

TOWN OF FAYAL
4375 SHADY LANE, EVELETH, MN 55734

Judy M. Sersha, Clerk/Treasurer

Steven J. Kniefel, Chairman

Supervisors: Tony Tamaro, James Pernu, Lee Branville, Joe Stewart

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REGULAR MEETING OF THE FAYAL TOWN BOARD

JULY 1, 2008

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 Branville, Supervisor Pernu, Supervisor Tamaro and Clerk Sersha.

Audience members in attendance were: Mike Larson of SEH, Mike Erjavec, Mike Knutson and Scott Smith.

Motion to approve the minutes of the June 17, 2008 Regular Meeting made by Supervisor Tamaro, support from Supervisor Pernu. Motion carried unanimously.

SCHEDULED GUESTS

Mike Larson of SEH was in attendance on behalf of Julie Kennedy. The IRB grant application for the Lakeside Drive Watermain Extension was submitted June 30, but a resolution and cover sheet also needs to be submitted. Referred to New Business.

Mr. Larson also submitted a memo from Julie Kennedy outlining engineering project updates previously requested by the board:

- 1) **Overlay Project**- Cost estimates for the overlay of Woodlawn Blvd. E, Park Drive W and Service Drive off of Cedar Island Drive came in at an excess of \$50,000, and should be municipally bid if the Board decides to do all three roads as one project. An alternative would be to complete one or two roads and solicit quotes.
- 2) **O'Laughlin/Jankila/Forte Utility Project**- All info has been received by SEH to complete the design of the project. Final plans and specifications, associated cost estimates, and possible funding scenarios are being prepared. A second public hearing will have to be held.

The above two updates were referred to New Business. Mr. Larson left the meeting at this point.

REPORTS

Clerk/Treasurer's Report- Bank statements for the month of June 2008 have not yet been received, so this report is tentative. Receipts were \$32,287.13 and expenditures were \$53,576.21, leaving balances of:

Miners Bank-	\$58,176.80
Mt. Iron Checking-	\$607,580.32
Assessment Savings-	\$383,992.81

Certificate of Deposit Balances as of 5-23-08 are as follows:

Waterline Depreciation 1 & 2, total-	\$43,515.21
Sewer Depreciation 1,2&3, total-	\$176,658.16
Employee Benefits-	\$74,563.70
Sewer Replacement-	\$10,701.44
Capital Equipment-	\$113,429.47
PUC Truck Depreciation-	\$20,416.90

Clerk Sersha reported she is preparing financial statements on the enterprise funds for the next PUC meeting. Preliminarily, Sersha reported there is enough available cash for the August PFA loan payment. As for the PUC truck depreciation CD, Sersha suggested it be transferred to the sewer depreciation and we start setting aside funds for a new PUC truck depreciation account. This is due to the fact that the CD's are all earning 5.25% and it would be unwise to cash it in to reimburse the sewer account for the purchase of the new PUC truck. The Board agreed.

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

Motion to accept the June 2008 Police Report, made by Supervisor Branville, support from Supervisor Tamaro. Discussion on right-of-way pins on St. Mary's Court. Steve Verkovich will be sent out to measure the area. The police vehicle is set to come into the cities this week also, and graffix will need to be ordered. Supervisor Branville will pick out the graffix. Chief Thompson has contacted Strykers for the other equipment. Motion carried unanimously.

Motion to accept the May 13, 2008 PUC Regular Meeting minutes, made by Supervisor Branville, support from Supervisor Tamaro. Motion carried unanimously.

CORRESPONDENCE

SLCATO- Regular Meeting minutes of 5-28-08. Placed on file.

MAT- Summer Shortcourse will be August 1, Wendigo Conference Center, Grand Rapids. Placed on file.

Family of Joe Stewart- Thank you card. Placed on file.

SLC Planning-The SLC Water Management Plan is being updated, they would like assistance and input. A form is included for identifying priority concerns and an elected or appointed official of our community to serve on the task force.

