

**Vergas EDA/HRA
2025 EDA/HRA Meeting
Government Services Center & Zoom Id 267-094-2170 password 56587
2:00 PM on Wednesday, November 5, 2025**

- 1. Call to Order**
- 2. Agenda Additions and Deletions**
- 3. Status of Recommendations to City Council**
 - A. Extension of Diane Ave.
 - B. Resignation
- 4. Minutes**
 - A. October 1, 2025
- 5. Financial Update**
 - A. 2025 Income and Expenses
- 6. CEDA Representative Jordan Grossman**
 - A. Child Care
 - B. Vergas EDA Community Rehab Grant
- 7. Adjournment**

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4. Minutes

A. October 1, 2025

Files Attached

- 10.01.2025 EDA.HRA Minutes.pdf

**Vergas EDA/HRA
Government Services Center & Zoom
2:00 PM on Wednesday, October 1st, 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, October 1st, 2025, at 2:00 pm in a hybrid meeting at the Vergas Government Services building and on Zoom.

2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
DuWayne Ditterich, President	N/A	P/P	P	P	P	P	P	P	P	P		
Bruce Albright, Vice President/Council Liaison	N/A	P/P	P	P	P	P	P	P	P	P		
Paul Sonnenberg, Member	N/A	P/P	P	P	P	P	P	P	A	P		
Kevin Zitzow, Member	N/A	A/P	A	P	A	A						
Joy Summers, Member	N/A	P/A	P	P	P	P	P	P	P	P		
Vannessa Perry, Member	N/A						P	P	A	A		
Julie Lammers, City Clerk-Treasurer	N/A	P/P	P	P	P	P	P	P	P	P		

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

Also present: Editor Bob Williams of the Frazee-Vergas Forum, CEDA Representative Maddison Clavin, CEDA Representative Jordan Grossman, SBDC Ian Carlstrom, President of the Vergas Lions Jay Norby; and Citizens, Ruby Schmid, Greg Schmid and Tom Bunkowski.

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 Sonnenberg, seconded by Albright, to approve the minutes of September 3rd, 2025. The motion passed unanimously.

Financial Update

2025 Income and Expenses

Lammers reported that the only financial change was the purchase of a mailbox for the Sunny Oaks development. Mailbox will arrive the following day. The utilities department were expected to install it the following week. The post office had designated the installation location.

Sonnenberg inquired whether the cost of \$2,454 included both the mailbox and legs. Lammers confirmed it included everything except the concrete. Ditterich noted that city labor would be provided by the city.

Motion by Sonnenberg, seconded by Albright, to accept the financial update. The motion passed unanimously.

CEDA Update

Child Care

RCCIP Program

Clavin reported on the Rural Child Care Innovation Program (RCCIP) application, noting it was successfully submitted with the required number of core team members. Notifications would be sent by October 6th. She mentioned that the program had received more applications than anticipated and would be accepting three communities this year. Even if Vergas was not selected, she explained they could still use materials from another CEDA community that had participated in the previous session.

Albright clarified that this program is through First Children's Finance, which has a core mission to help advance childcare efforts statewide. Clavin explained they didn't apply for a specific amount, as the program provides funding and assistance to complete childcare goals specific to each community. Vergas's application focused on establishing childcare, which could include funding for provider training and starting family-owned daycares.

Albright provided background on CEDA (Community and Economic Development Associates), explaining that they work with small communities without full-time EDA directors. Vergas was one of a few communities in Minnesota that received funding to bring in CEDA staff. After the initial grant ended, the city council and EDA agreed to hire CEDA for an additional two years, with housing and childcare as priorities.

Municipality-owned daycare

Bunkowski, representing a church, was present to discuss potential childcare options. He reported that the church council had determined they couldn't accommodate childcare in their current building but were interested in exploring options with nearby property.

Lammers clarified that the church doesn't have enough property to add a preschool as they can only use 25% of their lot space, can't take any playground space, and have already built a shed.

Discussion followed regarding potential collaboration between the church and property owners Greg and Ruby Schmid, whose lot is adjacent to the church. Bunkowski indicated that if property was available, the church would consider purchasing it and building a facility to lease to a provider. He emphasized it wouldn't be a moneymaker but would serve the community.

Norby presented information about a Lions Club matching grant program that could potentially fund kitchen equipment or playground equipment for a childcare facility. The minimum application amount is \$10,000, with a maximum of \$150,000 on a 50/50 basis. The club would need to know specific equipment needs for the application, and the nearest application deadline would be February 1st.

The board discussed various models for operating a childcare facility, including the potential involvement of Mahube, which administers childcare facilities in other communities for approximately \$1,500 per month.

Grossman advised the group to focus first on securing a location before pursuing grants, emphasizing the importance of being "shovel-ready." She noted that the state childcare grant program had been reduced and would likely be competitive.

After extensive discussion about options, Grossman offered to connect directly with the property owners to discuss specifics outside of the public meeting format.

Clavin presented two draft mission statements for the EDA's childcare initiative. The board expressed a preference for the first option with some modifications to align with their current mission statement, particularly adding language about keeping Vergas a vital community and attracting residents.

Vergas EDA Community Rehab Grant

Clavin presented applications from American Beauty Salon and Elm Street Boutique, who are working together to

replace the deteriorating roof on their building. Each business submitted a separate application as they are under different ownership, each requesting \$5,000 for a total project cost of approximately \$75,000 (\$37,000 per side).

