

**Vergas EDA/HRA
EDA/HRA Meeting
Government Services Center & Zoom Id 267-094-2170 password 56587
5:30 PM on Monday, May 4, 2026**

1. Home Tour 105 Park View Drive

Meet at 105 Park View Drive at 5 pm for tour.

2. Call to Order

3. Agenda Additions and Deletions

4. Minutes

A. March 18, 2026

B. April 1, 2026

5. Financial Update

A. 2026 Income and Expenses

6. CEDA Representative Katie Gehring

A. Grant Applications

1. 124 E Main Street

B. First Children's Finance Update

C. Daycare

1. Opportunity

a. Build

b. Purchase and remodel

c. Prepare specs for bid

3. Funding

a. Grants

b. Donations

7. Annual Meeting Review

8. Adjournment

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5. Minutes

- A. March 18, 2026
- B. April 1, 2026

Files Attached

- 3.18.26 EDA.HRA Minutes.pdf
- 4.1.26 EDA.HRA Minutes.pdf

**Vergas EDA/HRA
Government Services Center & Zoom
5:30 PM on Wednesday, March 18th, 2026**

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, March 18th, 2026, at 5:30 PM in a hybrid meeting at the Vergas Government Services building and on Zoom.

2026	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Bruce Albright, President/Council Liaison	A	P/P	P									
Paul Sonnenberg, Member	P	P/A	P									
Kevin Zitzow, Member	P	P/P	A									
Jennifer Carlson, Member	A	A/P	P									
Vanessa Perry, Member	P	P/P	P									
Julie Lammers, City Clerk-Treasurer	P	P/P	P									

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

Present via Zoom: Editor Bob Williams of the Frazee-Vergas Forum.

Present in person: CEDA Representative Kaite Gehring

Call to Order

The meeting was called to order by Albright at 5:30 PM.

Agenda Additions and Deletions

The agenda was modified to move item 6 (419 Dianne Avenue) to the end of the meeting as it required a closed session.

Motion by Sonnenberg, seconded by Perry, to approve the agenda with the requested change. The motion passed unanimously.

Status of Recommendations to City Council

None.

Minutes

Motion by Perry, seconded by Sonnenberg, to approve the minutes from February 4, 2026, and February 23, 2026. The motion passed unanimously.

Financial Update

Lammers presented the financial update, noting that the only changes from the previous month were mileage payments to her and that Keystone had now received their check, contrary to what the report initially indicated. All other financial items remained unchanged from the previous month.

Motion by Sonnenberg, seconded by Carlson, to approve the treasurer's report as presented. The motion passed unanimously.

CEDA Representative Katie Gehring

Grant Applications

Gehring reported that a new grant application had been received just yesterday from Vergas Auto for paving their parking lot. The estimated cost was \$20,000, with work to be performed by Kevin Zitzow and others. Gehring noted that the only missing element from the application was documentation showing where materials would be sourced, which Kevin would need to provide if the application was approved.

Motion by Sonnenberg, seconded by Perry, to accept the Vergas Auto application with the condition that material sourcing documentation be provided. The motion passed unanimously.

Lammers reported that there was funding available for only two more grants, with the final grant being limited to approximately \$4,000.

First Children's Finance Update

Gehring provided an update on the First Children's Finance committee, explaining that they had completed their first onboarding meeting. The lead analysis for Vergas showed a need for 35 childcare spots. Perry expressed concern about the length of future meetings, noting that the next meeting was scheduled for another three hours in early April. Gehring indicated she would work with the committee to better focus their efforts on specific needs like rate studies, fundraising assistance, or advocacy rather than general curriculum discussions. She also mentioned discovering a local childcare provider on Sybil Lake in rural Vergas that was helping meet some of the demand.

Daycare

Goals

The committee confirmed their primary goal was to provide affordable and sustainable daycare in Vergas, with Albright clarifying that this could include working with others to bring childcare to the community. The emphasis was placed on sustainability rather than just affordability, recognizing that parents desperately needed local childcare options.

Opportunity

Albright provided background on the three options previously considered. The committee had initially favored the Otter Tail model with stick-built construction, but funding limitations had changed their approach. The second option involved working with Dynamic Homes or similar manufacturers. Albright had spoken with Josh Hanson about a Dynamic home in Sunny Oaks that included a 5-foot crawl space and cost \$350,000 or less. The third option of purchasing Ebersviller's four-unit apartment building had been eliminated due to the asking price being three times the assessed value and community concerns about reducing senior housing availability. Perry and Albright discussed the challenges with modular construction, particularly regarding the base-level materials typically included in standard quotes. Perry, drawing from her experience as a landlord, expressed concerns about the durability of basic materials in a daycare setting and suggested that necessary upgrades might bring the cost closer to stick-built construction.

