

**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, Kathryn Erjavec*

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**REGULAR MEETING OF THE FAYAL TOWN BOARD**

**SEPTEMBER 21, 2004**

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 Erjavec, Supervisor Pernu and Clerk Sersha. Supervisor Tamaro arrived at 7:25 PM.

***Motion to approve the minutes of the August 17, 2004 Regular Meeting made by Supervisor Beldo, support from Supervisor Erjavec. Motion carried unanimously.***

***Motion by Chairman Kniefel, support from Supervisor Beldo, carried unanimously, to correct the August 3, 2004 Regular Meeting minutes to include the following additions:***

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

***Motion to accept the July 2004 Road & Bridge Report, made by Supervisor Beldo, support from Supervisor Tamaro. Motion carried unanimously.***

***Motion to accept the July 2004 Police Report, made by Chairman Kniefel, support from Supervisor Beldo. Motion carried unanimously.***

***Motion to accept the June 22, 2004 Planning Committee Regular Meeting minutes made by Supervisor Erjavec, support from Supervisor Beldo. Motion carried unanimously.***

***Motion to accept the July 1, 2004 EFG Joint Cable TV Regular Meeting minutes, made by Supervisor Erjavec, support from Supervisor Tamaro. Motion carried unanimously.***

**REPORTS**

***Clerk/Treasurer's Report-*** For the period of August 1 -31, 2004, all accounts, receipts were \$150,637.36, which includes a request from the PFA in the amount of \$81,198.83 which was deposited into Miner's Bank and transferred out to the special assessment account. Expenditures were \$89,131.88, leaving ending balances as follows:

Mt. Iron Checking	\$717,199.51
Miners Checking-	\$143,373.39

American Special Assessment Account- \$427,081.07

For the month of September, to date, receipts are \$25,487.61. A taconite municipal aid payment in the amount of \$32,551.00 was received and will be deposited. Expenditures were \$30,067.54.

The website is up and running and almost complete. Go to [www.fayaltp.org](http://www.fayaltp.org).

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

***Motion to accept into the record the August 2004 Road & Bridge Report, made by Supervisor Beldo, support from Chairman Kniefel. Motion carried unanimously.***

***Motion to accept into the record the August 2004 Police Report submitted by Chief Thompson, made by Chairman Kniefel, support from Supervisor Beldo. Motion carried unanimously.***

***Motion to accept the September 8, 2004 Regular Meeting minutes of the Joint Rec Board, made by Supervisor Erjavec, support from Chairman Kniefel. Motion carried unanimously.***

***Motion to accept the July 13, 2004 Public Utilities Commission Regular Meeting minutes, made by Chairman Kniefel, support from Supervisor Beldo. Motion carried unanimously.***

***Motion to accept the August 10, 2004 Public Utilities Commission Regular Meeting minutes, made by Chairman Kniefel, support from Supervisor Beldo. Motion carried unanimously.***

#### **CORRESPONDENCE**

Clerk Sersha reported she received a phone call before the meeting tonight from Sharon Rossi of Eveleth. Mrs. Rossi reported that since the ad was put in the paper regarding the bike trail being a non-motorized trail, she and her husband have only encountered one ATV. Mrs. Rossi wanted to convey her appreciation to the Board for placing the ad, and commended Fayal and its employees for keeping the sides of the bike trail mowed and groomed.

Jack Koski, Koski Drywall & Painting- Info about the painting of the building and warranty on workmanship for one year. Placed on file.

Chairman Kniefel- Memo regarding the possibility of levying for an ambulance subsidy and establishing a joint powers board. Referred to Old Business.

Joe Hiller, Grants Manager of MN DNR- Letter telling us that all sites previously funded under the Outdoor Recreation Grant Program (the Hiking-Biking Trail) must post a funding acknowledgment at the start of the trail, and that the portable toilet must be removed or replaced with an accessible model. Referred to Supervisor Pernu.

SLC Planning- Board of Adjustment will hold a public hearing on variance request of Peter

Mascucci on Tuesday, Sept. 14, 10:30 AM, Virginia City Hall. Referred to Supervisor Erjavec, placed on file.

MN Association of Townships- District 10 meeting will be held Tuesday, Sept. 30, 7:00 Registration, 7:30 PM Meeting, at Grand Lake Town Hall. Placed on file.

Mary McReynolds, SLC Solid Waste- Info about obtaining a recycling trailer for special events. Placed on file.

Mediacom- Franchise fees in the amount of \$2,434.12 for the second quarter 2004. Placed on file.

Gary Giroux- GASB 34 implementation letter and annual audit proposal for 2004 and separate three year annual audit engagement letter for years 2004, 2005, 2006. Referred to New Business.

