUGUST 16, 2011**

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 Jamie Lindseth, John Damberg, Dennis Pernu, Steve Shykes and Scott Smith.

***Motion to approve the minutes of the July 19, 2011 Regular Meeting made by Supervisor Erjavec, support from Supervisor Pernu. Supervisor Branville abstained, due to his absence from the meeting. Motion carried.***

**SCHEDULED GUESTS**

Jamie Lindseth was in attendance to update the board on this year's work comp and general liability insurances. Mr. Lindseth reported the costs for the general liability, property and casualty decreased, with the premium going from \$17,273 last year to \$16,854 this year. The work comp insurance increased \$13, going from \$10,857 last year to \$10,870 this year.

John Damberg was in attendance to update the board on the sign project across from the Shortstop. The sign is being painted by casual labor and as soon as the painting is done, the lettering can be installed. The bottom portion will be lit and will have a place to put up town notices. The sign was to be put directly on the corner, but due to the great number of underground utilities, it had to be placed further over. The project cost is currently at \$21,040. Mr. Damberg stated he will be asking to have a fence put up right at the corner to cover the utilities etc. Mr. Damberg also submitted a partial pay estimate from Mesabi Signs in the amount of \$10,046.88 for work done to date and materials purchased.

**REPORTS**

**Clerk/Treasurer's Report-** For the month of July 2011, all accounts have been reconciled. July revenues totaled \$467,602.46 and expenditures were \$391,066.51. Ending balances are as follows:

Miners Bank-	\$116,094.71
Assessment Savings-	\$341,311.45
Mt. Iron Checking-	\$810,687.83

For the month of August 2011 to date, there have been \$18,163.18 in revenues and \$101,342.12 in expenditures.

Fayal Water Company as of July 31, 2011, year to date, had revenues of \$40,696.05 and expenditures of 35,539.45. Balances are: Water test fees- \$956.12, Maintenance Contingency- \$29,997.08, Depreciation not in CD- \$6,512.30, Standby Water- \$16,396.65, leaving a cash balance of \$16,396.65

Fayal Sewer Company as of July 31, 2011, year to date, had revenues of \$218,799.56 and expenditures of \$176,135.45. Balances are: Maintenance Contingency- \$31,426.21, PUC Truck Depreciation- \$12,336.76, Sewer Access Charges- \$25,900.96, Depreciation not in CD- \$27,750.20, leaving a cash balance of \$102,384.04

Copies of the 2012 levy that was certified to the St. Louis County Auditor was also distributed to the Board. Clerk Sersha stated the levy is now being done online, but a signed, certified copy is also mailed.

The 2012 levy adopted at the annual meeting on March 8, 2011 is: General Fund- \$227,000 and Road & Bridge- \$258,800, Total levy- \$485,000.

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

***Motion to accept the July 2011 Police Report made by Chairman Kniefel, support from Supervisor Branville. Motion carried unanimously.***

***Motion to accept the July 2011 Road & Bridge Report, made by Supervisor Tamaro, support from Supervisor Pernu. Motion carried unanimously.***

***Motion to accept the August 10, 2011 EFGSD Joint Rec Regular Meeting minutes, made by Supervisor Tamaro, support from Supervisor Branville. Motion carried unanimously.***

***Motion to accept the minutes of the July 13, 2011 Fire Department Regular Business meeting, made by Chairman Kniefel, support from Supervisor Branville. Motion carried unanimously.***

***Motion to accept the minutes of the July 12, 2011 Public Utilities Commission meeting, made by Supervisor Erjavec, support from Supervisor Tamaro. Motion carried unanimously.***

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

#### **CORRESPONDENCE**

IRRRB- All activities related to our contract with the IRRRB may resume since there has been full resolution to the state budget impasse. Placed on file.

Fayal Fire Department- Membership committee is recommending Benjamin Murfin be approved for hire. Mr. Murfin passed the written exam, physical agility exam and the oral interview. Hire is contingent upon favorable results of a background check and a physical exam by a physician. Referred to New Business.

SLC Planning- A public hearing was held August 11 to consider comments on the draft Ordinance 60, Subdivision Regulations of St. Louis County. Placed on file.

MPCA- The marketability of title for the East Mesabi Sanitary Disposal Authority 40 acre parcel is unmarketable in the Attorney General Office's opinion because the Authority has been resolved and no longer has the capacity to issue marketable title for the property. The State will now bring an adverse claims action or a Torrens registration of this land. Placed on file.

