

**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**

**APRIL 5, 2005**

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 Beldo, Supervisor Branville, Supervisor Pernu, Supervisor Tamaro and Clerk Sersha.

Approximately 30 persons were in the audience.

***Motion to approve the minutes of the March 1, 2005 Regular Meeting, made by Supervisor Tamaro, support from Supervisor Beldo. Supervisor Beldo wanted it added to the minutes that he attended the Board of Appeal training. Motion carried unanimously.***

**SCHEDULED GUESTS**

**Ted Troolin**, director of the St. Louis County Solid Waste Department was in attendance. Mr. Troolin voiced concerns of the waste department, regarding the Fayal Boy Scouts having an aluminum can recycling container in proximity with the county's recycling bins. Mr. Troolin explained how the landfill department derives its income, and stated that aluminum can sales are an important part of that. Mr. Troolin also explained that in other municipalities where non-profit organizations have installed an aluminum recycler near the county's bins, they have been asked to remove them, and the organizations have complied. Chairman Kniefel stated the original intent of the county's recycling program was to encourage recycling, and that by partnering with communities, that goal is being accomplished. Chairman Kniefel further stated that the Fayal Boy Scouts are sponsored by the Fayal Fire Department, and the Town Board authorized, and is in support of the Fayal Boy Scouts having their can recycle bin on town property. Kniefel added that the Boy Scouts help maintain the recycling area and it is an asset to have them.

One of the Boy Scouts in attendance reported that with the can recycling money, they have been able to buy a trailer to haul their gear. Sharon Pernu stated that by the Scouts having the recycler, it has encouraged more recycling because people who may not otherwise recycle, now bring their cans to the Boy Scouts. Additionally, Pernu added that the Scouts do many fundraisers, and they are always selling something, this alleviates some of those sales.

Supervisor Beldo stated that one of the options listed by Mr. Troolin was to remove the county bins, due to the location of the Boy Scout bin. Beldo stated he hopes it does not come to that, because the recycling bins are used. Clerk Sersha told Mr. Troolin that there are many times the bins are full, and when we call for a pickup, it sometimes takes 3 or 4 days. Mr. Troolin acknowledged that he has received some recent complaints about the contractor that is supposed to be picking up the bins, and

the problem is being addressed.

Discussion on monthly revenue received by the Scouts and the possible necessity to have formal agreements between the county and town for locating county bins on town property. Another of the Scout parents suggested they be given an opportunity to discuss this matter at their next Scout meeting, and then, meet and discuss with Mr. Troolan possible solutions to this issue. Mr. Troolan stated that if a formal agreement is required in the future, it may contain a grandfather clause for the Fayal Boy Scouts.

**Val Bazzani** was in attendance to inform the Board of excessive speed on Bodas Road. The road was previously signed at 40 mph, but it was found that it was incorrectly posted, and was re-signed to 45 mph just recently. Mr. Bazzani maintains there are many vehicles that are going 65 mph. The Board advised Mr. Bazzani to contact the St. Louis County Sheriff's for extra patrol, and will also inform Fayal Police Chief Thompson of the same.

### **SCHEDULED GUESTS (Con't)**

**Kathryn Erjavec** was in attendance to inform the Board of a discrepancy of her sewer special assessment being on the wrong parcel of property, due to a property line adjustment that was done a couple of years ago. The assessment is now on a parcel code that has no legal description and should be moved to the new parcel code that was created. Ms. Erjavec is trying to get this straightened out with the county and will keep the Board informed.

Kathryn Erjavec and Jack Lalli were in attendance to inform the Board on the EFG Cable TV budget. Copies of the 2004-2005 and 2005-2006 budget were distributed for the Board's review. The budget will be increased to include another employee. This employee will be tasked with bringing in programming. Erjavec and Lalli encouraged everyone to use the channel for public announcements etc. Short discussion on Ms. Erjavec's appointment to the Cable TV Commission. Ms. Erjavec was temporarily appointed to the commission while she was on the town board. Referred to New Business.

