TOWN OF FAYAL
4375 SHADY LANE, EVELETH, MN 55734

Heidi M. Latvaaho, Clerk/Treasurer *Lee Branville, Chairman*
Supervisors: Mark Chad, Michael Erjavec, Richard Sather, Daniel Zbosnik
PHONE (218)744-2878 *FAX (218)744-5986*

REGULAR MEETING OF THE FAYAL TOWN BOARD

OCTOBER 21, 2025

The Regular Meeting of the Fayal Town Board of Supervisors was called to order at 7:08 PM by Chairman Branville. Present were: Chairman Branville, Supervisor Chad, Supervisor Erjavec, Supervisor Sather, Supervisor Zbosnik and Clerk Latvaaho.

Audience members in attendance were Jason Latvaaho and Steve Shykes.

Motion to approve the minutes of the Regular Town Board Meeting of October 7th, 2025, made by Supervisor Sather, support from Supervisor Chad. Motion carried unanimously.

SCHEDULED GUESTS- None at this time.

AUDIENCE CONCERNS- Fire Chief Steve Shykes brought forward that an ad has aired on the radio for free plug in carbon monoxide detectors and to contact your fire department. The program has been rolled out by the State Fire Marshal's Office and all installations must be documented. The Fayal Fire Department can provide the alarms. All installations must be completed by June 2026.

Motion to support the carbon monoxide program offered by the State Fire Marshal's Office, made by Chairman Branville, support from Supervisor Zbosnik. There is no cost to participate. ***Motion carried unanimously.***

Chief Shykes brought forward that it is the time of year to apply for the MN DNR Voucher Firefighter Assistant Grant. Fayal has received the grant for the last three years, which is rare that many times in a row. Would like to submit the 50/50 grant up to $10,000.00 for pagers and radios. The last pager was passed out to a new member.

Motion that the Fire Department applies for the grant, made by Supervisor Sather, support from Supervisor Chad. Pagers are $825.00 each and currently the Department is staffed at 20 department members. ***Motion carried unanimously.***

REPORTS-

Clerk/Treasurer's Report-

For the month of October to date, revenues are $66,574.40 and expenditures are $98,051.21. Current balances for the month of October are:

Miners Checking- $639,751.20
Assessment Savings- $115.77
CD Savings- $70.77
4M Fund- $1,964,124.01

Motion to approve the Clerk/Treasurer's report, made by Supervisor Sather, support from Supervisor Chad. Motion carried unanimously.

Other Reports-

Motion to accept the Public Utility Commission meeting minutes from September 9th, the Delinquency Report and the Wastewater Operator monthly report, made by Supervisor Erjavec, support from Supervisor Sather. Motion carried unanimously.

CORRESPONDENCE-

October 10th- Flyer from MN Rural Water with notice of event, Financing Your Community Projects, on November 13th from 8:30 AM to 3:00 PM. Placed on file.

October 14th- Email from Ashley Dabbas with interest to join the Planning Commission. Forwarded to the

Planning Commission.

October 15th- Letter from Rock Ridge Class of 2026 All Night Grad Party seeking donations for their all night grad party. Moved to New Business.

October 21st- Email from Megan Julin from St. Louis County Association of Townships with September 24th meeting minutes, an information sheet regarding St. Louis County Association of township officers membership and 2025/2026 meeting dates. Next meeting is October 22nd at Cotton Township. Placed on file.

OLD BUSINESS

Chairman Branville-

Fire Department Rechassis Project- Fire Chief Steve Shykes updated the Board that the chassis went today to the vendor, Custom Fire, in order to provide a cost estimate.

Class 5 Production in the Road and Bridge Pit- Foreman Jason Latvaaho added there is no change since the last meeting. Class 5 inventory is adequate and can be purchased if needed. Will remove from the agenda.

