CITY OF VERGAS COUNCIL MINUTES VERGAS GOVERNMENT SERVICES CENTER & ZOOM WEDNESDAY, JULY 2, 2025

The City Council of Vergas met at 9:00 a.m. on Wednesday, July 2, 2025, at the Vergas Government Services Center and via Zoom for a hybrid special council meeting, with the following members present: Mayor Dwight Lundgren, Council Members Bruce Albright, Paul Pinke, Dean Haarstick, and James Stenger. Absent: None. Also present: Clerk/Treasurer Julie Lammers and Utilities Superintendent Mike DuFrane; City Auditor Colleen Hoffman; Citizens Alex Ohman, Julie Bruhn, Marsha Huddleston, and Jordan Grossman; and Editor Bob Williams of the <u>Frazee-Vergas Forum</u>.

Call to Order

Mayor Dwight Lundgren called the meeting to order.

LMC Conference Review

Haarstick, Stenger, Albright, and Lammers attended the League of MN Cities conference in Duluth from June 25-27, 2025. The conference covered a range of topics, including taxes, cannabis regulations, city festivals, and emergency preparedness. The speaker shared insights from various sessions, highlighting the challenges faced by different cities in managing events, policing, and cannabis policies. They also discussed the importance of right-of-way ordinances and franchise fees for cities. The conference, attended by over 750 people, was recognized for its emphasis on civility and fostering bridges across political divides. The city received Step 1 and Step 2 certificates for the Green Steps sustainability program, with Julie Bruhn explaining how the program aligns with the city's environmental priorities and community development goals.

Mayor's Appointment

Lundgren's position will be open as of July 7th, and Acting Mayor James Stenger will fill the position until the Council appoints and swears in a replacement. Lammers stated the following have expressed interest in the Mayor's vacant position: Dean Haarstick, Bruce Albright, and Alex Ohman. Albright said he felt that the past Mayor Julie Bruhn has truly been a leader in the City of Vergas. Motion by Albright, seconded by Pinke, to appoint Julie Bruhn to the Interim Mayor's position. The motion passed unanimously. Albright thanked Lundgren for all the work he had done.

2024 Audit

Colleen Hoffman, Hoffman, Phillip & Knutson, PLLC, presented the 2024 audit. The meeting focused on the city's financial performance and operational updates. Hoffman highlighted the city's net gain in equity of \$300,000 for the year and praised Lammers' CTAS system for its efficiency. They discussed the importance of transparency and open communication, emphasizing that any concerns or suspicions should be reported directly to the speaker. The speaker also shared examples of financial misconduct in other municipalities to emphasize the importance of vigilance and ethical practices. The meeting focused on financial planning and budgeting for city projects, with a discussion of existing funds and bond payments. Lammers is working on setting up funds for future street maintenance and repairs, while the city has sufficient funds to cover current bond payments without borrowing. The group also discussed the importance of seeking grant funding for large projects, with Lammers mentioned as the point of contact for this initiative.

Parking and Alley Paving Project

Lammers reviewed the preliminary bond runs for the proposed improvement project in Vergas, based on the as-bid costs, related to the prepaid assessments and expected grant dollars, and terms (10 & 15 years). The average debt service for the 10-year term is estimated to be \$20,129, and the net levy \$21,135 (includes 5% over levy). For the 15-year term, we are estimating an average annual debt service of \$15,606 and an average annual levy of \$16,387. Motion by Albright, seconded by Stenger, to proceed with a 10-year bond for the parking and alley project. The motion passed unanimously.

Sewer Lift Station

The meeting focused on evaluating repair options for a lift station and pump issues. North Dakota Sewage and Pump provided the most cost-effective estimate of \$3,695 to fix the lift station and assess pump rebuild ability, compared to other companies' estimates ranging from \$7,216 to \$14,000. The group discussed whether to rebuild the existing pump or replace it, with North Dakota Sewage and Pump planning to inspect the pump before making a final recommendation. The repair work could be completed relatively quick as the station has been operating with only one pump. Lundgren expressed a preference for North Dakota Sewage and Pump based on their past experience with the company. Motion by Pinke, seconded by Albright to rebuild the lift station and approve the bid from ND Sewage for \$3,695. The motion passed unanimously. Sewer Jetting and Televising Lines

The meeting focused on the televising and jetting of a lift station. The group discussed the cost, which was determined to be \$2.50 per linear foot, and the importance of maintaining a record of televising for insurance purposes. Stenger asked DuFrane how many current feet of sewer we have. DuFrane stated he did not know and asked Lammers to get footage. They also

addressed the issue of grease in the system, proposing an education campaign to reduce the disposal of grease down the drain. Motion by Albright, seconded by Pinke, to approve the bid from Peterson to televise and clean lines every 4 years, proceeding with 1/3 of the city per year. The motion passed unanimously.

Adjournment

Motion by Albright, seconded by Pinke, to adjourn the meeting at 10:10 am. The motion passed unanimously.

Julie Lammers, CMC Vergas Clerk-Treasurer