### **REPORTS**

**Clerk/Treasurer's Report-** For the period of March 1-31, 2005, there were \$70,610.64 in receipts and expenditures of \$54,844.80. Ending balances are as follows:

|                      |              |
|----------------------|--------------|
| Miners Bank-         | \$118,062.59 |
| Mt. Iron Checking-   | \$603,094.01 |
| Special Assessments- | \$560,689.97 |

**Employee benefits CD-** Clerk Sersha reported that sixty five thousand dollars was taken out of checking in February for the CD. After receiving the bank statement yesterday, I noticed the bank had taken another \$65,000 withdrawal from the March 2005 checking. Sersha called the bank and they are working to clear this up. The error occurred due to a change in bank personnel. Sersha will be monitoring this situation closely.

The Annual Audit arrived on March 30, 2005 from Walker, Giroux & Hahne. They are requiring that a non audit services letter needs to be on file, and the clerk/treasurer should be designated to provide oversight for non audit services. In addition, GASB requirements regarding the audit finding on weakness in segregation of duties within the town's business office needs a response. The response will be that the Board will be monitoring transactions and reviewing the structure of duties of Town personnel to ensure as much segregation of duties as possible, on an ongoing basis. The person designated to make sure this is done is the board chair.

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

***Motion to accept into the record the March 9, 2005 Fire Department Regular Meeting minutes, made by Chairman Kniefel, support from Supervisor Beldo. Motion carried unanimously.***

***Motion to accept the February 2005 Road & Bridge Report, made by Supervisor Beldo, support form Supervisor Tammaro. Motion carried unanimously.***

***Motion to accept the March 2005 Police Report, made by Supervisor Branville, support from Chairman Kniefel. Motion carried unanimously.***

### **CORRESPONDENCE**

MN Benefit Association- Info on the Township Officer Group Life Plan. They are asking us to enroll. Placed on file.

Dept. Of Employee Relations- They are holding a refresher course on reporting and compliance requirements for pay equity on April 29 in St. Paul. Placed on file.

MN Revenue- List showing the amounts of expected revenues for Taconite Municipal Aid, mining effects, mining & concentrate, taconite railroad and disputed taxes related to the EVTAC bankruptcy. Total to be received in 2005 is \$82,757.00. Copied to Town Board, placed on file.

MAT- Clerk/Treasurer's bond certificate. Placed on file.

### **CORRESPONDENCE (Con't)**

Walker, Giroux & Hahne- A non audit services letter needs to be on file, and the clerk/treasurer should be designated to provide oversight for non audit services. Referred to New Business.

Fayal Planning Committee- Copy of Request for Proposals for planning & landscape services. Referred to New Business, placed on file.

Steve Giorgi, AFSCME- Formal acknowledgment and acceptance by the union and Dale Dickson that he is not seeking time and one half pay for starting work at 6:00 AM and he is not seeking any back pay for the time previously worked before 7:00 AM. Placed on file.

MAT- Law Enforcement Liability Policy, effective Feb. 23 2005 through Feb 23, 2006. Placed on file.

Paul Cerkvenik- Response to letter from Mark Weir regarding township's requirements of the resolution to vacate South Airport Road. Placed on file.

Mark Weir- Response to letter from Cerkvenik, requesting several items relating to access for the SLC land department and also informing us that those who wish access to public lands will probably have to have a background check. Also, the Airport Commission intends to hold Fayal Township responsible for any and all damages and injuries caused to persons or property, including damage to airport property as a result of vandalism or terrorism, as a result of the acts of persons who gain access to airport property by way of South Airport Drive. Placed on file.

MAT- Urban Town Shortcourse to be held April 14, Best Western, Maplewood. Placed on file.

SLCATO- Regular meeting minutes of Feb. 23, 2005. Next meeting is April 27, 7:30 PM Cotton Community Center. Placed on file.

Palma Voss- Thank you card for the floral arrangement sent on behalf of Fayal Township for Don Voss. Placed on file.

SLC Fair- Request for donation. Referred to New Business

MN Milk Producers Association- Letter regarding dairy farming and requesting town supervisors support. Placed on file.

CDBG- 2006 Kick-Off will be Wednesday, April 13, 1-3 pm, Mt. Iron Community Center. Placed on file.

Richard Walsh, IRB- Letter requesting further breakdown of mining effects monies used for infrastructure and cooperative projects. Placed on file.