Motion to refer above to the Planning Committee made by Chairman Kniefel, support from Supervisor Tamaro. Motion carried unanimously.

SLC Planning- Board of Adjustment facts and findings and decision on Darryn & Sheryl Proch variance request. Variance with staff recommendations was approved. Referred to Planning Committee.

OLD BUSINESS

Supervisor Branville-

Police Chief Hiring- Branville & Pernu are working on a list of questions and the point system to grade the applicants. Eight applications were received of which five were qualified. Branville requested a third person, not associated with the board or employees, sit on the interview committee and help with the process. Pat McNulty, a retired state trooper living in the township has agreed to volunteer, if needed.

Motion to appoint Pat McNulty to serve on the interview committee for the hiring of a police chief, made by Chairman Kniefel, support from Supervisor Tamaro. Tamaro questioned what the time frame for hiring would be?. Branville stated he hoped to hire by mid-August. Clerk Sersha questioned if the Board was going to extend the time period of temporary employment for Harvey Thompson, since he had only been authorized to work for 6 weeks. Chairman Kniefel stated that would be addressed next. Motion carried unanimously.

Motion to extend the temporary appointment of Harvey Thompson as Police Chief, not to exceed three months from today, or until the position is filled, whichever comes first, made by Chairman Kniefel, support from Supervisor Branville. Motion carried unanimously.

Supervisor Pernu-

Buildings & Grounds- New wood chips were put in the playground, the old ones lasted three years. Again, there is trouble with the recycling bins being full and not changed. The chemical toilet by the skating shack needs to be repaired and the vendor has been called. The shack roof has been completed. Bob Rozinka will be switching the big garage doors on the Morton building. The lights have been fixed on the skating rink, with the installation of an overhead wire.

Supervisor Tamaro-

Tennis Courts- A quote for resurfacing was received from McBroom Construction in the amount of \$12,500. Much discussion. The old court is about 27 years old, and this will be the last fix for the courts. The board felt the repair price was too steep considering it would only last for a couple of years.

Motion to defer the maintenance on the tennis court and work towards a replacement project rather than do the repair, made by Chairman Kniefel, support from Supervisor Branville. Grant funds will be sought for the replacement and funds will be set aside from the town as well. Motion carried unanimously.

Office/Garage Ventilation Project- A change order for an additional total cost of \$710.00, was received to move the unit to the center of the building and exhaust to the back instead of the front and to install a time clock on the unit so it can be programmed.

Motion to approve the change order for the ventilation project made by Supervisor Tamaro, support from Supervisor Pernu. Motion carried unanimously.

Building Planning Consultant- Katie Hildebrande met with the employees concerning improvements to the building and will start formulating the plans.

Chairman Kniefel-

Water/Wastewater Improvements Project- Discussion on setting the public hearing, modifying the list of benefitted property owners.

Motion to set a public hearing on August 5, 2008, 6:30 PM for the O'Laughlin/Jankila/Forte Utility Project and direct the clerk to prepare proper notice and send out notices made by Chairman Kniefel, support from Supervisor Tamaro. Motion carried unanimously.

IRB Demolition Program- The board expressed no interest in the program.

Bituminous Road Overlays- Discussion on costs.

Motion to reconfigure the project, not to exceed \$50,000.00, made by Supervisor Tamaro, support from Chairman Kniefel. Steve Verkovich will be consulted on which road is in the most need, and he can report to Julie Kennedy who can obtain quotes, not bids. Motion carried unanimously.

Firefighter Turnout Gear- Two sealed bids from TNT Fire Protection and Clarey's Safety Equipment and one fax bid from Fire Safety USA were received.

Motion to refer the turnout gear bids to the fire department for their review and recommendation, made by Chairman Kniefel, support from Supervisor Pernu. Motion carried unanimously.

NEW BUSINESS

Scott Smith, of the Fire Department Membership Committee has made recommendations for three new firefighters.

Motion to take Scott Smith's recommendation that Jesse Pellinen, Michael Zasadni, and Michael Pluskwik be appointed to the Fayal Fire Department pending their passage of a medical physical and background check, made by Supervisor Branville, support from Supervisor Pernu. Motion carried unanimously.

