

# **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**

**MARCH 3, 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 Phil Fleetwood, Matt Hoffmann, Jason Latvaaho, Rick Reddick and Steve Shykes.

***Motion to approve the minutes of the Regular Town Board Meeting of February 17<sup>th</sup>, 2026, made by Supervisor Zbosnik, support from Supervisor Chad. Motion carried unanimously.***

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

**AUDIENCE CONCERNS**- None at this time.

### **REPORTS**

**Clerk/Treasurer's Report**- For the period of January 1, 2025 through December 31, 2025:

**General Fund**- Beginning balance was \$228,253.66. There were \$184,165.14 in revenues and \$191,529.83 in expenditures. Revenues included \$35,050.07 levy funds, \$11,433.71 fiscal disparities, \$1,089.30 market value, \$16,490.00 in excess school levy, \$1,504.95 lodging tax, \$500.00 assessment certifications, \$87.00 in dog licenses, \$860.31 in state grants and aid, \$1,038.00 in Local Government Aid, \$3,559.00 Taconite Production Tax, \$50,000.00 Township Fund, \$1,273.84 unmined taconite, \$53,817.62 taconite credit, \$2,505.00 fiscal reductions, penalties and interest of \$536.93, miscellaneous revenues of \$3,211.14 and Miner's Bank interest of \$1,208.27. Recognized was the airpack principal payment for \$28,508.66. Expenditures included a transfer of \$3,824.00 to the Employee Benefit CD, leaving a General Fund cash balance of \$220,888.97.

**Buildings and Grounds**- Beginning balance was \$15,009.42. Revenues received were \$55,000.00 in levy funds, \$2,750.00 in Town Hall rent, for a total of \$57,750.00 in revenues. Expenditures were \$62,502.74, leaving a reserve of \$10,256.68.

**Town Hall**- Beginning balance was \$95,520.36. Revenues were \$10,000.00 in levy funds and 4M Fund interest of \$4,519.55. Expenditures were \$7,400.00 for office air conditioners, leaving a reserve of \$102,639.91.

**Public Safety**- Beginning balance was \$40,000.00. Revenues were \$7,500.00 in levy funds and 4M Fund interest of \$980.10, leaving a reserve of \$48,480.10.

**Police**- Beginning balance was \$17,385.06. Levy funds received were \$50,000.00, fines and forfeits received were \$2,311.00, for total revenues of \$52,311.00. Expenditures were \$55,453.00, leaving a reserve of \$14,243.06.

**Fire Department**- Beginning balance was \$31,767.12. Revenues were \$130,000.00 in levy funds, Mining Effects of \$47,056.00 for the airpack payment, PPE and an AED purchase, \$57,834.00 for staffing for the DNR Camp House fire, \$2,500.00 for State Fire grant, refunds and reimbursements of \$7,729.33, a transfer from the Capital Equipment Fund for the water tender payment of \$21,000.00, and a transfer in from General for the purchase of a Fire Truck chassis for \$126,491.57, for a total of \$392,610.90 in revenues. Expenditures were \$382,142.66, which included the payment of \$126,491.57 for the truck chassis, leaving a cash balance of \$42,235.36.

**Fire Department 4M**- This was a new fund. Revenues included an initial transfer of \$14,000.00 and 4M Fund interest of \$661.22, leaving a reserve of \$14,661.22.

**Recreation**- Beginning balance was \$9,869.04. Revenues were levy funds of \$25,000.00, an Eveleth Community Foundation Grant of \$2,500.00 for tennis court rehabilitation, and with the final closure of the Joint Recreation checking account from the dissolving of the Joint Recreation Board a check was received for \$6,528.13 for Fayal's share, for total revenues of \$34,028.13. Expenditures were \$14,284.64, leaving a reserve of \$29,612.53.

**Capital Equipment**- Beginning balance was \$164,574.67. Revenues were \$80,000.00 in levy funds and 4M interest of \$7,864.97. Expenditures were \$50,000.00, which included a \$21,000.00 transfer to the Fire Department for

the water tender payment and \$29,000.00 to Road and Bridge for the dump truck payment, leaving a reserve of \$202,439.64.