Trenti Law Firm- Notice of mediation, and taking of Depositions. Placed on file.

There will be a benefit dinner and silent auction for Joe Stewart on Friday, April, 29, 4 - 8 pm, Mt. Iron Community Center. Placed on file.

Pera- Proposed increases in employee and employer rates. Placed on file.

EFG Joint Cable TV- Agenda for April 7, 2005 meeting. Placed on file.

League of MN Cities- Safety and Loss Control Workshop will be held April 19, Giants Ridge. Cost is \$20 and includes lunch. Placed on file.

MN Rural Water Association- They are launching a new flexible long-term finance program called the MN Governmental Finance Association. This financing is for water, wastewater and street projects.

## **OLD BUSINESS**

### **Supervisor Beldo-**

Newsletter- Beldo reports the newsletter will be going out early next week, and invites anyone with info they would like to have reported, to submit it to him.

**OLD BUSINESS (Beldo, continued)**

**Safety Meeting-** Employee safety meeting will be Thursday, 1:00 PM. Right to Know training is scheduled. Work is still being done on the AWAIR program.

**SLCATO Meeting-** Beldo attended the last one, which was held in Cotton. Mel Hintz of the SLC Assessor's Office gave a presentation. There will be some huge increases in property values in the northern part of SLC. Board of Equalization meetings can also be scheduled in the evening, for a \$70 fee.

**Lift Station Driveways-** Beldo questioned where the expense to make the driveways would be charged. Tammaro answered that the time and materials would be charged to the sewer. Six driveways need to be made. Tammaro states the R & B employees do not have to get them done right away, and can work on them when they get the chance.

**Supervisor Branville-**

**Blight Complaint-** Supervisor Branville visited the site of the complaint. The problem has been taken care of, and the building has been torn down and hauled away.

**Planning Meeting-** Supervisor Branville reports he attended his first meeting and found it very interesting.

**Supervisor Pernu-**

**Playground-** Since the old playground equipment is outdated and unsafe, Pernu recommends we disposed of it.

***Motion to dispose of the old playground equipment, located at the town complex site and at the baseball field site, made by Supervisor Pernu, support from Chairman Kniefel. Tammaro questions how it will be disposed of? Pernu answers it will be taken down and cut up so it is not usable. Portions of the equipment can be used by the R & B department for other things. Motion carried unanimously.***

Supervisor Pernu reported that he is meeting with two playground equipment vendors on procuring new equipment, and that he is trying to keep the budget as close to \$45,000 as possible. Pernu advises he should be able to make a recommendation on the equipment by the next meeting.

**Supervisor Tammaro-**

**Conflict of Interest Policy-** Tammaro presents Resolution 2005-2. Paragraph 9 was modified to allow employees of the town, town board and commission members to use town facilities and tools. Discussion.

***Motion to adopt Resolution 2005-2 to Create a Conflict of Interest Policy within the Town of Fayal, made by Supervisor Tamaro, support from Supervisor Beldo. Beldo states a sign out list will have to be established, Tamaro agrees. Kniefel states he does not see why the policy needs to be changed because the old policy says basically the same thing. Tamaro states this policy spells it out better. Tamaro, Beldo, Branville and Pernu vote yes. Kniefel voted no. Motion carried.***

**Chairman Kniefel-**

**RLK Litigation-** A mediation session has been scheduled for Friday, April 8 in Duluth to try to settle this case. Otherwise we are scheduled to go to court for five days, starting May 23. Kniefel, Tamaro and Sersha will attend the mediation session.

**Town Road Right-of-Way-** Kniefel reports he received a certificate of survey done by Wayne Spragg on the portion of platted town road right-of-way located between the Ann Pavelich and Mary Hovland properties on Cedar Island Drive. The entire right-of-way should be vacated by the township. Spragg has identified which parcels should go to each property owner, and the county for the road. The interested parties will have to go to court to have the property conveyed, the town can only vacate their interest.

**OLD BUSINESS (Kniefel, continued)**

**Planning Committee RFP's-** Three responses have been received for a site plan for township owned property in the vicinity of the town hall. The Planning Committee will be meeting April 12, 4:00 PM to hear proposals from the three.

