

TOWN OF FAYAL
4375 SHADY LANE, EVELETH, MN 55734

Judy M. Sersha, Clerk/Treasurer

Steven J. Kniefel, Chairman

Supervisors: Tony Tamaro, James Pernu, Ron Beldo, Lee Branville

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REGULAR MEETING OF THE FAYAL TOWN BOARD

FEBRUARY 7, 2006

The Regular Meeting of the Fayal Town Board was called to order at 7:00 PM by Chairman Kniefel. Present were: Chairman Kniefel, Supervisor Beldo, Supervisor Branville, Supervisor Pernu, Supervisor Tamaro and Clerk Sersha.

Audience members in attendance were: Clayton & Lawrence McCue, Scott Smith, Steve Shykes, Kelly Campbell, Mike Erjavec and Peter Bertucci.

Motion to approve the minutes of the Regular Meeting of January 17, 2006, made by Supervisor Tamaro, support from Supervisor Beldo. Motion carried unanimously.

Opening of Bids

Clark Michigan 55C Front End Loader Sale- Five sealed bids were received. Chairman Kniefel opened and read aloud the bids, as follows:

<u>Clayton & Lawrence McCue</u>	<u>\$15,300.00</u>
<u>A-1 Services, Jim Bertucci</u>	<u>\$16,200.00</u>
<u>R & M Construction</u>	<u>\$15,351.00</u>
<u>Jim Rinne</u>	<u>\$20,235.80</u>
<u>Steven Johnson Const.</u>	<u>\$15,237.00</u>

Motion to proceed with the sale of the loader to the highest bidder, Jim Rinne, contingent upon the fact that the loader cannot be released until the receipt of the new loader, made by Supervisor Beldo, support from Supervisor Tamaro.

Motion to return the deposit checks of the three lowest bidders and keep the top two until the transaction clears, made by Chairman Kniefel, support from Supervisor Tamaro. This way, if the highest bidder decides to opt out of the sale, the second highest bidder will be given the opportunity to purchase. Motion carried unanimously.

Clayton and Gerald McCue requested their check be returned at the meeting. The check was given to them and they left the meeting.

Self Contained Breathing Apparatus-

Chairman Kniefel opened and read aloud the bids. Bids are listed as Base Item #1, Lump sum bid for 15 Self Contained Breathing Apparatus and bid for One Self Contained Breathing Apparatus, and Base Item #2, Lump sum for 15 - 2216 PSI Composite Bottles and bid for One - 2216 PSI Composite Bottle

	<u>Base Bid #1</u>	<u>One SCBA</u>	<u>Base Bid#2</u>	<u>One Composite Bottle</u>
<u>Ranger Fire Protection</u>	\$56,250.00	\$3,750.00	\$10,125.00	\$675.00
<u>5 Alarm Fire</u>	\$66,315.00	\$4,421.00	\$13,710.00	\$914.00
<u>Metro Fire</u>	\$57,623.10	\$3,841.54	\$10,965.75	\$731.05

Motion to refer the bids to the Fire Department for review made by Supervisor Tamaro, support from Supervisor Branville. Motion carried unanimously.

REPORTS

Clerk/Treasurer's Report- 2005 year end balances available as follows:

Buildings & Grounds- 2005 starting balance was (negative)- \$1,976.47, the department received its full levied budget of \$30,000, plus town hall rent of \$1,070.00, St. Louis County Rec Grant of \$20,000.00, a transfer-in from mining effects for the playground of \$31,755.94 and a transfer-in from Capital Equipment account for building improvements of \$3,066.78 for a total of \$85,892.72 in revenues. There were a total of \$ 88,868.85 in expenditures, leaving a balance of negative \$4,952.60 at the beginning of 2006.

Fire Dept./EMS- 2005 starting balance was \$14,626.10, the department received its full levied budget of \$55,500.00, plus \$21.06 in fire aid, \$68,400.00 in FEMA grants, US Forestry funds of \$7,150.00, Fire Aid of \$9,910.00, DNR Firewise grant of \$7,800.00, Firefighter reimbursement of \$4,031.77, a transfer-in from Mining Effects for \$47,303.00 and a transfer-in from Capital Equipment for \$56,600.00 for a total of \$ 256,715.83 in revenues. Total expenditures for the year were \$190,633.90, leaving a beginning balance for 2006 of \$80,708.13.

Recreation- 2005 starting balance was \$40,325.08, the department received its full levied budget of \$35,000.00, expenditures for the year were \$18,965.40, leaving a beginning balance for 2006 of \$56,359.68..

Capital Equipment- 2005 starting balance was \$234,973.91, the department received its full levied budget of \$20,000.00, transfers-out to other departments were \$39,666.88, leaving a beginning balance for 2006 of \$195,307.03.

