

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

PHONE (218)744-2878

FAX (218) 744-5986

REGULAR MEETING OF THE FAYAL TOWN BOARD

JANUARY 3, 2006

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.

Audience members in attendance were: John Damberg, Scott Smith, Mike Erjavec, Peter Bertucci, and Kelly Campbell.

Motion to approve the minutes of the December 20, 2005 Regular Meeting made by Supervisor Branville, support from Supervisor Beldo. Motion carried unanimously.

SCHEDULED GUESTS

Members of the Public Utilities Commission were asked to attend tonight's meeting by the town board to discuss their recommendation to increase the sewer rate by \$2 per month. John Damberg, Kelly Campbell, Peter Bertucci and Mike Erjavec were in attendance from the commission. Supervisor Tamaro questioned why the recommendation for the increase? Kelly Campbell reported that a rate forecast was recently completed by Gary Giroux of Walker, Giroux & Hahne. The report recommends the increase, due to higher costs for wages, benefits, fuel and sewer treatment. The report was based on actual revenues and expenditures presented on information available in November 2005. Mr. Campbell stated the report did not take into account changes that may be made in the year-end figures. Clerk Sersha stated that interest earned on the checking account for the year and reimbursement for auditing costs from assessment interest would be booked in January 2006 for the 2005 year end, and estimated the income from the two would be about \$15,000. Mr. Campbell stated he personally did not want a rate increase, but also did not want to see the cash reserve depleted. Campbell also referred to pending litigation, upcoming easement costs, both of which are unknown costs at this time. Campbell questioned what a reasonable reserve is? The report shows a \$16,500 cash balance at the end of 2006, with the increase of \$2 per month. Discussion by the board and PUC members. Chairman Kniefel questioned if there was something on the disbursement side of the equation that could be cut, such as the depreciation for the PUC pickup? Supervisor Beldo agreed, and referred to the balances in the maintenance contingency. Clerk Sersha reported the truck depreciation is funded at \$18,000+, and there is still a lot of value in the pickup truck. Peter Bertucci stated that the maintenance contingency could easily be used up if several pumps were to fail. Chairman Kniefel stated he did not want to see the sewer fund depleted, and suggested an increase of a dollar per month. More discussion, the matter will be discussed further after the year-end figures are available.

REPORTS

Clerk Sersha stated the bank statements were not available, and that she would make a full report at the next meeting. Sersha stated she asked for an estimate from Roger's Online for the disposal of old computers. Several old computers have accumulated and the township must dispose of them properly. The computer hard drives would be erased to government standards and certified as such, prior to disposal. Referred to New Business.

Motion to accept the December 2005 Road & Bridge Report made by Supervisor Beldo, support from Supervisor Tamaro. Motion carried unanimously.

Motion to accept the December 2005 Police Report made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.

OLD BUSINESS

Supervisor Beldo-

Loader Sale- Supervisor Beldo presented and read Resolution 2006-01.

Motion to adopt Resolution 2006-01 Approving the Sale and Ordering Solicitation of Bids to Sell One 1985 Michigan 55C Front End Loader, made by Supervisor Beldo, support from Chairman Kniefel. Discussion. The ad will be posted at the usual posting places, and a block ad will be placed twice in the Mesabi Daily News, in addition to being listed on the internet. A few minor changes will be made to the bidder's instructions, and a spec sheet and maintenance history has been prepared for prospective bidders. ***Motion carried unanimously.***

Supervisor Branville-

Snowplowing Policy- Discussion on plowing the intersection of Woodlawn Point and Woodlawn East. Supervisor Branville states a windrow is being left when the plowing is done, and requests that the intersection be plowed wider. Beldo states the policy is not to do any specialty plowing. Discussion on plowing to the lift station.

Supervisor Pernu-

Brush pile- Supervisor Pernu reported he obtained a quote for chipping the brush pile that was left over from the logging project. Cost is \$375 per hour, estimated time two hours. Eveleth does not want to participate, they are going to burn their pile. Peter Bertucci suggested contacting the City of Virginia since they are doing the biomass project. Otherwise, we will burn the pile next fall. Pernu reported that Roger Nelson of the DNR felt that Rasmusson Logging should come back and do some clean up in the area, Nelson will be contacting them.

