

**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*

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**REGULAR MEETING OF THE FAYAL TOWN BOARD**

**SEPTEMBER 15, 2026**

The Regular Meeting of the Fayal Town Board of Supervisors was called to order at 7:00 PM by Chairman Branville. Present were: Chairman Branville, Supervisor Chad, Supervisor Erjavec, Supervisor Sather, Supervisor Zbosnik and Clerk Latvaaho. Chairman Branville led with the Pledge of Allegiance.

Audience members in attendance were Greg Chad, Tammy Crohn, Matt Hoffmann, Stony Jespersen, Jim and Jill Koski, Todd Manninen, Jason Latvaaho and Steve Shykes.

***Motion to approve the minutes of the Regular Town Board Meeting of September 1<sup>st</sup>, 2026, made by Supervisor Zbosnik, support from Supervisor Chad. Motion carried unanimously.***

**SCHEDULED GUESTS-** None at this time.

**AUDIENCE CONCERNS-** Fire Chief Steve Shykes informed the Town Board that hose testing was performed last week and several sections of hose failed. Chief Shykes estimated that the cost to replace will likely be \$3,000.00 or more and he will work on getting a price.

Todd Manninen was present to discuss the annexation attempt by the City of Gilbert. Mr. Manninen is a Differding Point resident. He had the St. Louis County Auditor's Office calculate the impact to his property tax. His current property tax that he is paying is \$4,604.00 and if annexed by Gilbert that would increase to \$7,555.00, a \$2,951.00 overall increase. His annual utility bill would also increase approximately \$360.00. Based upon the services that Fayal already provides, there are no additional benefits that Differding Point residents would receive through an annexation. Gilbert is set to vote on a resolution to annex Fayal at their September 22<sup>nd</sup> meeting and Mr. Manninen is requesting the Township's support to fight the annexation attempt. Chairman Branville commended Mr. Manninen for his presentation at the Gilbert City Council meeting on September 8<sup>th</sup>. It would be in Chairman Branville's opinion that he is fully against the annexation attempt and to fight the annexation to the extent possible and he believes it is also the feeling of the entire Board. Will need to see what the outcome is from the Gilbert City Council meeting on September 22<sup>nd</sup>. Clerk Latvaaho has been in contact with an attorney from a lawfirm that has significant experience with annexation. Supervisor Erjavec added that he formerly had a cabin on Differding Point and the residents paid \$6,625.00 for the sewer in 2000 and \$3,500.00 for water approximately three years prior. He would not be for the annexation and Gilbert acquiring the infrastructure. Discussion regarding the taxation increases to the Differding Point residents and the lack of increase in services, even potentially a loss and quality of services.

Jim Koski was present to discuss the Differding Point annexation and his opposition to the annexation. He presented to the Town Board his remarks that he intends to deliver at the Gilbert City Council meeting on September 22<sup>nd</sup>. Mr. Koski met with the Clerk of Gilbert and after his interaction with her, contacted different Departments of the State of Minnesota to file complaints. He further discussed his history with the installation of water and sewer to his cabin. He does not want to be taxed like he has a million dollar home.

Stony Jespersen was present to find the Township's views on the potential annexation and that he is deadset against it.

**REPORTS-**

**Clerk/Treasurer's Report-**

Bank statements for the month of August have been received and all accounts reconciled. Revenues were \$269,792.43 and expenditures were \$183,893.92. Ending balances for August were:

Miners Checking- \$1,054,212.44

CD Savings- \$70.83

4M Fund- \$2,117,231.76

For the month of September to date, revenues are \$33,219.79 and expenditures are \$165,232.41.

