

**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 17, 2009**

The Regular Meeting of the Fayal Board of Supervisors was called to order at 7:01 PM by Chairman Kniefel. Present were: Chairman Kniefel, Supervisor Erjavec, Supervisor Branville, Supervisor Pernu and Clerk Sersha. Supervisor Tamaro was absent.

Audience members in attendance were: Jerry Ulman, Erik Jankila, Jim Thomas, Mike Johnson, Ralph Johnson, Joe Petrich and Steve Shykes.

***Motion to approve the minutes of the February 3, 2009 Regular Meeting, made by Supervisor Pernu, support from Supervisor Branville. Motion carried unanimously.***

**SCHEDULED GUESTS**

Joe Petrich and Ralph Johnson were in attendance. Both had concerns about a sewer charge variance being given out by the PUC, and questioned why they had to pay a second monthly charge on properties they own. Discussion. After discussing the matter, it was learned that both properties had received separate sewer connections, and under that criteria, both are subject to monthly charges. Mr. Johnson stated that he cannot build on his property, due to airport restrictions, and his connection is to a garage with no plumbing. Mr. Johnson was advised to apply for the variance, based on the extenuating circumstance that exists on his property.

**REPORTS**

**Clerk-Treasurer's Report-** Ending balances as of January 31, 2009 are as follows:

Miners Bank- \$98,220.66  
Assessment Savings- \$430,998.27  
Mt. Iron Checking- \$715,686.33

For the month of February 2008 to date, there have been \$18,676.69 in revenues and \$76,377.81 in expenditures.

Year end balances as of December 31, 2008 for all funds are as follows:

**General Fund-** Beginning balance was \$249,250.48, there were \$291,452.16 in revenues and \$288,870.35 in expenditures, leaving an unreserved fund balance of \$231,106.71.

**Buildings & Grounds-** Beginning balances was -\$150.85, revenues received were \$41,210 in levy funds, \$6,115.31 in OSHA grant funds, and \$1,300.00 in town hall rent for revenues of \$48,625.31. There were \$40,460.59 in expenditures, leaving an ending balance of \$8,013.87.

**Fire Dept.-** Beginning balance was -\$5,863.96. Revenues were: \$55,000.00 in levy funds, \$3,500 FEMA grant, \$2,000 DNR grant, \$8,402.00 State Fire Aid, Misc receipts of \$144.00 and a \$5,000 transfer from General, totaling \$74,046.00. Expenditures were \$62,300.38, leaving an ending balance of \$5,881.66.

**Rec-** Beginning balance was \$74,832.43. Levy funds received were \$12,400, expenditures were \$22,813.99, leaving an ending balance of \$64,148.44.

**Capital Equipment-** Beginning balance was \$179,975.19, revenues were \$30,000 in levy funds, CD interest of \$5,933.92 for a total of \$35,933.92. Expenditures were \$44,595.07 for a mower, leaving an ending balance of \$171,134.04

**Police-** Beginning balance was \$33,302.28. Revenues were \$33,000 in levy funds and fines of \$1,394.20, total \$34,394.20. Expenditures were \$28,288.54 for the department plus \$31,354.73 for police vehicle, total \$59,643.27. Ending balance was \$8,053.21.

**Road & Bridge-** Beginning balance was \$157,289.53, revenues were \$261,017.48 in levy funds, expenditures were \$178,966.35, leaving an ending balance of \$239,340.66.

**Public Utilities-** Beginning balance was \$7,951.62, franchise fees received were \$10,406.83, expenditures were \$4,264.82, leaving a balance of \$14,093.63.

**Mining Effects-** Beginning balance was \$77,343.73, revenue received was \$50,092.00, expenditures were \$24,963.01 for the water meter project with Eveleth and \$34,980.65 for the town hall generator project, total \$59,943.66, leaving a balance of \$67,492.07.

**Employee Benefits-** Beginning balance was \$87,649.43, revenues were \$3,900.71 in CD interest and \$5,000 transfer from General, leaving a balance of \$96,550.14

**Lodging tax-** Beginning balance was \$2,406.26, revenues were \$890.95, leaving a balance of \$3,297.21.

**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 \$43,532.45, interest earned was \$14,820.21, ending balance is \$52,853.39

**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 \$95,131.97, interest earned was \$40,252.01, expenses were \$3,900.00 for auditing, leaving a balance of \$131,483.98.

