

**CITY OF VERGAS
COUNCIL MINUTES
VERGAS EVENTS CENTER & ZOOM
Tuesday, December 16, 2025**

The City Council of Vergas met at 6:30 pm, on Tuesday, December 16, 2025, at the Vergas Event Center and on a Zoom for a hybrid regular public hearing.

2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Dwight Lundgren, Mayor	P/P	P	P/P	P	P	P	P ^{7/2}					
Julie Bruhn, Mayor								P	P/P	P	P	P
Bruce Albright, Member	P/P	P	P/P	P	P	P	P/A/A	P	P/P	P	P	P
Paul Pinke, Member	P/P	P	P/P	A	P	A	P/P/P	P	P/P	P	P	P
Dean Haarstick, Member	P/A	P	P/P	P	P	P	P/P/P	P	P/P	P	P	P
James Stenger, Member	P/P	P	P/P	P	P	P	P/P/P	P	P/P	P	P	P
Julie Lammers, Clerk-Treasurer	P/P	P	P/P	P	P	P	P/P/P	P	P/P	P	P	P
Mike Dufrane, Utilities Superintendent	P/A	P	P/A	P	P	P	P/P/P	P	P/P	P	P	P
Kyle Theisen, Liquor Store Manager	P/A	P	P/P	P	P	P	A/P/A	A	A/A	P	A	P

P: Present. A: Absent N/A: No meeting

Also present: Attorney Karen Skoyles, Engineer Blaine Green of Widseth, Editor Bob Williams of the Frazee-Vergas Forum; and Citizens, Marcia Huddleston, Paul Bruhn, Keith Bunkowske and Myrel Kvam.

Call to Order

Mayor Julie Bruhn called the meeting to order at 6:30 PM.

Citizens' Concerns

None.

Agenda Additions and Deletions

Mayor Bruhn noted the addition of Scharf 3rd Addition to the agenda.

Motion by Pinke, seconded by Stenger, to approve the revised agenda. The motion passed unanimously.

Approval of Consent Agenda

Motion by Pinke, seconded by Stenger, to approve the consent agenda. The motion passed unanimously.

Scharf 3rd Addition

Keith Bunkowske reviewed the project and stated after receiving the punch list from Blaine Green he completed the project. They have added a wastewater basin behind the back lots and a lot of the water from the fields and the backlots is going in that direction. He stated he received an email from City Engineer Blaine Green today stating the basin should have been a little deeper. Bunkowske's Engineer Josiah Rostad from Moore Engineering has given Bunkowske a statement stating he felt that the design fulfilled what it needed to do. City and Green have not seen the statement. Bunkowske stated we had 3 inches of rain in July in a matter of 5 minutes or so and that was the only time the basin had allowed water to run down the lake. We had an inch in the pit, and it never even got to the top of the basin. I would like to finalize this and get approved by the Council. Green stated he had reviewed the measurements, and it appeared the bottom of the pond was smaller than designed and the top of the pond, the rim of it was maybe partially larger. The basin per our calculations show a net decrease of storage. By appearances, it seems that it's not doing what it's supposed to by the design. Additionally, we had our hydraulics engineer investigate it and when it comes to hydrology, there's a lot of assumptions made. You can base it on soil types or categories of the rain falls, periods of time, and that kind of stuff. Green reported that the pond's measurements show a net decrease in storage capacity compared to design, with the inlet set too low and not functioning as intended. Bunkowske mentioned new information indicating the pond exceeds requirements despite being smaller, potentially due to changes in the drainage area. The council agreed to table the decision until January, with Green planning to discuss the

discrepancy with the engineers to reach a resolution. The issue of landowners wanting access to the road for winter activities was raised, but it was noted that nothing can be done until the road is officially accepted by the city.

City Center Parking Lot

Green provided an update on the City Center parking lot project. He reported that while no significant developments have occurred since the previous month's meeting, they are working with the city to process a partial payment to the contractor. He noted that this payment would not cover the full amount, as there are still several punch list items that need to be addressed before the retainage (approximately \$50,000) is released.