***Motion to approve the Clerk/Treasurer's report, made by Supervisor Sather, support from Supervisor Zbosnik.***

***Motion carried unanimously.***

**Other Reports-**

***Motion to accept the August Road and Bridge Report, made by Supervisor Sather, support from Supervisor Chad. Motion carried unanimously.***

***Motion to accept the August Fire Department Report, made by Supervisor Chad, support from Supervisor Sather. Motion carried unanimously.***

**CORRESPONDENCE-**

September 10<sup>th</sup>- Letter from Jarvi, Kelly and Newman, LLC with notice that they have moved locations and have changed their name from Walker, Giroux and Hahne. Placed on file.

**OLD BUSINESS**

**Chairman Branville-**

**Tennis Courts-** Clerk Latvaaho received all the required documents from Short Elliott Hendrickson and she can now submit a grant with the United States Tennis Association. Should hear from the IRRRB in the next month or two regarding the Cultural and Recreation grant application that was submitted.

**LRIP Grant-** With more funding, the grant is open again. Clerk Latvaaho prepared a resolution that is required to be submitted to the County for their approval in order to submit an LRIP grant application for Thunderbird Trail. Clerk Latvaaho read Resolution 2026-07 *A Resolution Authorizing the Pursuit of 2026 Local Road Improvement Program Funding for the Township Road 6712 Project.*

***Motion to adopt Resolution 2026-07, made by Supervisor Erjavec, support from Supervisor Zbosnik. Motion carried unanimously.***

**Road Projects-** Foreman Jason Latvaaho spoke Alan Johnson from Bolton & Menk and he confirmed that the cost of bituminous is \$75.00-\$100.00 per ton and that is what the average cost has been over the past year. In the Engineer's opinion, should the cost of fuel increase, it should not make much of a difference in the price. The Town does have the option of waiting a year, but inflation is always hard to predict. Discussion regarding how to proceed. Clerk Latvaaho recommended that if a project for West Long Lake Road is expected for next spring, that the Town should start the process now of contacting a bond attorney to get a bond in place. That project's estimate is \$516,192.50. Supervisor Erjavec expressed his opinion of waiting a year on a road project, not borrowing funds and doing a project that can be paid for with cash on hand. He would rather do a 1/4 of mile of road every other year. Clerk Latvaaho clarified that road projects also included Park Drive and paying for that project with funds on hand. In the past, the Township has not put away funds specifically for road projects. They have begun to set aside funds now with a leadership change so that road projects can be paid for without having to borrow funds. Discussion of the condition of the roads, the danger they can become and resident complaints. Discussion to continue to check into the cost of bonding and preparation and then can make a decision.

***Motion to proceed with looking into bonding for West Long Lake Road, made by Chairman Branville, support from Supervisor Sather. Clarification that the motion is just to look into the costs and not approving to proceed with the project. Motion carried unanimously.***

**Police Department Budget-** Chairman Branville, Supervisor Zbosnik and Clerk Latvaaho have a meeting with the City Administrator and the Mayor again to discuss on Thursday morning. The City of Eveleth wanted to increase the cost from \$56,000.00 per year to \$125,000.00, mainly to cover a full time officer. The Township did contribute \$25,000.00 this year for a new police car. Would like to discuss at this meeting with Eveleth the amount of time that is spent out here to justify and then the Town Board can discuss.

**Delinquent Utility Customer-** City of Gilbert approved the resolution to certify the delinquent balance of a Gilbert Differding Point resident to the property taxes. Once the funds are collected, Gilbert will send those funds back to Fayal. The certified amount was \$3,558.42.

**Lift Station A-1 Generator-** The IRRRB approved the pre-application for a public works grant. It is a 1:1 matching grant. Clerk Latvaaho read Resolution 2026-09 *A Resolution Authorizing the Town of Fayal to Make Application to and Accept Funds From the IRRRB.*

***Motion to adopt Resolution 2026-09, made by Supervisor Chad, support from Supervisor Zbosnik. Supervisor Erjavec clarified that the funds were coming from the PUC and questioned when is the funding cycle? Clerk Latvaaho responded the grant cycle runs from July 1<sup>st</sup> 2026-May of 2027 and is a revolving grant. Motion carried unanimously.***

**Air Conditioning Town Hall-** Foreman Latvaaho received an estimate from USA Electric for \$8,400.00 for a three-

ton unit or upgrade to two 2.5 ton units for an additional \$6,600.00. The three-ton unit is replacing the existing unit, but it is still not adequately sized for the space. USA Electric's recommendation was to upgrade to the two units. Discussion that the existing system is approximately 20 years old and two new units will be more efficient and won't work as hard to cool the space.

