

**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**

**JUNE 19, 2009**

The Regular Meeting of the Fayal Board of Supervisors was called to order at 7:00 PM by Vice-Chair Branville. Present were: Vice-Chair Branville, Supervisor Erjavec, Supervisor Pernu, Supervisor Tamaro and Clerk Sersha. Chair Kniefel was absent.

Audience members in attendance were: Steve Shykes, Dave Hartman, Mike Knutson, Justin Hilfers, and Katie Hildenbrand.

***Motion to approve the minutes of the June 2, 2009 Regular Meeting, made by Supervisor Tamaro, support from Supervisor Pernu. Motion carried unanimously.***

**SCHEDULED GUESTS**

Katie Hildenbrand of Architectural Resources was in attendance to make a presentation to the board on the proposed new firehall. Ms. Hildenbrand presented a schematic plan and elevations for the proposed structure. Discussion on re-locating at the E-V Airport. Supervisor Branville will contact them. Further discussion on submitting the plan for funding with the bonding bill for next year's legislative season.

**REPORTS**

**Clerk/Treasurer's Report**- For the period of June 1-16, 2009, there have been revenues of \$14,395.83 and expenditures of \$29,810.41. Tentatively, balances are as follows:

Miners Bank-	\$36,927.14
Assessment Savings-	\$441,536.24
Mt. Iron Checking-	\$564,545.30

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

***Motion to accept the May 5, 2009 EFG Cable Access Commission meeting minutes, made by Supervisor Tamaro, support from Supervisor Erjavec. Motion carried unanimously.***

***Motion to accept the April 14, 2009 Public Utility Commission Regular meeting minutes, made by Supervisor Erjavec, support from Supervisor Tamaro. Motion carried unanimously.***

***Motion to accept the April 14, 2009 Variance Public Hearing minutes made by Supervisor Erjavec, support from Supervisor Tamaro. Motion carried unanimously.***

***Motion to accept the EFG Joint Rec meeting minutes of June 10, 2009, made by Supervisor Tamaro, support from Supervisor Pernu. Motion carried unanimously.***

***Motion to accept the Planning Committee meeting minutes of May 26, 2009, made by Supervisor Erjavec, support from Supervisor Pernu. Motion carried unanimously.***

**CORRESPONDENCE**

SLC Planning- Public Hearing will be held for variance request for Steve and Sue Grillo, Tuesday, June 16, 9:30 am, Northland Office Center. Conditional Use application from Nanci and Dave Jorgenson, 4271 Clyde Road, for pet boarding/lodging facility. Placed on file, referred to Planning Committee.

Erik Jankila- Letter regarding the drainage in his yard after the O'Laughlin water project. Referred to Old Business.

MAT- Shortcourse will be July 31, in Carlton at the Black Bear. Placed on file.

City of Gilbert- 2008 Audit. Placed on file.

Jim Swearingen, Biwabik City Councilor- Request that we appoint a representative for the shared equipment committee.

***Motion to appoint Supervisor Mike Erjavec as our representative, made by Supervisor Pernu, support from Supervisor Tammaro. Pernu, Tammaro and Branville voted yes. Erjavec abstained. Motion carried.***

## **OLD BUSINESS**

### **Supervisor Erjavec-**

***Joint Wastewater Meeting-*** Supervisor Erjavec reported he attended the meeting. Mt. Iron and Gilbert representatives were not present. Discussions were mostly centered on infiltration of water into the sewer systems of the communities. Erjavec reported those entities that have sump pump ordinances are not having the problems they did in the past. The next meeting has not been set.

### **Supervisor Pernu-**

***Buildings & Grounds-*** Last week portions of new sidewalk and curb were poured. Pavers will be installed in front of the building starting this week. The grounds were sprayed for dandelions.

### **Supervisor Tammaro-**

***Generator Project-*** The generator was tested and works good. Much re-wiring had to be done. All overhead garage doors work, lights in the fire department and PUC office and computer were also connected.

***O'Laughlin Square-*** The Jankila property was reviewed by SEH Engineer Jim Johnson, Joe Sopp and Dale Dickson. The problem will be taken care of by the township.

***GASB 45-*** A proposal was received from Van Iwaarden Associates in the amount of \$1,700.00. Clerk Sersha recommended we have the work done so we can be compliant by January 1.

***Motion to engage Van Iwaarden Associates to perform the GASB 45 actuarial valuation, per the engagement letter submitted by them, made by Supervisor Tammaro, support from Supervisor Pernu. Motion carried unanimously.***

## **NEW BUSINESS**

Supervisor Erjavec reported the PUC voted 3-2 at their meeting on June 9 to raise the monthly residential sewer rate \$2 per month. They did not address the commercial rate. Discussion.