Police Dept.- 2005 starting balance was \$15,659.26, the department received its full levied budget of \$33,000.00 and fines in the amount of \$705.83, expenditures for the year were \$26,752.52, leaving a beginning balance for 2006 of \$22,612.57.

Road & Bridge- 2005 starting balance was \$103,766.00. The department received \$190,926.43 of its levied budget of \$218,000.00, Market Value Credit of \$27,041.57, town road aid of \$10,891.71 and misc. receipts of \$373.48, for a total of \$229,233.19 in revenues. Expenditures for the year were \$144,643.33, leaving a beginning balance in 2006 of \$188,355.86.

Public Utilities- 2005 starting balance was \$17,551.65. Revenue for the year was from franchise fees in the amount of \$9,757.28, expenditures were \$10,184.82. Beginning balance for 2006 is \$17,124.11.

MPFA Town Interest- 2005 starting balance was \$130,155.83. Interest earned in 2005 from the special assessments was \$48,896.65. Expenditures made from this fund were for accounting and auditing services of the enterprise funds in the amount of \$9,215.20, and a \$52,301.17 transfer out for the RLK settlement agreement, making the beginning balance in 2006 \$117,536.11. These funds can be used for administrative expenses for the sewer department and debt reduction.

Diff. Pt MPFA Interest- 2005 starting balance was \$7,703.45, interest earned for the year was \$2,049.05, making the beginning balance for 2006, \$9,752.50. These funds can also be used for administrative expenses for the sewer department and debt reduction.

Capital Purchases Interest- This is interest received from special assessments on deposit at the Mt. Iron Bank. These funds can be used to pay for capital purchases for the sewer department. Beginning balance as of 2005 was \$8,153.20. Interest earned in 2005 was \$9,067.93. A transfer out to the public utilities fund in the amount of \$10,000.00 was made to pay back the PUC for the purchase of the PUC truck. The beginning balance for 2006 is \$16,262.25.

Fayal Water Company- The beginning cash balance in 2005 was negative \$1,326.67, revenues from water sales were \$69,225.70, other fees collected were \$6,715.56. Expenditures were \$67,510.65. The cash balance was \$8,508.74 as of 12-31-05.

Fayal Sewer Company- The beginning cash balance in 2005 was \$23,076.21, revenues from sewer sales were \$320,670.97, misc. revenue and interest were \$4,448.78 for a total of \$336,515.14. Expenditures were \$273,896.55 and \$54,269.30 for principal and interest on the PFA loan. Ending

cash balance is \$16,152.20.

Other reserves as of January 1, 2006 are as follows:

Mining Effects-	\$46,532.69
Employee Benefits CD-	\$66,729.14
Lodging Tax-	\$1,397.99

For the period of January 1-31, 2006 there were \$54,469.57 in receipts, and expenditures of \$92,952.92. Ending balances are as follows:

Mt. Iron Checking-	\$620,602.84
Miners Bank-	\$152,060.80
Special Assessments Savings-	\$442,340.90

Clerk Sersha informed everyone that she started having problems with the clerk computer crashing the week before the audit was to take place. Sersha obtained three quotes and called some of the supervisors for a consensus on how to proceed. All of the supervisors contacted told her to go ahead and purchase a new computer. Sersha stated she informed the auditors of the purchase as soon as they arrived to start the audit. Supervisor Beldo stated he requested info on what was wrong with the old computer and questioned if anything had been received. Clerk Sersha stated a letter was received from Roger's Online, and it would be read into correspondence.

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

Motion to accept the December 13, 2005 Public Utilities Commission Regular Meeting minutes, made by Supervisor Tamaro, support from Supervisor Pernu. Motion carried unanimously.

Motion to approve the January 2006 Police Report made by Supervisor Branville, support from Supervisor Tamaro. Motion carried unanimously.

Motion to accept the December 1, 2005 EFGSD Cable TV Regular Meeting minutes, made by Supervisor Tamaro, support from Supervisor Beldo. Motion carried unanimously.

Motion to accept the February 1, 2006 Fayal Fire Department Relief Association Board of Trustees meeting, made by Supervisor Branville, support from Chairman Kniefel. Motion carried unanimously.

Motion to accept the January 2006 Road & Bridge Report made by Supervisor Beldo, support from Supervisor Tamaro. Motion carried unanimously.

CORRESPONDENCE

SLCATO- Regular meeting minutes of January 25, 2006, next meeting is Feb. 22, 7:30 pm, Cotton Town Hall. Placed on file.

Jane Kingston- Expressing interest in serving on the Fayal Planning Committee. Placed on file.

MPCA- They are accepting submissions for the Wastewater State Revolving Fund. Placed on file.

MN Dept. Of Health- Accepting submissions for the Drinking Water Revolving Fund Project Priority List. Placed on file.