***Motion to proceed with this year so it is ready for the new season for the two units, made by Chairman Branville, support from Supervisor Sather.*** Discussion that the price shouldn't change and the cost will come from the 4M Town Hall Fund. ***Motion carried unanimously.***

***Motion to transfer funds for the air conditioning from the Town Hall Fund, made by Chairman Branville, support from Supervisor Sather.*** The total is \$15,000.00. ***Motion carried unanimously.***

**Parking Lot Bill- \$18,400.00**- The invoice from Mesabi Bituminous is in the claims. Clerk Latvaaho recommended to transfer funds from the 4M Fund in order to reimburse Building and Grounds. The Town Hall Fund currently has \$110,145.09 less the \$15,000.00 for the air conditioning.

***Motion to transfer the money from the 4M Fund to cover the parking lot bill, made by Chairman Branville, support from Supervisor Chad. Motion carried unanimously.***

### **NEW BUSINESS**

**Delinquent Utility Certification**- Clerk Latvaaho read Resolution 2026-08 A Resolution Authorizing the St. Louis County Auditor to Assess Delinquent Utility Charges to the Property Tax Statement of Delinquent Property Tax Owners Per Exhibit A. She also informed the Board that on exhibit A, there are five properties to be certified, but she is waiting for a check for one of the properties from a title company as the property is set to be sold and closes on the 18<sup>th</sup>. She will send the certifications at the end of the month to the County.

***Motion to adopt Resolution 2026-08, made by Supervisor Erjavec, support from Supervisor Zbosnik. Motion carried unanimously.***

**Annexation**- Clerk Latvaaho prepared a fact sheet that discussed the parcels involved, the estimated market value and how those values impact Fayal and Gilbert and the tax amount paid directly to Fayal from those parcels. She also received estimates from the St. Louis County Auditor and how an annexation by Gilbert would affect those property owners. The average yearly tax increase per parcel would be \$1,419.88 per year and the average property tax increase was 56.94%. The Gilbert City Council tabled the annexation resolution until their next meeting on the 22<sup>nd</sup> at 6:00 PM due to a Council member's absence. Mayor Karl Oberstar and Council member Paul Skrbec discussed at length at the Gilbert Council meeting on September 8<sup>th</sup> how they are against the annexation. Clerk Latvaaho received a copy of the resolution that was presented at the Gilbert meeting. Discussion regarding verbiage in the resolution. Will post for a possible quorum for the Gilbert Council meeting. Clerk Latvaaho spoke with Attorney Mike Couri from Couri & Ruppe. Mr. Couri discussed Northern Township and how the City of Bemidji tried to annex them recently. Discussion regarding annexation, city formation and large attorney costs.

***Motion to continue with Couri & Ruppe on annexation issues that should come up, made by Chairman Branville, support from Supervisor Sather.*** Discussion regarding Northern Township and local government aid. ***Motion carried unanimously.***

**Fire Chief's Position**- Fire Chief Steve Shykes would like the Town Board to post for a fire chief as he would like to retire, but does not have a date yet as his retirement may depend on an increase in PERA. Discussion regarding the Fayal Fire Department employee manual and not posting until the position is vacant. Chief Shykes would like the opportunity to have an individual shadow him for the position before he retires. Discussion regarding officer appointments per the employee manual. Can post for an upcoming position to seek officer interest.