***Motion to increase as of July 1, 2009, the monthly residential sewer rate \$1 per month, and the commercial monthly sewer rate \$1 per month, with a review in November of this year, with another possible increase in January 2010, made by Supervisor Tammaro, support from Supervisor Erjavec.*** Discussion regarding the increase. Delinquencies are at \$25,000, and that is one of the main reason the rate needs to be increased. The maintenance contingency fund is also low, due to the purchase of new pumps last year. Supervisor Erjavec also reminded everyone that Gilbert is upgrading their plant and we may have to pay for a portion of that upgrade. Discussion on notification of customers. ***Supervisor Tammaro amended his motion to make the increase effective August 1, 2009, Supervisor Erjavec supported. Motion carried unanimously.***

Clerk Sersha stated the above motion should be made as a resolution.

***Motion to adopt Resolution 2009-07 to Establish Residential and Commercial Sewer Use Fees in Accordance With The Town of Fayal Sewer Service Charge Ordinance 98-2, made by Supervisor Erjavec, support from Supervisor Tamaro. Erjavec, Tamaro, Pernu and Branville voted yes. Kniefel was absent. Motion carried unanimously.***

Supervisor Erjavec reported the PUC has proposed a change to the 1997 Water Ordinance regarding responsibility of frozen lines.

***Motion to table the issue for further review, made by Supervisor Erjavec, support from Supervisor Pernu. Motion carried unanimously.***

Supervisor Erjavec reported that last Tuesday, he attended the Wastewater Summit, the Gilbert Council Meeting and the Fayal Public Utilities meeting. At the Gilbert meeting there was three Gilbert residents present requesting water from a line owned by Fayal, but located on the Gilbert side. Gilbert has voted to turn the water on to the residents. The Fayal PUC has voted to set a non resident rate for these customers. The rate would be \$10 per month, plus the \$13.00 per month charged to all of our customers, plus the per gallon rate. The minimum for non-residents would then be at least \$23.00 per month.

***Motion to set the non- resident water rate as outlined above, and send letters to those residents in Gilbert, made by Supervisor Erjavec, support from Supervisor Tamaro. Motion carried unanimously.***

Discussion concerning the FWC loan for the waterline installation. Supervisor Erjavec stated the loan is burdening the water customers for a line that is now being used as an emergency connect and for fire protection. Discussion concerning reducing the principle or eliminating a portion of the principle.

Supervisor Pernu stated the rent charged for the town hall needs to be reviewed, due to increased costs for maintenance, heat, lights, etc. Supervisor Tamaro suggested bringing a proposal to the next meeting for the board to vote on.

Supervisor Pernu reported that the trees between the hockey rink and tennis courts will be removed because they are dangerous, and to open the view in the area.

Clerk Sersha reported on the town insurance review. The town is paying over \$33,000 per year for all policies carried by the township. The insurance quote we are seeking would roll all coverages into one policy and hopefully lower the cost.

### **CITIZEN CONCERNS AND COMMENTS**

Justin Hilfers was in attendance to ask what the status is of the proposed skate park. Vice-Chair Branville stated the town board was in support of the project, but is waiting to hear from the skateboard group on their plans and fund-raising ideas.

Erik Garman, Mike Knutson were in attendance but had no comment.

Dave Hartman commented that he likes the sketch for the new firehall and is appreciative of the board's support for the project.

Fire Chief Steve Shykes was in attendance. Chief Shykes is in the process of applying for a fire station construction grant. This grant is a special release for construction of fire stations using federal stimulus funds. Chief Shykes asked the board for authorization to go forward with the grant application and a financial commitment from the township for matching funds. The proposed project is expected to cost \$3.2 million.

***Motion to authorize the fire chief to apply for the fire station construction grant and commit to a 25% match for the \$3.2 million project, made by Supervisor Tamaro, support from Vice-Chair Branville. Motion carried unanimously.***

Chief Shykes thanked the board for their dedication to get a new fire hall.

Mr. Shykes commented that it is sad that the sewer rate needs to be increased due to people that are not paying their bills. Mr. Shykes stated those that pay should not have to subsidize those that do not pay, and they should be cut off from the service. Mr. Shykes suggested a notice go out with the rate increase notification stating why the rates are being increased. Supervisor Erjavec agreed the reason for the increase should go along with the notice informing customers why the rate had to be increased.

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

Motion to adjourn by Supervisor Tammaro.

Vice-Chair Branville adjourned the Regular Meeting at 8:36 PM.

Respectfully submitted,

Judy M. Sersha  
Clerk of Fayal

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

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

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