**Mining Effects-** Beginning balance was \$0. Revenues received were Mining Effects 2025 of \$54,056.00. Expenditures were a transfer to the Fire Department for the airpack payment for \$35,095.98, transfer to the Fire Department for purchasing turn out gear for \$10,000.00, payment for chipping the Yard Waste site brush pile for \$7,000.00 and a transfer of the remaining balance to the Fire Department to purchase an AED for \$1,960.02, leaving a reserve in this fund of \$0.

**Employee Benefits-** Beginning balance was \$87,950.32. Revenues were transfers in from General of \$5,000.00, Road and Bridge for \$5,000.00, Water for \$1,000.00, Sewer for \$4,000.00 and 4M interest paid of \$4,175.42, for total revenues of \$19,175.42. Expenditures were retiree benefits paid for 2025 for \$8,011.20, leaving a reserve of \$99,114.54.

**Road and Bridge-** Beginning balance was \$288,111.71. Revenues were \$376,805.04 in levy funds, fiscal disparities of \$11,111.41, FEMA state grant of \$268.80, unmined taconite of \$1,238.67, taconite credit of \$52,331.76, town road aid of \$26,848.12, a transfer in from Capital Equipment for the dump truck payment of \$29,000.00, for total revenues of \$497,603.80. Expenditures were \$416,192.35, leaving an ending cash balance in this fund of \$369,523.16.

**Road and Bridge Truck Reserve-** Beginning balance was \$57,967.17. There was \$9,000.00 designated for the year and 4M interest of \$2,765.43, leaving a reserve of \$69,732.60.

**Public Utilities-** Beginning balance was a negative reserve of \$83.27, Revenues received were franchise fees of \$10,049.00. Expenditures were \$7,910.68, leaving a reserve of \$2,055.05.

**4M "CD" Savings General Fund-** Beginning balance was \$6,105.93. 4M interest received was \$288.39, for an ending balance of \$6,394.32.

**4M Savings General Fund-** Beginning balance was \$327,053.46. Interest received was \$10,774.06 and a payment for the Fire Department chassis of \$7,948.60. There was one expenditure for the purchase of the Fire Department chassis of \$126,491.57, for an ending balance of \$219,284.55.

**4M Savings Fayal Water Company-** Beginning balance was \$11,065.99. Interest received was \$540.43, for an ending balance of \$11,606.42.

**4M Savings Fayal Sewer Company-** Beginning balance was \$153,930.73. There was a transfer in from Miner's Checking for \$50,000.00, a transfer in from a FEMA grant received for \$44,408.72 and 4M interest received was \$8,602.78, for an ending balance of \$256,942.23.

**Fayal Water Company Contingency-** Beginning balance was \$90,573.65. Designated for the year was \$4,000.08 and interest accrued was \$4,290.18, leaving a reserve of \$98,863.91.

**Fayal Sewer Company Contingency-** Beginning balance was \$42,731.46. Designated for the year was \$9,000.00 and interest accrued was \$2,022.33. There were expenditures of \$7,670.39 for lift station repairs, leaving a reserve of \$46,083.40.

**Fayal Water Company Depreciation-** Beginning balance was \$129,149.29. Designated for the year was \$4,330.80 and interest received was \$6,113.16, leaving total funded depreciation of \$139,593.25.

**Fayal Sewer Company Depreciation-** Beginning balance was \$210,509.89. Interest received was \$9,942.70, leaving total funded depreciation of \$220,452.59.

**PUC Truck Depreciation-** Beginning balance was \$39,036.83. Designated for the year was \$1,800.00 and interest received was \$1,849.28 for an ending balance of \$42,686.11.

**Fayal Water Availability Charges-** Beginning balance was \$7,022.68. There was a \$7,000.00 transfer for water availability charges received and 4M interest received was \$426.17, for an ending balance of \$14,448.85.

**Fayal Sewer Availability Charges-** Beginning balance was \$79,341.69. There was a \$13,250.00 transfer for sewer availability charges received and 4M interest received was \$3,926.22, for an ending balance of \$96,517.91.

**Fayal Water Standby Charges-** Beginning balance was \$41,782.44. There was a transfer in for standby charges received in 2024 of \$1,899.39 and 4M interest received was \$2,045.39, for an ending balance of \$45,727.22.

**4M Assessment Savings Fayal Sewer Company-** Beginning balance was \$318,554.11. 4M interest received was \$15,889.98, St. Louis County apportionment funds for \$2,121.75, principal payments for the Fire Department airpack payment of \$28,508.66 and interest payments of \$6,587.32, for total revenues of \$53,107.71, for an ending balance of \$371,661.82.

