

TOWN OF FAYAL
4375 SHADY LANE, EVELETH, MN 55734

Judy M. Sersha, Clerk/Treasurer

Anthony Tammaro, Chairman

Supervisors: James Pernu, Lee Branville, Mike Erjavec, Heidi Coldagelli

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REGULAR MEETING OF THE FAYAL TOWN BOARD

FEBRUARY 5, 2013

The Regular Meeting of the Fayal Board of Supervisors was called to order at 7:00 PM by Chairman Tammaro. Present were: Chairman Tammaro, Supervisor Erjavec, Supervisor Branville, Supervisor Pernu, Supervisor Coldagelli and Clerk Sersha.

Audience members in attendance were: Scott Smith, Jerry Ulman, Connie Elg, Butch Bateson, Jim Johnson, Harvey Thompson, Melissa Scaia and two other persons not identified.

Motion to approve the minutes of the January 8, 2013 Reorganization Meeting, made by Supervisor Pernu, support from Supervisor Branville. Motion carried unanimously.

Motion to approve the minutes of the January 8, 2013 Regular Meeting, made by Supervisor Pernu, support from Supervisor Coldagelli. Motion carried unanimously.

SCHEDULED GUESTS

Butch Bateson- Mr. Bateson was in attendance and voiced his concerns over dogs running loose in the township. Mr. Bateson stated he has lived here for 39 years and there has always been a problem with dogs running loose. Mr. Bateson stated he always keeps his dog tied up when it is in the yard. Dogs that are running loose have been coming into his yard, leaving their mess, and he is concerned they will hurt his dog, who is very small.

Chairman Tammaro stated the board is considering changes to the animal ordinance, which would require all animals off of their property to be leashed, and will be discussed in Old Business. Mr. Bateson thanked the board for their time.

Connie Elg- Ms. Elg was in attendance to inform the Board of the Ruby's Pantry food program. Ruby's Pantry distributes surplus foods donated by corporations, and is organized through ministries. The local ministry in our area is Faith United Lutheran Church. Distribution is once per month and the program is open to anyone who eats. A donation of \$15 is required, and in return you receive \$75-\$100 of groceries. Ms. Elg asked if anyone knew of a building where the monthly distribution could take place. Chairman Tammaro stated the board members will keep it in mind and if anyone knows of the availability of a building, they will contact Ms. Elg.

Melissa Scaia- Ms. Scaia was in attendance to inform the Board that the Range Women's Advocates is being legally dissolved. Cases of domestic violence will now be referred to Advocates for Family Peace. The office is located in Grand Rapids, one in Hibbing, and a satellite office opening soon in Virginia. Ms Scaia made several requests of the Board, and Chairman Tammaro asked that she put it in writing for their consideration. Ms. Scaia stated she would be forwarding her requests soon.

CITIZEN CONCERNS AND COMMENTS

Jerry Ulman and Harvey Thompson had no comment.

Scott Smith informed the Board the overhead heater in the fire department has quit working, and there will be a \$750 bill forthcoming for SCBA masks.

Chairman Tammaro requested that Jim Johnson of SEH meet with Supervisor Pernu and Albert Jurenic on the Golf Course Road project.

REPORTS

Clerk/Treasurer's Report- For the period of January 1, 2012 through December 31, 2012:

General Fund- Beginning balance was \$208,853.39, there were \$206,972.26 in revenues and \$182,320.74 in expenditures, transfers to other departments in the amount of \$91,000.00, leaving an unreserved balance of \$142,504.89.

Buildings & Grounds- Beginning balance was \$18,255.47, revenues received were \$45,000 in levy funds, \$2,220.00 in town hall rent for a total of \$47,220.00 in revenues. Solar Grant funds received for the year were \$81,047.39 and the Solar Project expense for the year was \$93,938.92, making the township contribution for the project \$12,891.53. The Storage Building Project cost for the year was \$217,021.87. Transfers for the project were made to Buildings & Grounds as follows: Mining Effects reserves of \$10,069.67 and 2012 Mining Effects in the amount of \$50,849.00, Capital Equipment reserves of \$88,000.00 and General fund unreserved funds transfer of \$50,000.00, for a total of \$198,918.67. This brings the excess expense over revenue in Buildings & Grounds to (\$18,103.20), leaving an ending balance of (\$9,596.61)

Fire Dept.- Beginning balance was \$1,365.24. Revenues were: \$49,518.10 in levy funds, Taconite municipal aid of \$12,481.90, State Fire Aid of \$8,400.00, and refunds/reimbursements of \$2,380.00, for total revenues of \$72,780.94. Expenditures were \$72,494.31, leaving an ending balance of \$1,365.24.