The committee agreed that someone should schedule a meeting with Dynamic Homes to get detailed specifications and tour their available models to make an informed comparison.

Funding

Gehring presented comprehensive funding scenarios showing potential fundraising gaps depending on the construction approach chosen. She had prepared fundraising materials including brochures and information packets, with different donation levels and recognition opportunities. The committee discussed setting a fundraising goal of \$500,000 to cover potential upgrades and ensure adequate funding regardless of the final construction method chosen. The group reviewed a preliminary list of potential donors and funding sources, with Bruce noting some additional prospects not included in the initial assessment. They discussed the importance of transparency in fundraising materials and agreed to include information about the project structure, noting that the EDA would own the facility and rent units to childcare providers rather than operating the daycare directly.

Annual Meeting

The committee planned their annual meeting for Wednesday, April 29th at 5:30 PM at Billy's Corner Bar. The format would include a social hour starting at 5:30, followed by dinner and speakers. They discussed the need for an engaging speaker who could provide practical business value to attendees, similar to previous successful presentations on social media marketing. Katie suggested Tammy Anderson, a childcare consultant with fundraising expertise, as a potential speaker option.

Motion by Sonnenberg, seconded by Carlson, to hold the annual meeting on April 29th at Billy's Corner Bar at 5:30 PM. The motion passed unanimously.

The meeting would serve as the official kickoff for the daycare fundraising campaign, with fundraising materials distributed to attendees and local businesses invited to participate.

419 Dianne Ave

Motion by Sonnenberg, seconded by Perry, to close the meeting with statutory authority under Minn Stat 13D.05 subd. 2. The sale of 419 Diane Ave. Motion passed unanimously.

Recording is available at the city office and may be opened by court order.

Closed meeting was opened.

Motion by Perry, second by Sonnenberg, to accept the offer for 419 Diane Avenue pending qualification of the purchaser. The motion passed unanimously.

Adjournment

The committee moved into closed session to discuss the property offer for 419 Dianne Avenue. Following the closed session discussion about an offer from DuWayne Ditterich for \$17,000 on the challenging corner lot, the committee reopened the meeting.

Motion by Perry, seconded by Carlson, to adjourn the meeting at 6:40 PM. The motion passed unanimously.

Council Recommendations

None.

Follow Up Actions

- Gehring: Schedule the meeting with Dynamic Homes and coordinate with local team members to attend.
- All team members: Review the draft fundraising materials and provide feedback to Gehring within the next day or two.
- Gehring: Update fundraising materials based on team feedback and prepare final versions for printing (in coordination with West Central Initiative).
- Lammers: Post an update about the daycare project status on the city's Facebook page after review of materials.
- Team: Set fundraising goal at \$500,000 for public communications and update materials/thermometer accordingly.
- Gehring: Reach out to potential annual meeting speakers to vet and invite as appropriate.
- Team: Begin fundraising activities in advance of grant decision, targeting identified businesses and individuals.
- Team: At April 1st meeting, finalize plans and materials for the annual meeting, including having a copy of the fundraising packet for each attendee.
- Team: Consider adding a community event or interaction component to the annual meeting to increase engagement.

**Vergas EDA/HRA
Government Services Center & Zoom
5:30 PM on Wednesday, April 1st, 2026**

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, April 1st, 2026, at 5:30 PM in a hybrid meeting at the Vergas Government Services building and on Zoom.

2026	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Bruce Albright, President/Council Liaison	A	P/P	P	P								
Paul Sonnenberg, Member	P	P/A	P	P								
Kevin Zitzow, Member	P	P/P	A	P								
Jennifer Carlson, Member	A	A/P	P	P								
Vanessa Perry, Member	P	P/P	P	P								
Julie Lammers, City Clerk-Treasurer	P	P/P	P	P								

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

Present via Zoom: Editor Bob Williams of the Frazee-Vergas Forum.

Present in person: CEDA Representative Kaite Gehring

Call to Order

The meeting was called to order by Albright at 5:30 PM.