**Fayal Water Company-** For the year January 1, 2025-December 31, 2025, the Fayal Water Company had revenues of \$98,830.18 and expenditures of \$96,775.47. Reserves within the checking account are: water test fees- \$482.54 and water standby fees of \$1,943.62, leaving a cash balance of \$30,971.29. This compares with a cash balance for the year ending 2024 of \$36,697.64.

**Fayal Sewer Company-** For the year January 1, 2025-December 31, 2025, the Fayal Sewer Company had revenues of \$843,389.82 and expenditures of \$714,310.73, leaving a cash balance of \$191,363.33. This compares with a cash balance for the year ending 2024 of \$158,033.54.

<u>Reconciled Balances as of 12-31-2025 for all accounts:</u>		<u>As of 12-31-2024</u>
Miners National Bank-	\$779,104.00	\$651,168.22
Assessment Savings-	\$115.80	\$115.68
CD Savings-	\$70.79	\$70.71
4M Fund-	\$2,107,330.59	\$1,862,870.67
<b><u>Total, All Accounts</u></b>	<b><u>\$2,886,621.18</u></b>	<b><u>\$2,514,225.28</u></b>

Bank statement for the month of February have been received and all accounts reconciled. Revenues were \$149,037.65 and expenditures were \$115,466.35. Ending balances for the month of February were:

Miners Checking- \$685,163.40  
 CD Savings- \$70.79  
 4M Fund- \$2,077,418.52

For the month of March to date, revenues are \$0 and expenditures are \$111,402.24.

***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 February Road and Bridge report, made by Supervisor Sather, support from Supervisor Chad. Motion carried unanimously.***

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

***Motion to accept the Planning Commission meeting minutes from November, made by Supervisor Erjavec, support from Supervisor Sather. Motion carried unanimously.***

**CORRESPONDENCE-**

February 20<sup>th</sup>- Email from Megan Julin from St. Louis County Association of Townships with meeting minutes from January 28<sup>th</sup>. Placed on file.

February 23<sup>th</sup>- Flyer from Minnesota Association of Townships with 2026 Spring Short Courses in Grand Rapids (4/2) and Duluth (4/3). Cost is \$75.00 per person. Chairman Branville encouraged anyone to attend.

February 25<sup>th</sup>- Flyer from League of Minnesota Cities with 2026 Safety and Loss Control Workshops. The nearest one is located in Hinkley on April 28<sup>th</sup>. For Regional Safety Group Members, the workshop is fee. Placed on file.

February 27<sup>th</sup>- Email from Range Association of Municipalities and Schools with board meeting minutes from January 22<sup>nd</sup>. Placed on file.

February 27<sup>th</sup>- Flyer from Couri & Ruppe Law Office with Township Legal Seminar on Saturday, October 24<sup>th</sup>. Clerk Latvaaho usually attends.

**OLD BUSINESS**

**Chairman Branville-**

**Fire Department Rechassis Project-** Assistant Fire Chief Matt Hoffmann presented the Town Board with an updated quote from Custom Fire with revisions including a 2.65% price reduction for a total price of \$295,874.06. There were also exhaust modifications for a total of \$302,564.98. The price does include the 15% discount through Sourcewell.

***Motion to approve as written, made by Chairman Branville, support from Supervisor Sather.*** Supervisor Erjavec questioned changes to the deckgun and if the amount changed. Assistant Chief Hoffmann clarified it was a modification to the manufacturer and not the price. ***Motion carried unanimously.***

Clerk Latvaaho had prepared some payment options for the Board but recommended as a courtesy for the request to go back to the Public Utilities Commission in order for them to approve the new amount at 4.5%. She recommended borrowing funds from the Assessment Savings, less the chassis trade-in for a loan amount of approximately \$270,000.00 with Capital Equipment making the payment. The Capital Equipment balance with that payment would not be able to grow for a few years and Clerk Latvaaho recommended that the Town Board be firm on no more large expenditures for the Fire Department until some items are paid off. The Fire Department currently has a water tender payment, an airpack payment, a chassis payment and now a truck assembly payment. Will present the request to the PUC.