Chairman Kniefel-

Sewer Rates-

Chairman Kniefel suggested waiting until the 2005 year ends are done before making a decision on the rate.

Motion to table the decision on the sewer rate until the first meeting in February, made by Chairman Kniefel, support from Supervisor Pernu. Motion carried unanimously.

NEW BUSINESS

Motion to have the Road & Bridge employees make judgement calls on plowing situations that arise, made by Supervisor Beldo. Supervisor Tammaro stated the motion is not needed, they have always had the discretion to make those types of decisions. ***No action taken.***

The Board studied the specifications for the self contained breathing apparatus the fire department would like to purchase. FEMA funds in the amount of \$71,250 have been awarded to the department, with the town matching at least 5 percent. A few revisions were made to the document submitted by Fire Chief Shykes, those being: unit price, add/deduct, bid price to be valid with 30 days to award, correction to address, and reserve right to adjust quantities.

Motion to direct the clerk to proceed with the bid solicitation for the self contained breathing apparatus, with the bids to be opened February 7, 2006 at 7:00 PM, and to give proper notice per MN Statute 471.345 Subd. 3, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.

Chairman Kniefel reminded the board the budget and levy discussions for 2007 will begin at the next regular meeting.

Chairman Kniefel reported on the happenings in the Local Government Alliance, which was originally formed to lobby for the right to vote on whether or not a township wanted to be annexed by a city. The legal firm of Couri & MacArthur has said they can no longer represent the LGA, due to conflicts. Also, a new lobbyist is needed.

The MN Association of Township's Attorney Kent Sulem has taken a greater interest in representing the townships at the Capital, but the LGA still feels they need to keep the organization going in order to keep the lines of communication open with the townships and lobby this legislative year.

Chairman Kniefel read aloud Resolution 2006-02.

Motion to adopt Resolution 2006-02 to Contract for Legislative Lobbying Services to Reform Annexation Laws, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.

Motion to contract with Roger's Online for the disposal of old township computers, made by Supervisor Beldo, support from Supervisor Branville. Motion carried unanimously.

Discussion on the RLK bill for \$6,000 for work on the sewer easements. Chairman Kniefel stated that per the agreement, RLK was to provide recordable documents that would be accepted by the SLC Recorder. Only draft documents have been provided thus far. Until the recordable documents are received, signed and accepted by the Recorder, Chairman Kniefel advised that we not pay the bill. Supervisor Tammaro also brought up the subject of the survey pins on the easements. We have yet to receive an answer from RLK as to whether or not both sides of the easement are to be pinned.

Motion to table the payment of the bill for easements from RLK in the amount of \$6,000, until such time the documents are accepted by the St. Louis County Recorder, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.

CITIZEN CONCERNS AND COMMENTS

John Damberg, Scott Smith and Peter Bertucci had no comment.

Mike Erjavec questioned if it is legal for snowmobiles to ride in the ditches and go over the top of people's driveways. Many residents have been placing orange snow fencing along their driveways to stop the snowmobiles. Mr. Erjavec stated he is concerned about the water lines freezing with snowmobiles driving over them. Chairman Kniefel stated that it is illegal to erect a fence on the right-of-way, and snowmobiles are allowed to drive in the ditch bottom of county and state roads and all of the township roads. Discussion. Kniefel states a township ordinance could be adopted that would be stricter than state law, but the town has not done so.

Kelly Campbell reported on the ongoing construction near his home.

Motion to pay the bills, except the RLK bill, made by Supervisor Tammaro, support from Chairman Kniefel. Motion carried unanimously.

Motion to adjourn by Supervisor Tammaro.

Regular Meeting adjourned at 8:34.

Respectfully submitted,

Judy M. Sersha
Clerk of Fayal

Approved: _____
Chair

Attest: _____
Clerk