***Motion to post for an upcoming chief position with a date to be determined seeking interested candidates, made by Supervisor Chad, support from Supervisor Erjavec. Motion carried unanimously.***

**Firefighter PERA Report**- PERA provided an annual report for the Statewide Volunteer Firefighter Plan. Assistant Fire Chief Matt Hoffmann reviewed the history of moving from a relief association to PERA. Discussion regarding the former \$14,000.00 that was being contributed to the Relief Association prior to moving to PERA was reallocated to begin a truck fund. When the chassis was purchased, the contribution to the truck fund was reallocated to make the chassis payment. Assistant Chief Hoffmann's understanding was the former Fire Relief Association contribution of \$14,000.00 was still going to continue to be contributed to PERA. He would like to increase the Fire Department pension from \$4,700.00 to \$6,000.00 per member and take a minimum of \$56,000.00 from funds received for assisting with the Boundary Waters Fire and make an employee contribution. Assistant Chief Hoffmann emphasized increases serve as a recruitment and retention issue. There are also four deferred members that could potentially come back with a raise in the benefit. The Department does not receive any healthcare benefits and currently makes minimum wage. Discussion regarding existing \$585,000.00 debt of

the Fire Department and discussion of the shortfall in the Fire Department budget prior to the fire occurring. Supervisor Erjavec recommended placing half of the funds in the pension and half against the debt. Discussion that the debt is budgeted. Discussion that the Fire Department should have funds in the budget to cover unexpected expenditures. Chairman Branville added that those funds are not part of capital equipment and payments for the debt has already been budgeted by other means. Assistant Chief Hoffmann informed the Board that he didn't want to make the \$56,000.00 contribution yet and wait until after the 1<sup>st</sup> of the year, but wanted the Town Board to approve the \$6,000.00 increase in the pension. Discussion regarding 10% contribution of the shortfall is required.

**Motion to table until the next meeting so the Town Board can study the documents, made by Supervisor Erjavec, support from Supervisor Zbosnik.** Discussion that PERA can do a calculation at \$6,000.00. Assistant Chief Hoffmann will contact PERA. **Motion carried unanimously.**

**Loader Repair Quote-** Did not receive a quote back from Ziegler yet.

**Yard Waste Attendant-** Received interest from former rink attendant Carson Rozinka.

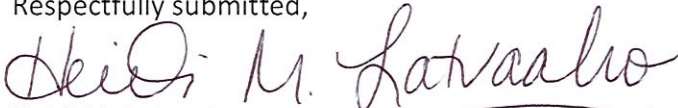
**Motion to hire Carson Rozinka as the yard waste attendant for this season, made by Chairman Branville, support from Supervisor Zbosnik. Motion carried unanimously.**

Clerk Latvaaho brought forward that in the bills there is a bill for Jefferson Fire for hoses. Fire Chief Shykes had originally purchased fobs for the Fire Department helmets for a matching DNR grant, but the DNR did not approve the fobs as allowable for reimbursement, but they will allow the purchase of hoses for reimbursement.

**Motion to pay the claims in the amount of \$70,103.24, made by S upervisor Chad, support from Chairman Branville. Motion carried unanimously.**

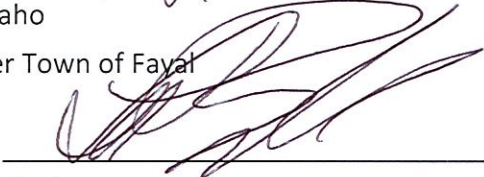
Chairman Branville adjourned the Regular Meeting at 8:40 PM.

Respectfully submitted,

  
Heidi M. Latvaaho

Clerk/Treasurer Town of Fayal

Approved:

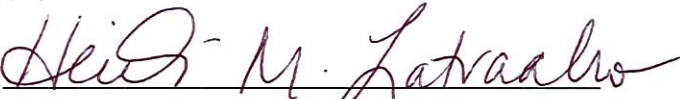


Chair

Date:



Attest:

  
Clerk