**Bituminous Work Plan-** Kniefel stated a plan should be submitted soon to the county, so that we can piggyback on their projects that are planned to be done in this area.

**Commission Vacancies/Appointments-** There is a vacancy on the PUC, and they have not yet made a recommendation. Cable TV needs a permanent appointment, since Kathryn Erjavec's term was temporary. Supervisor Branville reports Joe Uhan is interested in being appointed to the Planning Committee.

***Motion to appoint Kathryn Erjavec to the EFG Joint Cable TV Commission, made by Supervisor Tamaro, support from Supervisor Pernu. Motion carried unanimously.***

***Motion to appoint Joe Uhan to the Planning Committee, made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.***

Supervisor Beldo read a memo from Foreman Steve Verkovich regarding cost sharing for survey work to be done on the gravel pit. Wayne Spragg has suggested the cost be split among the IRRRB, township, Marsh Ulland and United Tac. Verkovich questions if United Tac should be asked to split the costs because the land was donated to us by EVTAC. The Board's consensus is we should not ask United Tac to share in the cost.

## **NEW BUSINESS**

***Motion to designate the Clerk/Treasurer to provide oversight for non-audit services, made by Chairman Kniefel, support from Supervisor Tammaro. Beldo questions what are considered non-audit services? Sersha answers it is preparation of financial statements, balancing bank accounts etc. Motion carried unanimously.***

***Motion to authorize the Chair to execute the response letter addressing the audit finding on weakness in segregation of duties within the town's business office, due to limited staff, and that the Board will be monitoring transactions and reviewing the structure of duties of Town personnel to ensure as much segregation of duties as possible, made by Chairman Kniefel, support from Supervisor Pernu. Motion carried unanimously.***

Supervisor Branville reports that Chief Thompson has requested the time to attend mandatory training.

***Motion to grant the request for the time for Harvey Thompson to attend 12 hours of mandatory training, made by Supervisor Branville, support from Supervisor Tammaro. Motion carried unanimously.***

Supervisor Beldo reports the R & B department has been working on specs for the new loader.

***Motion to deny the request for donation to the SLC Fair, made by Chairman Kniefel, support from Supervisor Beldo. Motion carried unanimously.***

***Motion to adopt the EFG Joint Cable TV Commission 2005-06 budget in the amount of \$2,070.00 for Fayal's portion, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.***

Chairman Kniefel states the people at the Annual Meeting have mandated two things they want accomplished: A memorial plaque for past town board members and establishment of an off-road motorized recreational vehicle trail.

Kniefel and Sersha will do the research and procure the plaque for the board members. Supervisor Branville stated he would like to establish a committee to research trail establishment. Notice will be posted and placed on the internet and cable tv channel that we need volunteers to sit on this committee.

## **CITIZEN CONCERNS AND COMMENTS**

Mary Maki was in attendance but had no comment.

Kathryn Erjavec was in attendance and informed the Board she will go back to St. Louis County to try to straighten out her property tax assessment, and will supply the board with a letter regarding placement of her assessment. Ms. Erjavec commented she was disappointed with the Board's passage of the Conflict of Interest policy and stated she did not agree with personal use of public

property.

Gary Ulman was in attendance and informed the Board that someone shot eight gun shots into the new VOR at the Eveleth-Virginia Airport. The incident has been reported to the FBI and Washington DC.

Jerry Ulman was in attendance but had no comment.

Mike Erjavec was in attendance and questioned whether we have received any easements from the Harvey's for North Airport Road. No easements have been forthcoming, as yet. Sersha to contact the Harveys.

Assistant Fire Chief Scott Smith was in attendance and forwarded a membership recommendation from the Fayal Fire Department Membership Committee to Supervisor Branville.

***Motion to appoint Jon Knapper to the Fayal Fire Department, providing he pas a medical physical, made by Supervisor Branville, support from Chairman Kniefel. Motion carried unanimously.***

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

Motion to adjourn made by Supervisor Tammaro.

Regular Meeting adjourned by Chairman Kniefel at 9:10 PM.

Respectfully submitted,

Judy M. Sersha  
Clerk of Fayal

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

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