**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 \$14,430.97, interest earned was \$2,004.76, ending balance is \$16,435.73.

**Fayal Water Company Contingency-** Beginning balance was \$5,463.46, revenues were \$4000.08, ending balance is \$9,463.54.

**Fayal Sewer Company Contingency-** Beginning balance was \$31,549.03, revenues were \$9,000.00, expenditures were \$32,372.82, leaving an ending balance of \$8,176.21

**Fayal Water Company Depreciation-** Designated for the year was \$4,330.80, interest earned was \$2,050.15, total funded depreciation is \$53,068.51

**Fayal Sewer Company Depreciation-** Designated for the year was \$30,000, plus \$1,010.98 for PUC truck depreciation, interest earned was \$8,544.26. Total funded depreciation is \$238,637.88.

**Sewer Replacement Fund-** Beginning balance was \$23,424.21, CD interest earned was \$559.83, set aside for the year was \$3,309.92, ending balance is \$27,293.96.

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

***Motion to accept the minutes of the January 13, 2009 Public Utilities Commission Public Hearing on Variance, made by Supervisor Erjavec, support from Chairman Kniefel. Motion carried unanimously.***

***Motion to accept the minutes of the January 13, 2009 PUC Regular Meeting, made by Supervisor Erjavec, support from Chairman Kniefel. Motion carried unanimously.***

***Motion to accept the minutes of the February 11, 2009 Joint Rec Regular Meeting, made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.***

## **CORRESPONDENCE**

MPCA- They are accepting project submissions for State Revolving Fund Loan Program. Placed on file.

CARE Commission- Request for donation for E-G All Night Post-Grad Party. Referred to New Business.

SLC Assessor- Board of Equalization will be held April 15, 1-2 PM, Fayal Town Hall. All supervisors must attend training, to be held Wednesday, March 18, 5:30-8:30 pm, Cotton Town Hall. Kniefel, Branville and Erjavec to attend.

SEH- Julie Kennedy requesting meeting regarding township engineering projects. Referred to New Business.

## **OLD BUSINESS**

### **Supervisor Branville-**

**Qwest DSL-** There are still a couple of petitions to be returned, but they will be collected this week. Chairman Kniefel will write a letter requesting the extension of service within the town.

**Police Liability Insurance-** A million dollar liability policy was procured through the Podpeskar Agency. Range Reliable was not able to find another policy at this time, but has asked to furnish quotes at a later date.

**Joint Cable TV-** Supervisor Branville will contact Jan Messich. Invoice payment tabled until more info is available.

### **Supervisor Pernu-**

**Sweeper-** The rink sweeper has arrived and works good.

**Town Complex Plans-** The board studied the complex budget and plans. A presentation will be made at the Annual Meeting.

**Car Wash Policy-** The board discussed the Conflict of Interest Policy. Supervisor Erjavec stated that in his interpretation of the policy, car washing is allowed by employees, if it is done after hours. More discussion. Supervisors Branville and Pernu stated they do not care if the employees wash their cars, if they clean up after themselves. Chairman Kniefel stated he voted against the policy. Clerk Sersha asked for clarification on the matter, and asked if employee car washing was going to be allowed or not? Supervisors Erjavec, Branville and Pernu stated, yes the employees may wash their cars, on their own time, if they clean up after themselves.

### **Chairman Kniefel-**

**Planning Committee By-law Changes-** Nothing at this time.

## **NEW BUSINESS**

***Motion to authorize Dale Dickson to attend the MN Rural Water Education classes in St. Cloud, made by Supervisor Erjavec, support from Supervisor Branville. Motion carried unanimously.***

Supervisor Branville questioned why envelopes are no longer being included in the utility bills. Clerk Sersha stated the price has tripled, but she will refer the matter to the billing clerk for an exact cost.

Discussion on request by Julie Kennedy of SEH to meet regarding several projects. Two board members will meet with Ms. Kennedy on March 2, 10:00 AM.

**GASB 45-** Nothing at this time.

**CITIZEN CONCERNS AND COMMENTS**

Jerry Ulman was in attendance but had no comment.

Steve Shykes was in attendance and informed the Board there are several Fire Department by-law changes that will be coming before the board in the near future.

Erik Jankila was in attendance but had no comment.

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

Motion to adjourn by Supervisor Erjavec.

Chairman Kniefel adjourned the Regular Meeting at 8:31 PM.

Respectfully submitted,

Judy M. Sersha  
Clerk of Fayal

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

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

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