IRR- Application fund program guidelines, which can be accessed to help defray professional grant writing or application prep costs. Placed on file.

Mike Wiskow- The Aquaduct between St. Mary's and Ely Lake was closed on Sept 20, 2004. St. Mary's Lake has risen to 1375.1 Placed on file.

Ray Eck- Ambulance meeting scheduled for Wednesday, Sept 22 has been rescheduled for Wednesday, Sept. 29, 5:00 PM. Placed on file.

SLCATO- June 23, 2004 Regular Meeting minutes. Next meeting is Sept. 22, 7:30 PM, Cotton Community Center. Annual Fall Awards Dinner will be Friday, Oct. 8, Solway Town Hall. Cost is \$20 each, reservations must be made by October 4. A charter bus will be going to the Annual Conference in St. Cloud, Nov 18, 19 , 20. Placed on file.

Medica- Health care coverage survey. Referred to Old Business.

Mick Giblin, Greater MN Agency- Quote from BCBSM through Northeast Service Cooperative. Rates are slightly higher (\$22.50 per month), due to a January 1, 2005 effective date. They will also get a quote from Medica, if the request is in writing. Referred to Old Business.

St. Louis County Auditor- Final Town Levy Certification. This was completed and sent in on September 15, 2004 by Clerk Sersha. Placed on file.

Dale Dickson, Wastewater Operator- Fifteen Incident reports regarding sewer mainline easements. Mostly people planting trees or placing buildings on the main line. At this time, Supervisor Tamaro arrived and stated the matter should be referred back to the PUC.

### **OLD BUSINESS**

#### **Supervisor Beldo-**

**Union Negotiations-** Another mediation session with the union has been scheduled for September

30, 10 AM, according to a letter received by Supervisor Beldo. As for the medical insurance issue, Supervisors Beldo and Erjavec agreed that the quote sent to us by the Northeast Service Cooperative saves no money, and a written request should be sent for an insurance quote from Medica. Clerk Sersha will send the request to Medica.

Supervisor Beldo explained that a bill was incurred from the Trenti Law Firm for advice on employee benefits, but the information could not be made public at this time. Supervisor Erjavec consulted Scott Neff, and the information was sent to Supervisors Beldo, Erjavec and Kniefel. Supervisor Beldo requested that a portion of the meeting be closed to discuss the information that was received from the attorney, and the union negotiations.

**Supervisor Erjavec-**

**Planning Committee Meeting-** A meeting was held August 31, and preliminary RFP's were discussed and will be reviewed at the September 28 meeting. Hopefully the RFP's can be out in December and finished by March 2005. Erjavec reports she attended the Mascucci variance hearing and reported to the Board of Adjustment that the outhouse on the property is in violation of Fayal's ordinance. The variance was approved, with set back changes.

**DNR-** Erjavec reports there has been no word yet from Roger Nelson of the DNR regarding tree removal on complex grounds.

**Supervisor Pernu-**

**Town Hall Exterior-** Northwoods Construction is tying up the work, and will be out to put on the finishing touches. Koski Drywall will be back on Thursday to finish painting the fire department doors and other miscellaneous areas. Northland Windows also repaired nine windows, and two windows will be replaced, all under warranty by Anderson Windows. The flagpole is in need of paint also and Pernu will ask Koski if he can paint that as well.

Discussion by the Board on the need for rain gutters on the front of the building. Consensus is to get good quality, commercial type gutters that will hold up for many years, and to have the job done. Supervisor Pernu will contact ABC Seamless.

**Supervisor Tamaro-**

Sanitary sewer hookup- Tamaro reports that Jennifer Blevens was given an extension to September 1 to connect, but has not. Tamaro recommends it be handled the same way as the others.

***Motion to amend the resolution to issue citations, and add her name to it, made by Supervisor Tamaro, support from Supervisor Beldo. Motion carried unanimously.***

**Sewer Easement Encroachments-** Tamaro states that the issue is still under consideration by the PUC and their last meeting was cancelled, due to the Primary Election. The PUC will be meeting October 12, and will have a recommendation at that time.

**Chairman Kniefel-**

**RLK Litigation-** Nothing at this time.

**Ambulance Service-** The next meeting is September 29, in Eveleth. There has been much discussion on a joint powers agreement between all of the entities. Gilbert has been attending the meetings also, because their jurisdiction is covered by both Virginia and Eveleth ambulances.

**NEW BUSINESS**

Supervisor Erjavec reported that at the last Airport Planning Commission meeting, they were notified that the Airport's attorney would not draft the zoning ordinance, but would review it after submission by the Commission. The Airport has firmed up their runway expansion plans, and that will have to be made part of the ordinance.