Agenda Additions and Deletions

Gehring indicated they would discuss a new grant opportunity and updated floor plans for the daycare project. No formal changes were made to the agenda.

Status of Recommendations to City Council

None.

Minutes

Lammers noted that minutes were not available due to updates received from a loss control meeting she attended that day. The minutes for March 18, 2026, will be presented at the next meeting.

Financial Update

2026 Income and Expenses

Lammers reported that the EDA sold the property at 419 Dianne Avenue, which cost the EDA \$685.10 due to assessments that had to be paid from the proceeds. The EDA also paid Keystone their grant portion. Otherwise, there were no changes since the previous month.

Motion by Carlson, seconded by Sonnenberg, to approve the financial report as presented. The motion passed unanimously.

CEDA Representative Katie Gehring

Grant Applications

Gehring announced a new grant opportunity through the Department of Children, Youth, and Families with a May 18th deadline. The grant offers up to \$500,000 but requires a 1:1 match, with a completion deadline of 2029. This grant is specifically for construction or renovation of early childcare facilities and differs from their DEED application. The board discussed funding options for the required match, including potential bonds through the city's bonding authority or short-term loans from Vergas State Bank. Lammers explained that the city has bonding capability as long as they can prove ability to repay. The board considered using the \$150,000 from Alliance as part of the match and obtaining additional pledges from community organizations like the Lions Club. Gehring mentioned there would be a Zoom conference on April 15th to answer questions about the grant application. The board decided to pursue letters of commitment from local organizations to demonstrate matching funds.

Motion by Zitzow, seconded by Perry, to give Gehring and Lammers approval to move forward with applying for the grant. The motion passed unanimously.

First Children's Finance Update

This item was not discussed in detail during the meeting.

Daycare

Goals

The board continued working toward establishing a daycare facility to serve the community's needs.

Opportunity

A. Build

Gehring reported on a meeting with Dynamic Homes to discuss modifications to previous floor plans. The revised plans included several changes: adding an island in the kitchen instead of a peninsula, including space for an upright freezer, converting the second bathroom into a pantry with crawl space access, and moving the washer and dryer to a hallway closet. Albright suggested taking the plans to local stick builders like Refined Homes and Franklin Construction for competitive bids once Dynamic provides their updated pricing. Perry raised concerns about Dynamic's previous statement that their bid represented only 60% of the project completion, questioning the true cost implications when adding the remaining 40% of work needed. The board agreed to wait for Dynamic's updated pricing before making decisions about proceeding with modular versus stick-built construction. They planned to schedule a special meeting once pricing is received.

B. Purchase and remodel

This option was not discussed during the meeting.

C. Funding

Gehring presented marketing materials for community outreach and fundraising. The board discussed whether to send letters to potential business donors or focus on in-person meetings for larger contributions. The consensus was that major donors would need personal visits rather than just letter campaigns. The board reviewed donation tier structures on the marketing flyer, considering options like \$100-\$5,000, \$5,000-\$10,000, \$10,000-\$25,000, and \$25,000+ categories. Discussion included operational considerations such as property taxes (which would apply since the facility would be rented), insurance costs for rental properties, and rental rates. Zitzow questioned whether the proposed \$750 per unit rental rate would be sufficient to cover expenses including property taxes, insurance, snow removal, and lawn care.

Annual Meeting

The board discussed preparations for the annual meeting scheduled for April 29th. They reviewed potential speakers including a retired chamber president from Fargo and a business consultant named Carrie. Lammers also mentioned the possibility of having Carlson from Minnesota SBDC speak about the Minnesota Paid Leave Act, which would provide valuable information to local businesses at no cost. The board decided to include the daycare project flyer with annual meeting invitations to increase awareness and potentially boost attendance. They discussed printing arrangements and formatting for the invitations.

Adjournment

Motion by Perry, seconded by Carlson, to adjourn the meeting at 6:07 PM. The motion passed unanimously.

Council Recommendations

None.

Follow Up Actions

- Gehring: Apply for the Department of Children, Youth, and Families grant (due May 18th), in coordination with Lammers, including determining the specific ask amount and securing necessary match/pledges.
- Lammers: Contact the Lions (and potentially other community organizations) to request a letter of support or pledge for the grant match.
- Lammers: Run the bonding/loan approach by Vergas State Bank to confirm city's ability to secure a bond or short-term loan for the grant match.
- Gehring: Get a revised quote from Dynamic Homes based on the discussed floor plan modifications and email it to the group.
- Group: Schedule and hold a special meeting after receiving the new Dynamic Homes quote to decide between Dynamic and stick-built options before the annual meeting.
- Julie/Gehring: Prepare marketing/fundraising materials (flyer/letter) for the annual meeting, but wait to send until after the decision on construction method (Dynamic vs stick-built).
- Gehring: Send the latest version of the marketing materials/flyer to the group for review before posting to the website.