Rec- Beginning balance was \$3,497.52. Revenues consisted of a transfer in of accumulated Mining Effects of \$47,298.02, of which \$10,000 was dedicated to the ballfield project. Also received for the ballfield was a Twins Grant for \$10,000.00 and a grant from Justin Morneau for \$10,000.00. Rec expenditures were \$16,836.49 and ballfield expenditures were \$24,333.33., leaving a reserve for the ballfield project of \$7,920.92 and a reserve of \$21,704.80 for the Rec department.

Capital Equipment- Beginning balance was \$193,943.93, revenues were \$30,000 in levy funds, CD interest of \$1,934.19 for a total of \$31,934.19. A transfer out to Buildings & Grounds was made in the amount of \$88,000.00 for the building project, leaving an ending balance of \$137,878.12.

Police- Beginning balance was (\$3,425.85). There were no levy funds received for this department in 2012. Fines/Reimbursements were \$432.09. A transfer was made from unreserved funds to this department in the amount of \$36,000. Expenditures were \$30,040.37, leaving an ending balance of \$2,965.87.

Road & Bridge- Beginning balance was \$282,418.54, revenues were \$218,282.19 in levy funds, fiscal disparities of \$6,088.53, unmined taconite of \$1,664.91, taconite aid of \$35,460.22, town road aid of \$15,143.82, miscellaneous of \$7,778.70 for total revenues of \$284,418.37. Expenditures were \$263,645.74, of which \$42,544.00 was for the plow and sander installation. Ending balance was \$303,191.17.

Public Utilities- Beginning balance was (\$3,310.88) franchise fees received were \$9,712.94 and a transfer in from sewer access fees of \$8,230.00. Expenditures were \$17,347.81 leaving a balance of (\$2,715.75).

Mining Effects- Beginning balance was \$57,367.69. Revenue received was \$50,849.00, expenditures were: Transfer to Buildings & Grounds for Storage Building addition- \$50,849.00, Transfer to Rec- \$37,298.02 and transfer to Rec for the Ballfield- \$10,000.00, leaving an ending balance of \$0.00.

Employee Benefits- Beginning balance was \$128,376.65, revenues were \$1,677.15 in CD interest and \$5,000 transfer from General, leaving a balance of \$128,376.65.

Lodging tax- Beginning balance was \$6,334.70, revenues were \$1,405.19, leaving a balance of \$7,739.89.

Assessment Account Interest- This fund is interest earned from the assessment savings account that can be used for purchases for the Fayal Sewer Company. Beginning balance was \$67,919.20, interest earned was \$1,410.26 ending balance is \$69,329.46.

Special Assessment Interest- This fund is interest earned from the difference charged to benefitted property owners versus what the town pays on the PFA loans. These funds can be used to pay for administrative costs, such as audit fees, or to pay down the debt on the loans. Beginning balance was \$217,460.22, interest earned was \$22,880.61, expenses were \$6,000.00 for auditing, leaving a balance of \$234,340.83.

Differding Point Sewer Interest- This fund is interest earned from the difference charged to benefitted property owners versus what the town pays on the Differding Point PFA loan. Beginning balance was \$19,616.78, interest earned was \$931.40, ending balance is \$21,561.73.

Fayal Water Company Contingency- Beginning balance was \$33,316.28 revenues were \$7,187.58, There were no expenditures. The ending balance is \$37,316.36.

Fayal Sewer Company Contingency- Beginning balance was \$32,141.83, revenues were \$9,000.00, leaving an ending balance of \$41,708.77.

Fayal Water Company Deprecation- Designated for the year was \$4,330.80, CD interest earned was \$757.11, total funded depreciation is \$75,808.45.

Fayal Sewer Company Depreciation- Designated for the year was \$25,000.00, interest earned was \$3,600.41. Expenditure was \$152,000.00 for the Gilbert judgement, leaving total funded depreciation of \$239,569.24.

PUC Truck Depreciation- Beginning balance was \$14,150.76 designated for the year was \$4,354.08 for an ending balance of \$18,508.34.

Sewer Replacement Fund- This is a fund required by the PFA to allocate ten cents per thousand gallons of wastewater to be placed in a special sewer replacement fund. Beginning balance was \$38,472.42, CD interest earned was \$422.35, set aside for the year was \$2,814.00, ending balance is \$41,708.77.

Balances as of 12-31-2012 for all accounts:

Miners National Bank-	\$568,718.62
Mt. Iron Bank Checking-	\$252,585.31
CD Savings	\$430,027.72
Assessment Savings-	\$471,564.46

Total, All Accounts **\$1,723,169.11**

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

Motion to accept the January 9, 2013 E-F Cable TV Regular Meeting minutes, made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.

Motion to accept the January 9, 2013 EFGSD Joint Rec Regular Meeting minutes, made by Supervisor Erjavec, support from Supervisor Branville. Motion carried unanimously.