Supervisor Erjavec reported the Fayal Yardwaste Site will be open the first three weekends in October on Friday, Saturday and Sunday, Noon to 5:00PM.

Clerk Sersha reported on the proposals from Walker, Giroux & Hahne to finish the implementation of GASB 34 by January 1, and the proposals for the annual audits of the General and Capital Projects Funds, Enterprise Funds, Debt Service Funds and required GASB 34 reports and audits. The proposal to implement the GASB 34 was for \$2-3,000. The second proposal was for the annual audits for 2004 and the third proposal was for a three year engagement for annual auditing services for the years 2004, 2005, and 2006. Costs are: 2004- \$8,700, 2005- \$9,100 and 2006- \$9,500. Much discussion on all aspects of the GASB and the annual audits. Clerk Sersha reported that at the last seminar she attended, the state auditor has hired 90 new auditors, and they will now be auditing every four years.

***Motion to engage Walker, Giroux & Hahne to assist in the implementation of GASB 34 at the rate proposed of \$2-3,000, made by Chairman Kniefel, support from Supervisor Erjavec. Motion carried unanimously.***

***Motion to accept the three year engagement for auditing services for the years 2004, 2005, and 2006, based on the letter proposal, made by Chairman Kniefel, support from Supervisor Erjavec. Motion carried unanimously.***

Chairman Kniefel informed the Board that the fire department has some surplus equipment, consisting of personal protective gear, that they would like to donate to other fire departments in need of equipment.

***Motion to donate the surplus fire equipment to fire departments that need it, made by Supervisor Tamaro, support from Supervisor Beldo. Motion carried unanimously.***

Chairman Kniefel reported that Chief Thompson has requested to go to Hibbing Community College for a DUI, ATV and Snowmobile law seminar at a cost of \$15.00, and his time.

***Motion to authorize Chief Thompson to attend the seminars, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.***

Supervisor Pernu reported that he received the grant application from the SLC Land Department to apply for playground equipment, and will be working on that with Clerk Sersha.

Supervisor Tammaro questioned the increase in the Joint Rec Director's salary and benefits. Tammaro stated the joint rec was to be for programs, and not a raise for the director.

Supervisor Tammaro requested that Supervisor Erjavec check with the county regarding the Pfeiffer's compliance issue.

Supervisor Tammaro reported he worked the primary election, and the judges that were hired did a good job and were great to work with.

Clerk Sersha reported on the filings for township officers. Filings are as follows: 2- four year supervisor terms- Steve Kniefel and Tony Tammaro, 2- two year terms for supervisor- Jim Pernu, Lee Branville and Kathryn Erjavec. One- two year term for Clerk/Treasurer- Judy Sersha.

Discussion on safety, the next safety meeting is the first Thursday in October, 1:00 PM.

#### **CITIZEN CONCERNS AND COMMENTS**

Jerry Ulman was in attendance but had no comment.

Mike Erjavec was in attendance and reported he is having a sewer designed for his property on North Airport Road. Mr. Erjavec also suggested that when Ely Lake Drive is re-designed, they put in an all-way stop on the corner of Woodlawn, Park and Ely Lake Drive.

Joanne Pelzer was in attendance regarding damage she claims was done to her home and yard during the sewer project. Dale will go to Mrs. Pelzer's home and inspect.

***Motion to pay the bills made by Supervisor Tammaro, support from Supervisor Beldo. Supervisor Erjavec states she does not think the RLK litigation bills should be paid from the PUC fund, they should be paid from the sewer fund, and that the bill for Koski Painting is coded as an expense instead of a capital improvement. Clerk Sersha states that the Board made a motion to pay the litigation bills from the PUC fund, so that is what is being done. Sersha disagreed that the painting of the town hall was a capital improvement, but instead was maintenance and repair, and was an expense. Tammaro, Beldo, Kniefel, Pernu vote yes. Erjavec votes no. Motion carried.***

***Motion to close the meeting to discuss union negotiations, made by Supervisor Beldo,***

**support from Supervisor Tammaro. Motion carried unanimously.**

Regular Meeting closed at 8:50 PM.

**(Clerk's Note: Per MN Statute 13D.03, Subd. 2 (a) & (b) the closed portion of the meeting was tape recorded. The tape will be preserved for two years after the contract is signed and will be made available to the public after all labor contracts are signed by the board.)**

Regular meeting opened and adjourned at 9:25 PM.

Respectfully submitted,

Judy M. Sersha  
Clerk of Fayal

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

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