It was noted that Franklin Fence is currently working on the blueprints for the project, which would feature a metal roof to improve appearance and prevent water damage at the seams between the two sections.

Motion by Albright, seconded by Summers, to approve both \$5,000 grant applications, subject to the applicants providing the Franklin Fence plans when available. The motion passed unanimously.

Lammers noted that after these grants are awarded, approximately \$19,512 would remain in the fund, enough for about three more full projects. Discussion followed about whether to add more funds to replenish the program in the future.

New Business

Eva and Diane Ave

Listing

Summers reported that the current listing for the two lots expires on Saturday and presented renewal paperwork for signature.

Motion by Albright, seconded by Sonnenberg to renew the listing agreement. Voting yes: Albright, Sonnenberg and Ditterich. Voting no: none. Abstained: Summers. Motion carried.

Diane Avenue

Lammers explained that a potential buyer was interested in the last lot on Diane Avenue where the hill is located. However, access to the lot is an issue. Two options were presented: either add the portion of the road area to the lot, or have the city build a road to provide access.

After discussion about the engineering design and future development possibilities, the board determined that extending the road would be the best option to maintain future access to potential development areas behind the property.

Motion to recommend to the city council that they extend the road to provide access for the remaining lot for sale was made by Bruce Albright, seconded by Duane Ditterich. Voting yes: Albright, Sonnenberg and Ditterich. Voting no: none. Abstained: Summers. Motion carried.

Member Terms

Lammers reported that Summers term is ending at the end of the year, and Ditterich had expressed interest in not serving the remainder of his term.

Motion by Albright, seconded by Sonnenberg, to recommend to the city council to accept Ditterich's resignation effective December 31, 2025. The motion passed unanimously.

Lammers mentioned that Kevin Zitzow would like to rejoin the EDA/HRA to take Summers' position but requested that meetings be moved to evenings (6:00 PM) so he could attend. Perry had also expressed that evening meetings would be easier for her to attend. The board agreed to consider this at their first meeting of the new year when meeting times are officially set.

Old Business

SBDC- Rural Edge

Carlstrom provided an update on the Rural Edge program, which was in its third week. He reported that the program had been going well, with topics including what makes Vergas unique for business, marketing, and upcoming sessions on financing and business finances. He explained that the program helps business owners develop skills and form relationships that continue after the program ends.

Ian offered to provide custom workshops or trainings if local businesses had specific needs. The board expressed appreciation for his update and the program's impact on the community.

Adjournment

Motion by Albright, seconded by Summers, to adjourn the meeting at 3:30 PM. Motion passed unanimously.

Recorded by Rachel Nustad (assisted by ClerkMinutes)

Julie Lammers, CMC
City Clerk-Treasurer
City of Vergas

Council Recommendations

- To accept Ditterich's resignation as of December 31st, 2025.
- Propose to extend the road to parcel on Diane Ave.

Follow Up Actions

- Grossman and Lammers to meet with the Schmids' regarding daycare.

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5. Financial Update

A. 2025 Income and Expenses

Files Attached

- 2025 EDA_HRA Revenue and Disbursements.pdf

2025 EDA-HRA Income-Expense Sheet

Beginning Checking Balance \$22,271.54

Revenue:

Vergas General Fund Transfer	5,000.00
411 Diane Ave	1,197.01
230 Eva St	1,344.97
City of Vergas- CEDA Employee	5,000.00

Total Revenue \$12,541.98

Expenses:

SDBC	Donation	2,000.00
409 Diane Ave	Assessments	2589.79
MW Pastry	Annual Meeting	90.00
CEDA	Employee	3,192.00
Budget Mailboxes	Mailbox	2454.91
CEDA	Employee	3,192.00

Total Expenses: \$13,518.70

Balance of Checking Account as of 7/30/2025 **\$21,294.82**

Savings Account

* West Central Initiative 16,578.10

Grant Balance 30,487.09

Total in HRA/EDA Account **\$68,360.01**

Veteran's Memorial

Income

West Central Initiative	443.51	
West Central Initiative	4,000.99	
		4,444.50

Expenses

All Flags	443.51	
Fergus Falls Granite Inc	3,960.00	
Lyle Krieg	40.99	
		<u>4,444.50</u>

Balance of Veteran's Memorial Account **\$0.00**

Pickle Ball

Income West Central Initiative 12,101.00

Expense Haugen Construction 12,101.00

Balance of Account **\$0.00**

Grant Beginning Balance **\$50,000.00**

Distributions Cutting Edge 762.09

Summers Construction 4,725.00

Wild Fire Furs 5,000.00

Billy's Corner Bar 5,000.00

Crossroads 5,000.00 04/02/25 Approved not distributed

American Beauty 5,000.00 10/01/25 Approved not distributed

Elm Street Boutique 5,000.00 10/01/25 Approved not distributed

Total **\$30,487.09**

Balance of Grant Funds **\$19,512.91**

City of Vergas budgeted \$5,000.00 for 2024 EDA/HRA transfer.

City committed \$10,000 for CEDA employee - \$5,000 in 2025 and \$5,000 in 2025.

City committed \$10,000 for CEDA employee - \$5,000 in 2026 and \$5,000 in 2026.

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