

Vergas EDA/HRA
Government Services Center & Zoom
2:00 PM on Wednesday, September 3rd, 2025

EDA/HRA Mission: Retain and promote business in our community, adding housing so that we prosper and increase our tax base, keeping Vergas a vital community.

The City of Vergas Economic Development Authority (EDA) and Housing Redevelopment Authority (HRA) met on Wednesday, September 3rd, 2025, at 2:00 pm in a hybrid meeting at the Vergas Government Services building and on Zoom with the following members: DuWayne Ditterich, Joy Summers and Bruce Albright. Absent: Vannessa Perry and Paul Sonnenberg. Also Present: City Clerk-Treasurer Julie Lammers; CEDA Representative Maddison Petrick; and Editor Bob Williams of the [Frazee-Vergas Forum](#).

Call to Order

The meeting was called to order by Ditterich at 2:00 PM

Agenda Additions and Deletions

None.

Status of Recommendations to City Council

None.

Minutes

Motion by Summers, seconded by Albright, to approve the minutes of August 6th, 2025. The motion passed unanimously.

Financial Update

2025 Income and Expenses Report

Lammers reported that the expenses remained the same as in June and July, with no changes to the income and expenses report.

2026 Budget

The board discussed the 2026 budget. The city is proposing \$10,000 for the EDA/HRA in the 2026 budget, which includes \$5,000 for the EDA/HRA and an additional \$5,000 for the CEDA representative. This is the same amount that was committed for 2025 after the summer adjustment when CEDA was hired. Originally in 2024, the budget was \$5,000, but was later increased to \$10,000 for 2025.

Albright noted that budgets would likely be tight this year for a number of reasons, and the board would probably need to be satisfied with the proposed amount as he didn't see the council providing more funding. He suggested that the EDA might be able to generate some of its own funding.

Ditterich agreed with this assessment, and the board was in general agreement with the proposed budget.

The board also discussed the CEDA agreement, which needs to be renewed as it starts in October. There are no changes to the contract, and the board had previously agreed to a two-year term to secure the current rate. CEDA is now secured through October 1, 2026, at which point the board will need to decide whether to continue the relationship.

CEDA Update

Child Care

RCCIP Program

Petrick reported that Vergas would be a good candidate for the RCCIP program, and the board had previously given her approval to move forward with the application. One part of the application requires building a core team of 10-20 people. As of the meeting date, 10 people have committed to being on the team, with three alternates, putting Vergas in a good position for the application.

Petrick mentioned that some representatives from the county have agreed to participate, which is something the RCCIP program guidelines like to see. She is still waiting to hear from the school board, which meets on the 8th, about having one participant and one alternate from their group.

The application is due on the 19th, and Petrick is almost finished with it. She only needed to complete a few questions related to the core team, which she can now do since the team is filled.

Municipality-owned daycare

Petrick reported on several aspects of the daycare initiative:

1. She had further conversations with Anderson Homes regarding home specifications. She clarified that their modular homes go on either a crawl space or a basement, while their manufactured homes get blocked up from either a pillar foundation or a slab. The manufactured home option is the 28x48 model, while the modular home is the 24x56 model.
2. Regarding garage options, Anderson Homes does not build garages, but Petrick received quotes ranging from \$10,000 to \$30,000, with approximately \$15,000 being sufficient for a single-stall garage. She suggested that storage sheds could be a more cost-effective alternative.
3. Petrick contacted Perham, New York Mills, and Otter Tail about municipality-led daycares:
 - Otter Tail doesn't have a municipality-led daycare but sold a piece of land for \$10 to a construction company to build a privately-owned daycare.
 - Perham and New York Mills both lease buildings to the Mahube-Otwa Community Action Partnership for Head Start programs.
 - Petrick has obtained copies of Perham's lease with Mahube-Otwa and noted that New York Mills modeled their lease similarly.
 - She has reached out to the director of Mahube-Otwa to gauge their interest in doing something similar in Vergas but hasn't heard back as the director is on vacation.
 - The Mahube-Otwa Head Start programs specialize in care for children from birth to age 5.
4. Petrick is also researching daycare pods in Morris but hasn't received information back yet. She plans to visit Stevens County next week to gather more information about their lease arrangements.

Albright and Sonnenberg reported that they met with the president of a Church, about potentially expanding their preschool program. The church has a new director starting this fall, which is why they were hesitant to commit to expansion previously. The church didn't rule out collaboration but wants to meet with the chair of the preschool committee.

Albright suggested that the EDA should develop a mission statement regarding daycare and set goals with timelines, such as shifting into a higher gear if nothing has happened by April 1, 2026. He emphasized that the EDA's goal is to have daycare in Vergas, regardless of who provides it.

Petrick also mentioned a Child Care Economic Grant through Minnesota DEED. This grant allows municipalities to apply for up to \$300,000 for a single daycare site or up to \$600,000 for multiple locations. The grant was offered last year in two funding rounds but hasn't been confirmed for this year. If it does open, either Vergas or the county could apply.

Petrick mentioned that the county might apply for two different locations - one in Vergas and one in Pelican Rapids. Petrick emphasized that Vergas is the priority.

The board discussed a potential property for daycare, currently listed for \$405,000. The board noted several advantages of this property: it's across from a park, has a gazebo in the back, includes a garage for storage, has a commercial kitchen, and is large enough to potentially serve multiple age groups or incorporate other uses like rental space. Petrick cautioned that the state grant process is not quick, so this would be a longer-term option.

The board generally agreed that they had no opposition to the county being the main applicant for grants if that option becomes available.

Vergas EDA Community Rehab Grant

Petrick reported that she visited Vergas businesses with paper applications and Rural Edge program flyers. Several business owners either didn't know about the facade grant or had forgotten about it. She hopes this outreach will generate more applications.

Crossroads Garden Center contacted Petrick and Lammers about amending their grant application. Due to complications with road right-of-ways and underground pipes, they cannot implement their original plan to expand and improve the outside buildings and greenhouse layout. Instead, they want to proceed with the outdoor signage from their original application and add improvements to the ground cover where customers walk outside, using crushed rock, fabric, and labor. The total project cost is now \$10,500, and they would still utilize the maximum \$5,000 grant amount.

Motion by Albright, seconded by Summers to accept the amended application for Crossroads Garden Center. The motion passed unanimously.

New Business

None.

Old Business

SBDC- Rural Edge

It was reported that currently five people are registered for the Rural Edge program, but six are needed for the class to proceed. Petrick mentioned that she would follow up with Lavish Loon, who expressed interest but had not registered.

The board discussed the value of the program, noting that it's excellent training being offered at no cost, and the trainer will be driving from Fergus Falls each week. They agreed to continue promoting the program through email, Facebook, and the newspaper to try to reach the minimum number of participants.

Adjournment

Motion by Ditterich, seconded by Albright to adjourn the meeting at 2:44 PM. Motion passed unanimously.

Recorded by Rachel Nustad (assisted by ClerkMinutes)

Julie Lammers, CMC
City Clerk-Treasurer
City of Vergas

Council Recommendations

None

Follow up Actions

- Albright and Sonnenberg to continue to speak to church representatives.
- Petrick will apply for the RCCIP grant.

DRAFT