- Lammers: Post the finalized marketing materials/flyer to the EDA HRA website after group review.
- Group: Decide on tiers for donor recognition and confirm with Katie for inclusion in marketing materials.
- Gehring: Get a quote from local printers (or determine in-house printing needs) for producing enough copies of the flyer for the annual meeting.
- Group: Invite and confirm speakers (e.g., retired Fargo Chamber president, Carrie Haverkamp, or SBDC representative) for the annual meeting, with follow-up by Vanessa.
- Gehring: Keep the group posted on speaker confirmations for the annual meeting.
- Lammers: Meet with Sherri Hanson before the annual meeting to coordinate her update presentation.
- Lammers: Send out invitations for the annual meeting, potentially in coordination with the community club for broader distribution.
- Lammers: Double check state law regarding EDA HRA procurement/bidding requirements and share findings with the group.

DRAFT

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6. Financial Update

A. 2026 Income and Expenses

Files Attached

- 2026 EDA_HRA Revenue and Disbursements.pdf

Beginning Checking Balance			\$18,073.07
Revenue:			
	Vergas General Fund Transfer	5,000.00	
	City of Vergas- CEDA Employee	5,000.00	
			<u>\$10,000.00</u>
Total Revenue			
Expenses:			
	CEDA Employee	4,100.00	
	Julie Lammers Mileage	23.20	
	419 Diane Ave Assessment	685.10	
			<u>\$4,808.30</u>
Total Expenses:			
Balance of Checking Account as of 12/31/2025			<u>\$23,264.77</u>
	Committed expense - CEDA Contract	12,300.00	\$10,964.77 Balance
Savings Account			
	* West Central Initiative	16,578.10	
Grant Balance		9,512.91	
	Total in HRA/EDA Account		<u>\$49,355.78</u>
Veteran's Memorial			
Income			
	West Central Initiative		1,660.61
	Total Income		1,660.61
Expenses			
	Lyle Krieg		285.61
	JH Signs & Designs		1375
	Total Expenses		<u>1,660.61</u>
Balance of Veteran's Memorial Account			\$0.00
Pickle Ball			
Income	West Central Initiative		
Expense			
Balance of Account			<u>\$0.00</u>
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	
	American Beauty	5,000.00	10/01/25 Approved not distributed
	Elm Street Boutique	5,000.00	10/01/25 Approved not distributed
	Keystone	5,000.00	
	Vergas Auto	5,000.00	
	Total		<u>\$40,487.09</u>
	Balance of Grant Funds		<u>\$9,512.91</u>
Growing Up Vergas Fund			
Income		0.00	
Expense		0.00	
Balance of Fund			<u>\$0.00</u>

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7. CEDA Representative Katie Gehring

- A. Grant Applications
 - 1. 124 E Main Street
- B. First Children's Finance Update
- C. Daycare
 - 1. Opportunity
 - a. Build
 - b. Purchase and remodel
 - c. Prepare specs for bid
 - 3. Funding
 - a. Grants
 - b. Donations

**Vergas EDA/HRA
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8. Annual Meeting Review

Files Attached

- Annual Meeting Review.pdf

2026 Annual Meeting Summary

The 2026 Annual Meeting was held on April 29 at 5:30 p.m. at Billy's, with a total of 31 attendees.

The meeting featured the following speakers and topics:

- **Bruce Albright** – Welcome remarks and a review of the past year
- **Katie Gehring** – Growing Up Vergas initiatives and grant updates
- **Sherri Hanson** – Long Lake Park
- **Julie Bruhn** – Energy and resiliency efforts
- **Darren Dunlop** – Economic development in communities

Dinner was generously provided by Billy's, with meals planned for 40 people. Special thanks to Vanessa and her crew for their hospitality.

Meeting invitations were mailed to all businesses within city limits. Additional outreach included Facebook posts, information on the city website, and notices in the April city newsletter.

Notes for next year: Have curtain at entrance, have tv's in area turned off, and get live music for social hour.