

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 2, 2009

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 Steve Shykes, Dave Hartman and SEH Engineer Jim Johnson.

Motion to approve the minutes of the May 19, 2009 Regular Meeting made by Supervisor Tammaro, support from Supervisor Pernu. Supervisor Branville abstained, due to his absence from the meeting. Motion carried.

REPORTS

Clerk/Treasurer's Report- May 2009 bank statements have not yet been received or reconciled, so this report is tentative. For the month, there were \$50,636.12 in revenues and expenditures of \$56,635.21. In addition, five new Certificates of Deposit were purchased on May 26 at the Mt. Iron Bank, those being:

Capital Equipment-	\$119,529.79
Waterline Depreciation-	\$49,443.30
Sewer Depreciation-	\$222,500.00
Employee Benefits-	\$103,644.81
Sewer Replacement-	\$27,581.84

Cash balances are as follows:

Miners Bank-	\$22,494.23
Assessment Savings-	\$440,605.15
Mt. Iron Checking-	\$609,409.70

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

Motion to accept the May 2009 Police Report made by Supervisor Branville, support from Supervisor Tammaro. Motion carried unanimously.

Motion to accept the May 2009 Road & Bridge Report made by Supervisor Tammaro, support from Chairman Kniefel. Motion carried unanimously.

CORRESPONDENCE

SLC Township Association- Regular meeting minutes of March 25, 2009. Next meeting is Cherry Town Hall, June 24, 7 PM. Placed on file.

SLC Attorney Melanie Ford- County Attorney's Annual Report for 2008. Placed on file.

OLD BUSINESS

Supervisor Erjavec-

Generator Disposition- Supervisor Tammaro obtained a quote from Lanyk Electric for the purchase and installation of one 100 amp 3 phase generator.

Generator Disposition, continued- This is the same generator that was first installed in the town complex generator project, but was later found to be incompatible with the power supply at the town hall. This generator had to be replaced with a different generator, and has been sitting at the town hall since last fall.

The quote offered the following:

One 100- amp, 3- phase Generator-	\$12,000
Labor, conduit & wire to install generator-	\$2,200
Provide & install one 100- amp 3R transformer switch with heater and thermostat and input phase monitor-	\$2,600
Pour concrete pad-	\$600
Total-	\$17,400.00

Supervisor Erjavec and Supervisor Tammaro stated that this generator could be installed at Lift Station J permanently. Supervisor Tammaro stated the concrete pad could be done in-house so the total would be \$16,800. Supervisor Erjavec questioned Clerk Sersha if we have the money to make the purchase? Clerk Sersha stated we do not have the money to make the purchase out of the general sewer fund. Most of the contingency was used for the purchase of new pumps last year. There is a provision to use interest money paid by the bank on the assessment savings account for these types of purchases. However, Sersha stated, it was agreed by the board a couple of years ago that those funds would be used to reduce the debt on the Differding loan. The Differding Point project was under-assessed and is running at a deficit, so payments for that project are being funded by the “big” project. Supervisor Tammaro stated that before we look for the money, we should see if the generator project will be board approved.

Motion to proceed with the purchase and installation of the generator, made by Supervisor Erjavec, support from Supervisor Tammaro.

Supervisor Branville questioned if the quote allowed for fencing etc. for security purposes. Supervisor Tammaro stated it did not, but that he did not believe it was needed. Supervisor Branville reported that he and Supervisor Pernu both visited the area and spoke with the wastewater operator. The wastewater operator has stated that he has only had to go to that lift station about a half dozen times since he started working here. Supervisor Branville stated he could not see spending that kind of money on one lift station when you can count on one hand the times Dale has had to go there over the years. Supervisor Branville stated the area is easy to get in and out of and saw no problem with access. Supervisor Tammaro stated it is hard to get into in the winter, and the sewer system is now 10 years old, we will start having failures. Supervisor Branville stated we have generators we do not even use and the area serviced by Lift Station J has ample storage, does not have a municipal water supply, and if the electricity is out, people cannot run water. The location is also in an area that is mostly seasonal cabins. Supervisor Tammaro stated there are multiple areas where we should have a permanent generator installed and we should look to the future—the area is also not so easy to get into in the winter, and the reason this was brought up is because it is cheaper now than it is ever going to be. Supervisor Erjavec agreed, the price will never be better, but we really do not have the money available. Both Supervisors Erjavec and Tammaro cautioned that it is inevitable that at some point in the future both Lift Station J and A will be out at the same time, and then we will realize how nice it would be to have this generator. Much more discussion on generators and various scenarios of what is needed for the lift stations. Supervisor Branville questioned if we have to pay for this generator if we do not take it? Supervisor Tammaro stated that if the board votes not to purchase, the generator goes back, and we owe nothing. More discussion on maintenance, power problems and future possible problems.