#### **OLD BUSINESS**

##### **Supervisor Erjavec-**

**Eveleth Water Contract-** Supervisor Erjavec reported he spoke with Mike Wiskow regarding the contract. Mr. Wiskow explained Eveleth is checking with the state on the required water conservation rate to see if the Fayal connection would be subject to that. Erjavec explained to Wiskow that Fayal already has a water conservation rate for high water users in the township.

**Gilbert Wastewater Contract-** Supervisor Erjavec reported he also spoke with Mr. Wiskow regarding wastewater treatment. Eveleth has greatly reduced their I & I so they could easily handle the flow from Fayal. Chairman Kniefel reported another mediation session has been set with Gilbert on August 19. At the mediation session held on July 28, the mediator asked that our engineer and Gilbert's engineer meet to discuss rates.

##### **Supervisor Branville-**

**Building Committee Proposals-** Supervisor Branville reported he met with Ryan Turner of DSGW Engineers. Branville asked Mr. Turner to submit a proposal for architectural design services to build a new fire hall. This plan would start from scratch, and we would not be using the previous plan or drawings. Phase 1 of the project would be for the design and would cost \$13,700. Phase 2 would be engineering services at 7% of the total construction cost, plus hourly rates.

Supervisor Branville made a motion to accept the DSGW proposal. Supervisor Tammaro stated he would like more time to study the proposal, since it was just received this evening. Supervisor Branville then made a motion to table the proposal. Supervisor Tammaro supported. Motion carried unanimously.

Fire Chief Shykes informed the board that Eveleth had been contacted about a possible joint venture for a fire building. Eveleth will only consider building within their city limits.

#### **Supervisor Pernu-**

**Buildings & Grounds-** Playground- New wood chips are being delivered tomorrow at a cost of \$2,300. The basketball court has been blacktopped and Brad Reifsteck will get an estimate for the striping. The grass on the hill by the park was cut last week. The air conditioning in the office is out, a new compressor is needed. Air conditioning is to be installed in the town hall in the next couple of weeks.

#### **Supervisor Tammaro-**

**Solar Project-** The parameters of the grant application have been received from the IRRRB. Tammaro contacted Silicon Energy regarding the costs, but they have not responded yet. Brad Reifsteck to contact them again.

#### **Chairman Kniefel-**

**Korpela Family Trust Plat-** Nothing at this time. Kniefel is working on the development agreement.

#### **NEW BUSINESS**

Supervisor Pernu questioned if any non-motorized signs are going to be put on the new bike trail? Brad Reifsteck stated he has the plans for the signs and will forward them to the board. Discussion on a local ordinance regarding the bike trail.

Chairman Kniefel reported the joint rec agreement signature copies have arrived and have already been signed by Gilbert and Eveleth. Kniefel will sign them and they will be forwarded to the school district for their signature.

***Motion to approve Pay Estimate 2 in the amount of \$6,528.87 to KGM for the 2011 Street Improvement Project, made by Supervisor Tammaro, support from Chairman Kniefel. Motion carried unanimously.***

Mark Forte completed the Twins grant application, and it has been signed and submitted. We will find out in September if we are successful in obtaining the grant funds for the ballfield.

Supervisor Tammaro suggested tabling the update of Resolution 97-1, which sets a rate for in-kind services for town equipment and an operator. Chairman Kniefel stated the county recently updated their rates and he will check to see what rates they are using. Kniefel will bring an updated resolution for the board's consideration at the next meeting.

Chairman Kniefel noted the receipt of the Fire Relief Association audit for 2010. Fire Chief Shykes stated the market has improved and no additional funds will be needed other than those budgeted.

***Motion to approve the partial pay estimate in the amount of \$10,046.88 to Mesabi Sign, made by Supervisor Branville, support from Supervisor Erjavec. Motion carried unanimously.***

#### **CITIZEN CONCERNS AND COMMENTS**

Scott Smith, Dennis Pernu, Jamie Lindseth, John Damberg and Brad Reifsteck had no comment.

Steve Shykes reported there was \$600 damage to Engine 91. The claim will be turned in to the insurance. Mr. Shykes asked that the bill be submitted in tonight's claims so the vendor can be paid.

***Motion to pay the bills, and the claim to Ed's Body Shop in the amount of \$626.90, made by Supervisor Pernu, support from Supervisor Branville. Motion carried unanimously.***

Motion to adjourn by Supervisor Tammaro.

Chairman Kniefel adjourned the Regular Meeting at 8:04 PM.

Respectfully submitted,

Judy M. Sersha  
Clerk of Fayal

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

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

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