SLC Assessor- Board of Appeal & Equalization will be tentatively held Wednesday, May 3. 1-3 pm. Placed on file.

Roger's Online- Letter explaining the clerk's computer was four years old and had severe software issues, the computer's floppy drive stopped working, back up drive failed, computer was locking up with a blue screen error related to hardware drivers and possible hardware failure. Placed on file.

Supervisor Beldo- Memo regarding Woodlawn Point Road Issues. Referred to Old Business.

OLD BUSINESS

Supervisor Beldo-

Woodlawn Point Intersection Plowing- After the discussion at the last meeting on the plowing of the intersection area of East Woodlawn Drive and Woodlawn Point Road, Supervisor Beldo submitted a memo regarding the decision not to plow the area. In the memo, it was explained that MN DOT District Traffic Engineer, Rob Ege was contacted to visit the area, along with the two R & B employees and Supervisor Beldo. There is poor traffic control in the area and the intersection is not defined. Mr. Ege has advised the intersection should be redesigned. The conclusion the group came to is that the area is part of the private road, Woodlawn Point. Supervisor Branville stated that he felt it is a common sense issue to clear the intersection, but obviously much time and work had gone into the memo, and he did not want to waste any more of the Board's time on the request. Supervisor Beldo stated that he felt the decision was appropriate for the town.

Supervisor Pernu-

Town Hall Heat Re-Zoning-

The project is going well and should be finished soon. While work was taking place, it was noticed that there is an exhaust fan in the main hall and you can see outside. A box is being built around the fan. There are also several areas that are uninsulated and Pernu suggested insulation be pumped in at a later date. The natural gas bill is 10 percent lower than last month after the installation of the new water heating system, and keeping the skating shack temp lower.

Rink- Supervisor Pernu reported that everything has been running smoothly at the rink and he has received numerous compliments from parents that are very satisfied. Supervisor Pernu thanked Fire Chief Steve Shykes for flooding the rink with the fire truck, after it was discovered the hydrant valve was down.

Supervisor Tammaro-

Ryan Turner Litigation- It appears the litigation is over and a stipulation agreement will be signed.

Sewer Rate Increase- Supervisor Tammaro stated that since the auditor's final figures are in for the sewer department he would like to refer it back to the PUC for further study and their recommendation. Tammaro states there will be no increase in the rates tonight.

Chairman Kniefel-

Sewer Plat Recordation- Clerk Sersha delivered the plats to the St. Louis County Recorder's Office in Virginia. Kathy Racek of the Duluth office was in Virginia that day and informed the clerk the cost would be \$56 per plat, with an additional cost for each Torrens's property. The process should take about one month, and we will be billed by the recorder's office.

Town Road Overlay Estimates- The SLC engineers have estimated the cost to overlay the seven roads in the township to be \$120,000, with the bids to be let in March.

NEW BUSINESS

Supervisor Beldo reported that Al Jurenic has resigned as safety officer, and thanked him for his time and efforts. A new safety officer should be elected at the next safety meeting.

Supervisor Branville reported that Chief Thompson would like to attend a free training course in Duluth, on the MDT computer, and has requested time and mileage.

Motion to approve the expenses for Chief Thompson to attend the MDT training, made by Supervisor Branville, support from Supervisor Tammaro. Motion carried unanimously.

Clerk Sersha reported we received the remainder of the funds due us, from Rasmusson Logging for the trees that were cut.

Supervisor Tammaro reported there will be no employees available to carry the pager from February

10-12. The union contract states the Board may call whomever or whatever personnel are necessary to handle the situation.

Supervisor Tamaro suggests letting the pager go to the dialer system and informs everyone they may be called.

CITIZEN CONCERNS AND COMMENTS

Kelly Campbell and Peter Bertucci were in attendance but had no comment.

Mike Erjavec was in attendance and stated that the proper term for Woodlawn Point is that it is a public road being privately maintained.

Scott Smith was in attendance but had no comment.

Fire Chief Shykes was in attendance and reported he was contacted by the Eveleth Fire Chief regarding the implementation of a simulcast page from 911 for both the Fayal and Eveleth Fire Departments. Shykes stated he thought this would benefit both departments especially for the ISO review. This would allow the equipment and manpower of both departments to be counted for this purpose.

Motion to study the simulcast agreement and come back with a recommendation, made by Supervisor Branville, support from Supervisor Tamaro. Chairman Kniefel questioned if this would increase our workers comp cost and enlarge our primary jurisdiction. Shykes stated such an agreement would not affect either and could be done by enhancing our current mutual aid agreement. Motion carried unanimously.

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

The board discussed the 2007 levy.

Motion to adjourn by Supervisor Tamaro.

Regular Meeting adjourned at 8:36 PM.

Respectfully submitted,

Judy M. Sersha
Clerk of Fayal

Approved: _____
Chair

Attest: _____
Clerk