Chairman Kniefel asked if there was anymore discussion. There being none, Chairman Kniefel called for the question. Tammaro and Erjavec voted yes. Branville, Pernu and Kniefel voted no. Motion fails.

Horseshoe Lake Area Subdivision- Northern Lights Survey has recently contacted staff regarding survey work they are doing in this area for a possible subdivision.

Supervisor Branville-

Staff Car- The old police car was taken in to have the graphics and light bar removed. Tax exempt license plates were obtained. The car needs to have the rear door locks and air bag reactivated and a sign identifying the car as one owned by Fayal Township needs to be installed.

Supervisor Pernu-

Town Complex Plan- Katie Hildenbrand of Architectural Resources has requested to be on the agenda for the next meeting. She would like to discuss options and grants with the town board.

Complex Grounds- Supervisor Pernu stated some time ago, authorization was given by the board to make improvements to the grounds in front of the town hall. Pernu reported there are plans to put patio block and landscape block in front of the building and fix the curbing. Dandelions have also taken over most of the grounds, and Pernu will be obtaining a quote to have the grounds around the hall sprayed.

Supervisor Tamaro-

Pine Drive Culvert- The project is complete, and looks good.

Dump Truck- The inspection will not take place until July. More to come.

Chairman Kniefel-

Qwest DSL- We have had no response from Qwest regarding the request for expansion of DSL internet service, but there have been reports that they are upgrading for expanded service.

NEW BUSINESS

Supervisor Erjavec reported that Gilbert would like to meet with us to discuss a sewer contract. Supervisor Erjavec and Chairman Kniefel attended the East Range Sanitary District meeting. The next meeting will be June 9, 1:30 PM, Biwabik City Hall. Discussion.

Motion to continue to participate in the East Range Sanitary District meetings and send a representative to the meetings, made by Chairman Kniefel, support from Supervisor Tamaro. Motion carried unanimously.

Motion to send Supervisor Mike Erjavec as our official representative to those meetings, made by Supervisor Tamaro, support from Chairman Kniefel. Motion carried unanimously.

Supervisor Branville reported the Fayal Fire Department Membership Committee is recommending Daniel Coy be employed as a firefighter. Mr. Coy has passed all the preliminary requirements for employment.

Motion to appoint Daniel Coy to the Fayal Fire Department as a firefighter, contingent upon favorable results from a background investigation and a physical examination by a physician, made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.

Fire Chief Steve Shykes reported that Shane Bileau has left the fire department for a job elsewhere, so Mr. Coy will be replacing him. There will be 24 firefighters on the department.

Discussion on implementation of GASB 45. Clerk Sersha has contacted Van Iwaarden Associates, cost would be \$1,700.

Motion to authorize the clerk to continue to negotiate and research GASB 45 implementation and make a recommendation, made by Chairman Kniefel, support from Supervisor Branville. Motion carried unanimously.

CITIZEN CONCERNS AND COMMENTS

Steve Shykes, Dave Hartman and Jim Johnson were in attendance but had no comment.

Motion to pay the bills made by Supervisor Tamaro, support form Supervisor Pernu. Motion carried unanimously.

Motion to adjourn by Supervisor Tamaro.

Chairman Kniefel adjourned the Regular Meeting at 7:48 PM.

Respectfully submitted,

Judy M. Sersha
Clerk of Fayal

Approved: _____ **Date:** _____

Attest: _____