**Tennis Courts**- Clerk Latvaaho and Foreman Jason Latvaaho had a conference call with a vendor that installs post tension concrete courts. The vendor offers a 50-year warranty and they will be providing an estimate. The price may be just too high to even consider, but worth looking into. The USTA would likely be able to grant \$35,000.00 per court plus an additional \$20,000.00 through USTA Northern. There were some stipulations that the grant doesn't support dual use applications, so pickleball striping would not be included and there was also a listing of 74' for each court size, which are not Fayal's court size so Clerk Latvaaho will need to speak to them. By the next meeting should have some tennis court quotes.

**Road Funding- Resolution 2026-02**- An agreement was provided by Bolton and Menk for submitting applications to Community Project Funding and Congressionally Directed Spending for Thunderbird Trail for an estimate of \$7,000.00. Funds would come from the Road and Bridge budget.

***Motion to spend \$7,000.00 for the application, made by Chairman Branville, support from Supervisor Sather. Motion carried unanimously.***

Clerk Latvaaho read Resolution 2026-02 *A Resolution Authorizing the Pursuit of Funding Assistance Through Congressman Stauber's Community Funding Program and Senators Tina Smith and Amy Klobuchar's Congressionally Directed Spending Programs.*

***Motion to adopt Resolution 2026-02, made by Chairman Branville, support from Supervisor Sather.*** Should find out in the next few months on both applications and the LRIP grant. ***Motion carried unanimously.***

**Public Utilities Billing Coordinator**- Clerk Latvaaho has advertised in the bills, the posting places and the newspaper. Need to form a Hiring Committee. Supervisors Zbosnik and Erjavec will serve on the Committee.

#### **NEW BUSINESS**

**Deputy Clerk/Treasurer**- Billing Clerk Terry Hiti's last day is March 12<sup>th</sup> and Clerk Latvaaho would like to appoint Linda Shykes and her new Deputy Clerk/Treasurer. Previously paid her \$150.00 per month.

***Motion to pay Linda Shykes as Deputy Clerk \$150.00 per month, made by Supervisor Sather, support from Supervisor Zbosnik. Motion carried unanimously.***

**Police Department Budget**- Eveleth Police Chief Jesse Linde spoke with Clerk Latvaaho today regarding the budget and the City of Eveleth is pretty firm on Fayal paying more for police services. They have proposed a starting amount of \$125,000.00 and would like to be at \$160,000.00 by 2030. Representatives from Fayal should meet with the Eveleth Mayor and City Administrator to discuss. Currently paying \$55,902.00 with the increase reason being the City of Eveleth believes Fayal should pay our share. Discussion that Eveleth is not providing a full time officer out here and at times only has one officer on duty. The Town Board did approve \$25,000.00 for the police car back in September. Discussion of checking with other entities. The Eveleth Police Department has done a wonderful job out here and this request is coming strictly from the Eveleth City Council. Chairman Branville and Supervisor Zbosnik would like to meet with Eveleth.

Fire Chief Shykes brought forward that the Fire Department would like to request approval for additional monthly training through Minnesota Public Safety Group at a cost of \$350.00 per training session. There is state reimbursement available to assist in offsetting the costs.

***Motion to approve the \$350.00 per month training, made by Supervisor Sather, support from Supervisor Chad. Motion carried unanimously.***

***Motion to go into a closed session to discuss a personnel matter per Minnesota State statutes §13D.05 Subd. 2(b), made by Chairman Branville.***

The meeting was closed at 7:44 PM.

***Motion to reopen the meeting, made by Chairman Branville.***

The meeting was reopened at 9:27 PM

**Motion to institute a 90-day action plan for unsatisfactory performance for Assistant Chief Matt Hoffmann, made by Chairman Branville, support from Supervisor Zbosnik.** Discussion as to the specifics of the action plan. **Supervisors Branville, Chad and Zbosnik voted affirmative. Supervisor Erjavec and Sather voted no. Motion carried.**

**Motion to pay the claims in the amount of \$115,318.75, made by Chairman Branville, support from Supervisor Sather. Motion carried unanimously.**

**Motion to adjourn made by Supervisor Sather.**

Chairman Branville adjourned the Regular Meeting at 9:30 PM.

Respectfully submitted,

*Heidi M. Latvaaho*

Heidi M. Latvaaho

Clerk/Treasurer Town of Fayal

Approved: \_\_\_\_\_

Chair

Date: 4/7/26

Attest: \_\_\_\_\_

Clerk