Green explained that one specific punch list item involves fixing the entrance between the liquor store and post office, which was installed too steeply. This would be addressed as a warranty item with the concrete contractors.

Paul Bruhn raised concerns that more work remains to be completed than just a few items, noting that his building's site has not been completed and his sign has not been put back up. When asked about the total bill, it was clarified that the final amount is approximately \$154,000-\$210,000, with part being the city's responsibility and part being Hanson's, Bruhn's and the Hardware Store. Bruhn also raised questions about whether the specifications for the parking lot construction were followed regarding the removal and replacement of subgrade material. He stated that as a property owner who watched the construction, he observed that 10 inches of subgrade was not removed and replaced as specified. Green responded that while depths may have varied across the parking lot (14 inches in some areas, 6 inches in others), overall, they put back 10 inches across the whole project as designed and have documentation of the materials used.

1st Installment Payment

Discussion followed regarding the first installment payment to the contractor. The engineer recommended proceeding with the payment while holding back sufficient retainage to ensure completion of the remaining work.

Motion by Albright, seconded by Pinke to approve the first installment payment of \$112,049.27 to the contractor for the City Center parking lot project. Motion passed unanimously.

Committee Reports

Yard Waste

Albright reviewed the Streets/Sidewalks/Yard Waste Committee meeting minutes of December 4, 2025 (minutes available at the Vergas City Clerk's Office). Albright reviewed the current fire at the Yard Waste site and pointed out the following issues: city sells a lot of permits, illegal material is being dropped off and rules are not being followed, and people bring trees and stumps (branches cannot be more than 6 inches in length or 4 inches in diameter). Discussed the following solutions: keep yard waste closed, revert site to mulch only, or only allow Vergas Residents to use site. Motion by Albright, seconded by Pinke to have attorney review legalities of the site. Motion passed unanimously. Skoyles questioned insurance regarding the site. Committee will follow up with Attorney and insurance and bring a recommendation to council. Yard Waste will remain closed until further notice.

Water and Sewer

Albright reviewed the water/sewer committee meeting minutes of November 25, 2025 (minutes available at the Vergas City Clerk's Office).

Mounting System

Motion by Albright, seconded by Pinke to approve replacing mounting system in the main lift station in 2026. Motion passed unanimously.

Setting and Televising Policy

Motion by Albright, seconded by Pinke to approve sewer line jetting and televising policy. Motion passed unanimously.

123 Main Steet

Easement – Paul Bruhn, owner is requesting City purchase an easement for water lines. Attorney Skoyles stated the following: Most deeds in Minnesota use the language of the state’s uniform conveyancing blanks. These warranty deeds provide that grantors convey and warrant to grantees described real property together with “all hereditaments and appurtenances belonging thereto,” subject to enumerated exceptions. It is my understanding that at the time Mrs. Bruhn conveyed the properties in question to the city of Vergas, the sewer and water lines were already installed in a single parcel that she owned and all parties to the transaction knew that. Assuming that the conveyance from Mrs. Bruhn to the city was in the standard format, she conveyed the easement to the city when she signed the deed. The standard deed language is intended to transfer ownership (convey) the described real estate together with all hereditaments and appurtenances thereto. Hereditaments are any property, tangible or intangible, that can be inherited. Appurtenances are rights, privileges, or items that are incidental to and pass automatically with the real estate without the need for separate mention in the deed, such as easements or rights-of-way. In this context, the language “hereditaments and appurtenances” is the broad language used to transfer all possible rights, benefits, and connected items along with the main property. Interest in real estate can be thought of as a bundle of sticks. Unless it is clear that the grantor does not intend to transfer all of the sticks, the language of the standard deed form transfers ownership of all the sticks from the grantor to the grantee. The single parcel contained the sewer and water lines when Mrs. Bruhn conveyed the property to the city. She conveyed the easement permitting them to remain where they were when she signed the deed splitting the property into two parcels unless she specifically excluded that “stick” in the deed. Mr. Bruhn is not entitled to any additional compensation for something the city already has.