Solar Panel Repair- Hometown Electric reviewed the panels with Foreman Latvaaho and at least half if not more of the panels are damaged. The cost is too high to repair even if panels are available. Discussion to remove the panels, but keep the framework and replace if panels are available in the future for a good price. Foreman Latvaaho will discuss with Hometown Electric if he can remove the panels. Clerk Latvaaho had a few years ago discussed with the IRRRB a grant for panel replacement. They couldn't assist with a replacement grant, but possibly with a demolition grant. Discussion that the framework can be reused and is the most expensive part of the solar display. New solar installations typically give a 5-10 year payback. The original solar installation was an IRRRB grant.

Foreman Latvaaho brought forward that he spoke with the St. Louis County Landfill today regarding disposing of lighting that is taking up space in the Road and Bridge garage. There are 40 light bulbs and a number of ballasts that were donated for the ballfield. It would cost too much to retrofit for the field. Discussion of contacting Holmes recycling regarding the poles. Originally, the intent was to light the field, but the estimated cost was approximately $100,000.00 to light the field and with the new school, the utilization of the field has decreased.

St. Mary's Lake Development Grant- Clerk Latvaaho met with the Developer, Brad Scott, and the IRRRB. Intend to submit a grant application by Friday, but an issue is the application will likely not score well without a development agreement between Brad Scott and the Township. There wasn't a way to have a development agreement done in just a couple of days, but the Township does need to work on one. Two sample agreements were provided by the IRRRB.

Fire Department Shared Services- Chief Shykes provided the Town Board an update that he had spoken with PERA regarding pensions and the entities need to match Fayal's pension amount. Cost analyses were drafted for Eveleth and Gilbert. Eveleth's cost analysis was $99,000.00 and Gilbert's was approximately $500,000.00 needed in order to match Fayal's. If underfunded, PERA does only require 10% of the underfunded amount per year until fully vested. Discussion regarding the pension process. The group held a conference call last week with the Chief from the Cloquet Area Fire Department. He discussed forming a fire district and answered questions. Discussion regarding taxing districts and concern of burdening Fayal citizens with an additional fire levy. The concerns were that Fayal residents would take on a considerable tax burden if taxed based upon property values. Chief Shykes recommended next steps of the three Clerks/Administrators gathering department budgets and liabilities and getting that information to the State Auditor's Office to determine what an estimated cost would be to our tax payers before moving forward. Discussion regarding property values in Fayal compared to Eveleth and Gilbert. Clerk Latvaaho can get Fayal's numbers prepared and work with the other two cities. Discussion regarding the shared services history and how it was originally intended as a cost savings, but was discovered that there is not a savings at least in the beginning. Discussion regarding how the departments currently function and Fayal is currently adequately staffed.

Clerk Latvaaho brought forward that a few meetings ago the Board approved a $14,000.00 contribution to PERA, but has yet to send those funds as she hasn't received a bill or information for how to send those funds. The $14,000.00 was originally designated for the chassis payment. Discussion regarding the chassis payment and that this year's chassis payment was going to come from their funds and the $14,000.00 allocated for the chassis payment would be sent to PERA. Discussion of rescinding the payment and the contribution was intended to be sent to PERA and then have the pension recalculated for an additional increase. Chief Shykes recommended putting a hold on the PERA contribution and wait until the end of the year to see where the budget is at and if funds are available and if funds are not available rescind the motion.

LRIP Grant- Foreman Latvaaho spoke Alan Johnson from Bolton & Menk today and he will get estimates for

Thunderbird Trail by the end of the week. The resolution has already been approved and when the estimate is received can send to the County for approval. The County's resolution will be sent in with the grant application and is due in mid-December.

PUC Truck Depreciation- The PUC recommended setting aside $600.00 per month.

Motion to approve the cash PUC truck depreciation of $600.00 per month for $7,200.00 per year, made by Supervisor Erjavec, support from Supervisor Sather. Motion carried unanimously.