Supervisor Tammaro reported he has been working on a design/build plan for a generator for backup power for the town complex building. The unit is needed for safety issues when the power is out and employees must respond to a callout. Lanyk Electric and Hometown Electric were contacted for quotes. Hometown did not respond, Lanyk quoted \$29,900.00 for the complete job, except for connecting to the natural gas line.

Motion to allocate up to \$30,000.00 from mining effects funds for the generator project, made by Supervisor Tammaro, support from Supervisor Pernu. Chairman Kniefel stated he had two concerns: 1) We are in the middle of a planning effort for building expansion and 2) He would like to have two quotes. Supervisor Tammaro stated that the generator could be installed into a new building or moved if needed in the existing building. Tammaro stated he tried to get two quotes but got no answer from the other vendor. Discussion.

Supervisor Tammaro withdrew his motion until the next meeting, and stated he will contact other vendors for a second quote.

Tax Forfeit Parcel 340-0010-01848- Clerk Sersha reported this parcel was recently sold on a contract for deed, off the tax forfeit list. The parcel was originally assessed for sewer, but the taxes were never been paid since the certification. Upon the property going tax forfeit, the county removed the assessment and the assessment was never re-certified. Discussion.

Motion to generate a tax bill for the years 2001-2008 and send to the current owner, and certify the remaining assessment of \$460.30 per year starting in 2009, made by Chairman Kniefel, support from Supervisor Branville. Motion carried unanimously.

Lakeside Drive IRB Grant Application- Chairman Kniefel read aloud Resolution 2008-05 Authorizing an Application to the Iron Range Resources Public Works (09) Infrastructure Grant Program for the Lakeside Drive Watermain Improvement Project.

The project also includes extensions to Shady Lane, Maple Lane, Woodlawn Drive and Birch Lane. Discussion on whether or not to apply, and the project costs. Supervisor Tammaro states that what if we get the grant and no one wants the waterline, could the funds be moved to another area?

Motion to adopt Resolution 2008-05 and authorize the application of grant funds from the IRB for the Lakeside Drive Watermain Improvement Project, made by Supervisor Branville, support from Supervisor Pernu. Pernu, Branville, Kniefel voted yes. Tammaro voted no. There was one seat vacant. Motion carried.

Motion to authorize the chair and clerk to sign the application, made by Supervisor Tammaro, support from Supervisor Branville. Motion carried unanimously.

Motion to have the Chair send a letter of thanks and appreciation to Kelly Campbell for his many years of service on the Public Utility Commission, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.

Town Board Vacancy Appointment- Clerk Sersha stated the vacancy had been posted in all the usual posting places and interested persons were to call the clerk's office by noon on this date. Mike Erjavec submitted a letter outlining his qualifications, which Clerk Sersha read aloud. Patrick Ziegler also called the Clerk's Office prior to noon on this date and expressed his interest in filling the position. The vacancy is until the next election, which is in November and the person would serve through December 2008.

Chairman Kniefel stated that since there are two candidates, pieces of paper will be passed out to the four supervisors and clerk and the vote will take place at this time. The votes were written down by the individuals and passed to Chairman Kniefel, who read them aloud. There were five votes for Mike Erjavec and no votes for Patrick Ziegler.

Motion to appoint Mike Erjavec to fill the vacancy on the Fayal Town Board, made by Chairman Kniefel, support from Supervisor Tammaro. Motion carried unanimously.

Clerk Sersha administered the Oath of Office to Mike Erjavec.

Discussion on whether Mike Erjavec can remain on the Public Utilities Commission. Chairman Kniefel stated there is no reason why he cannot.

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

Motion to adjourn by Supervisor Tammaro.

Chairman Kniefel adjourned the Regular Meeting at 8:35 PM.

Respectfully submitted,

Judy M. Sersha
Clerk of Fayal

Approved: _____

Date: _____

Attest: _____