P. Bruhn requested written verbiage stating if city does any repairs, they will bring property back to how it looked originally.

Water and Sewer Charges

City has ability to charge back for 6 years, and the council decided to charge property for 3 years of water service at the September 16, 2025 council meeting. Motion by Albright, seconded by Stenger to forgive past charges and begin billing 123 Main Street as of the date the curb stop was repaired. Motion passed unanimously.

2026 Fee Charges

Albright reviewed budget for water and sewer stating the water fees could remain the same in 2026 but the sewer charges would need to be increased due to the lift stations needing to be replaced or repaired. Motion by Albright, seconded by Pinke to raise the base rate for sewer to \$33.50 and the usage rate to \$4.00 per 1,000 gallons of water used. Motion passed unanimously. Motion by Albright, seconded by Pinke to increase the water turn on fee from \$30.00 to \$40.00. Motion passed unanimously.

Budgets

Motion by Stenger, seconded by Pinke to approve the 2026 water budget as presented. Motion passed unanimously.

Motion by Albright, seconded by Pinke to approve the 2026 sewer budget as presented. Motion passed unanimously.

Event Center

Stenger reviewed the event center meeting minutes of December 10, 2025 (minutes available at the Vergas City Clerk’s Office). Motion by Stenger, seconded by Pinke, to remove free/reduced rent from the event center policy. Motion passed unanimously. Motion by Stenger, seconded by Pinke to approve the arrival and departure checklist. Motion passed unanimously. Bruhn questioned if all renters would be required to pay deposits as the Lion’s, Community Club and Fire Department have not been required to pay deposit in the

past. Stenger stated he would bring it to the next event center meeting. Committee requested ashtrays be removed from the event center as they have started on fire at 4 different events. Council all agreed they needed to be removed.

Staff Reports

Utilities Superintendent

Motion by Haarstick, seconded by Pinke to approve resolution 2025-013 Winter Maintenance Agreement with Otter Tail County. (complete copy of resolution located at the city office). Motion passed unanimously.

Clerk-Treasurer

Lammers provided written report and forms for Council to review Attorney and Engineering firms. Council recommended that Clerk-Treasurer fill out review for both attorney and engineering firms and Utilities Superintendent to review engineering firm.

Liquor Store Manager

Theisen presented financial data of liquor store requesting \$20,000 to be transferred to general fund. Motion by Pinke, seconded by Stenger to approve transferring \$20,000 from Liquor Store to General Fund. Motion passed unanimously.

2026 General Fund Budget

2026 Salary Schedule

Bruhn reviewed an increase of 2.5% for all city positions within the city. Motion by Pinke, seconded by Stenger to approve the 2026 fee schedule as provided to Council in the packet. Motion passed unanimously.

2026 Fee Schedule

Motion by Pinke, seconded by Albright to approve 2026 Fee Schedule as provided in Council packet. Motion passed unanimously.

2026 Final Budget

Bruhn reviewed the 2026 budget with a 3.52% increase. 2026 will be a tighter year financially as the budget committee worked to keep the increase in single digits. Motion by Albright, seconded by Pinke to approve the resolution 2025-17 (complete copy of resolution located at the city office and on the city web page) for the proposed 2026 budget of \$493,454.00. Motion passed unanimously.

Information and Announcements

Bruhn announced that the 2026 Board of Review date had been set for April 8th, 2026 at 1:00 PM.

Adjournment

Motion by Albright, seconded by Pinke, to adjourn the meeting. The motion passed unanimously. The business for which the meeting was called was completed and adjourned at 8:00 PM.

Julie Lammers, CMC

Vergas City Clerk-Treasurer