Motion to accept the December 2012 Road & Bridge Report, made by Supervisor Pernu, support from Supervisor Branville. Motion carried unanimously.

Motion to accept the January 2013 Road & Bridge Report, made by Supervisor Pernu, support from Chairman Tammaro. Special mention was made in the report thanking Dale Dickson and Harvey Thompson, for their help plowing this winter. Motion carried unanimously.

Motion to accept the January 2013 Police Report, made by Supervisor Coldagelli, support from Supervisor Branville. Motion carried unanimously.

Motion to accept the minutes of the December 12, 2012 Fire Department Regular Business Meeting, made by Supervisor Coldagelli, support from Supervisor Pernu. Motion carried unanimously.

CORRESPONDENCE

US Dept of Commerce, Thomas Mesenbourg- The Census Bureau is requesting we review our boundaries online and respond to the survey. Referred to Chairman Tamaro.

MN Power- They have filed new rates for Cogeneration and Small Power Production with the MPCA, effective with the January 2013 billings. Placed on file.

SLC Attorney Mark Rubin- The county attorney will no longer prosecute files with Fayal Township. Placed on file.

Office of Administrative Hearings- First pre-hearing order on January 11, 2013. A hearing will be held at Gilbert City Hall March 28, 2013 at 9 am and will conclude that day. Referred to former Chairman Kniefel.

SLCATO- Dec. 5, 2012 Regular meeting minutes. Next meeting is Feb. 27, 7 pm, Cotton. Placed on file.

SLC Public Works- We are invited to participate in the 2013 crushing contract. Referred to Road & Bridge foreman Al Jurenic.

Gmen- They are now offering service to Fayal Township. Prices are 35 gallon cart- \$15 + tax and 65 gallon cart- \$20 + tax. Phone number is 218-365-5587. Placed on file.

OLD BUSINESS

Supervisor Erjavec-

Equipment Operator Vacancy- Twenty-six applications have been received and the hiring committee is going through them now. Once that is completed, interviews will be held and a recommendation will be made to the board, hopefully in 2-3 weeks.

Supervisor Branville-

Animal Ordinance Revisions- Supervisor Branville stated some of the changes may be warranted, but he would like to incorporate into the next regular meeting, an informational session on the proposed changes. Supervisor Branville suggested that the next Regular Meeting on February 19 start at 6:30 PM, instead of the usual 7:00 PM. Notice will be posted in the usual posting places and published in the Mesabi Daily News so residents will have an opportunity to be heard.

Motion to set the next Regular Meeting of February 19 at 6:30 PM, advertize in the Mesabi Daily News, Cable TV and the usual posting places, made by Supervisor Branville, support from Supervisor Coldagelli. Motion carried unanimously.

Storage Building Addition- The gas line has all been tied in and a tee was added for the generator. A to Z will be submitting a quote for the cost to insulate the building.

Yardwaste- The yardwaste site will be open for the 2013 season: April 19,20,21,26,27,28, May 3,4,5 and October 11,12,13,18,19,20,25,26,27, Noon-5 PM. Dates may be changed due to weather.

NEW BUSINESS

Supervisor Branville stated he had a request from the Bobber Stop Fishing Contest held on Ely Lake, Sky Harbor, by Range Transitional Housing, to plow the grass runway wider to allow for parking. This would be done as a community service.

Motion to have Fayal plow the grass runway for the Bobber Stop Fishing Contest sponsored by Range Transitional Housing, made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.

Supervisor Coldagelli stated she would like to attend the ShortCourse being offered by the MN Association of Townships.

Clerk Sersha suggested she attend both courses since she is a new supervisor. Cost of the ShortCourse will be paid by the town and mileage will also be reimbursed.

Supervisor Tammaro stated that since Attorney Bruce Williams is here, he would like to hold the budget discussions later in the meeting, and asked at this time for a motion to pay the bills.

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

Motion to close the Regular Meeting to discuss litigation with Attorney Bruce Williams, made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.

Regular Meeting closed at 8:01 PM.

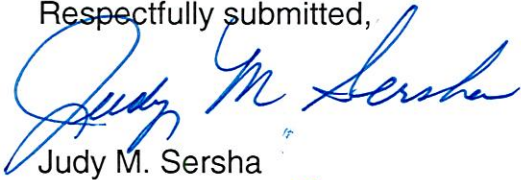
Regular Meeting re-opened at 8:32 PM.

Discussion on the 2014 levy request. Tentatively, the request to the people at the Annual Meeting for the year 2014 will be \$554,800. A line item will also be added for building improvements, with an amount to be determined at a later date.

Motion to adjourn by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.

Regular Meeting adjourned at 8:47 PM.

Respectfully submitted,



Judy M. Sersha
Clerk of Fayal

Approved:


Chair

Date:

2-19-13

Attest:


Clerk