2027 Levy- Current proposal is a total of $45,000.00, or a 4.63% proposed increase. Clerk Latvaaho brought forward a few ideas for funding without raising the levy. She had discussed with Chief Shykes setting aside $10,000.00 per year to assist with funding for future airpacks or radios. Suggestion was to fund $5,000.00 from the Fire Department budget if they have available funding at the end of the year and $5,000.00 from the General Fund. With the new department members, there has been a considerable amount spent on training and gear. An additional thought for consideration is setting aside at least $30,000.00 per year from the Road and Bridge Department, but possibly $50,000.00 and establish a Road Improvement Fund. In 10 years if funded at $50,000.00 per year would have a half million available for a road project. These would all be absorbed within the budget and not increase the levy. Chairman Branville discussed that there was a large increase last year and with the school levy and St. Louis County levy, he is satisfied with the current levy and to keep those levy increases low. Can continue to discuss the levy and do not need to finalize until March. Supervisor Zbosnik questioned how the contribution to the new police car is funded within that budget. Clerk Latvaaho explained that there is a Public Safety Fund and the $25,000.00 contribution will come from that Fund.

Supervisor Erjavec brought forward that the Public Utility Commission did not want to restart setting aside Depreciation for the Fayal Sewer Company as the balance is already accruing near that amount in interest in the 4M Fund. Discussion that the system will not need a total replacement all at once, but there are some new lift station panels that are needed in the near future.

Town Hall Complex Vandalism- Clerk Latvaaho has spoken to five of the six parents and received payments from three of them. At the last meeting Supervisor Chad had recommended handling these types of situations differently in the future. Supervisor Chad recommended having the Clerk or Chair send any cases over to the police to get started and then as a full board can always decide not to proceed with charges. Otherwise, sometimes these are delayed due to timing of the Town Board meetings.

Motion that in the future should the Township incur any acts of vandalism, damage to property or any other suspected criminal activity that the Clerk is authorized to contact the police and have them proceed with an investigation as needed and the Board follow up or input as needed, made by Chairman Branville, support from Supervisor Chad. Motion carried unanimously.

NEW BUSINESS

Loader Repair Estimate- Foreman Latvaaho received an estimate from Ziegler for $14,352.48. There are some minor items that were not included in the estimate. It is believed that the driveshaft is making the whining noise. The brakes are working but need work. The fenders are rusting off and the catwalk is also a liability for its condition. This estimate should be able to hold off on the purchase of a new one. The loader is a machine that is used daily. Should be okay to have it out of service for a short period of time while its being repaired. A new loader is $220,000.00 to $250,000.00.

Motion to repair the loader, made by Supervisor Sather, support from Supervisor Chad. Chairman Branville requested that the repair be completed ASAP. Clerk Latvaaho confirmed that when the bill is received to pay Ziegler from Capital Equipment. ***Motion carried unanimously.***

Chairman Branville brought forward the annual donation to Rock Ridge All-Night Grad Party. Last year donated $200.00.

Motion to give $200.00, made by Supervisor Erjavec, support from Supervisor Zbosnik. Supervisor Sather abstained due to a conflict of interest. Motion carried.

Supervisor Chad brought forward a request from Chief Shykes to order wildland equipment from the MN DNR Cache with funds earned from the Brimson Fire for a total of $3,614.93.

Motion to allow the Fire Department to purchase, made by Supervisor Chad, support from Supervisor Erjavec. Motion carried unanimously.

Supervisor Chad thanked Foreman Latvaaho for the pager training. Supervisor Chad would like Foreman Latvaaho to get some quotes for some onsite generators, especially A-1. Discussion regarding the generators. Clerk Latvaaho can check if there is an insurance discount for having onsite generators.

Motion to adjourn, made by Chairman Branville.

Chairman Branville adjourned the Regular Meeting at 8:14 PM.

[Clerk's Note: It was discovered that the claims were not paid after adjourning and the Board reopened the meeting at 8:14 PM.]

Motion to pay the claims in the amount of $27,877.72, made by Supervisor Chad, support from Chairman Branville. Motion carried unanimously.

Chairman Branville adjourned the Regular Meeting at 8:14 PM.

Respectfully submitted,

Heidi M. Latvaaho

Heidi M. Latvaaho

Clerk/Treasurer Town of Fayal

Approved: _____ Date: 11/4/25

Chair

Attest: Heidi M. Latvaaho

Clerk