

CITY OF VERGAS
PUBLIC HEARING
VERGAS EVENTS CENTER & ZOOM
Monday, August 11, 2025

The City Council of Vergas met at 6:00 pm, on Monday, August 11, 2025 at the Vergas Event Center and on a Zoom for a hybrid public hearing with the following members present: Acting Mayor James Stenger, Council Members: Bruce Albright, Paul Pinke, and Dean Haarstick. Also present: Clerk-Treasurer Julie Lammers; Utilities Superintendent Mike DuFrane; Attorney Karen Skoyles; Editor Bob Williams of the Frazee-Vergas Forum; Jessica Green of Northland Securities and Citizens: Julie Bruhn, Cal Miller and Marcia Huddleston.

Public Hearing

Call to Order

Acting Mayor James Stenger called the meeting to order at 6:00PM

Jessica Green explained the purpose of the public hearing on tax abatement and the issuance of General Obligation Bonds. She clarified that tax abatement in Minnesota does not involve eliminating taxes but rather designates specific parcels whose city portion of property taxes would equal at least the principal amount of the annual debt service on the bonds. Green noted that nothing changes for those property owners, as their tax statements remain the same, and the debt service is spread across all taxable properties in the city.

Green explained that she and Lammers had selected parcels around the downtown area that would benefit from the parking lot improvements and utilities. She confirmed that the public notice had been published in the newspaper within the required timeframe (10-30 days prior to the hearing).

She provided details on the bond information:

- Principal amount: \$147,000
- Total project amount: \$191,755.18
- Reductions: \$25,000 grant and \$31,775 from upfront assessment payments
- Term: 10 years
- Interest rate: 5.2%
- Structure: Annual principal payments and semi-annual interest payments
- Partner: Vergas State Bank as the private purchaser of the bonds
- Borrowing authority: Combination of chapters 475 and 469 of Minnesota statutes

Green explained that using Vergas State Bank would save the city money as they wouldn't need to pay for a paying agent (approximately \$500 per year).

Stenger asked for public comments. Lammers clarified that the project would include the parking lot behind the liquor store, where the county garage used to be, both of those lots, and the alleyways between them and between the municipal building and post office. Bruhn noted there was a storm drain that wasn't working properly that would be repaired. The project would include parking lot striping.

Albright mentioned that the cardboard dumpster used by the hardware store and grocery store would have a designated spot in the parking lot.

Huddleston asked how Billy's was involved in the tax abatement. Green explained that Billy's was not directly involved; rather, their tax value was part of the calculation to ensure there was enough tax capacity to support the bond payments.

With no further questions or comments, Stenger closed the hearing at 6:11PM

**CITY OF VERGAS
COUNCIL MINUTES
VERGAS EVENTS CENTER & ZOOM
Monday, August 11, 2025**

The City Council of Vergas met at 6:30 pm, on Monday, August 11, 2025 at the Vergas Event Center and on a Zoom for a hybrid regular public hearing with the following members present: Mayor Julie Bruhn, Council Members: Bruce Albright, Paul Pinke, James Stenger and Dean Haarstick. Also present: Clerk-Treasurer Julie Lammers; Utilities Superintendent Mike DuFrane; Attorney Karen Skoyles; Editor Bob Williams of the Frazee-Vergas Forum; Jessica Green of Northland Securities and Citizens: Cal Miller and Marcia Huddleston.

Call to Order

Acting Mayor James Stenger called the meeting to order at 6:30PM

Oath of Office

Clerk-Treasurer Julie Lammers administered the Oath of Office to Mayor Julie Bruhn.

Introduction of City Attorney

Mayor Bruhn introduced Karen Skoyles as the new city attorney. She explained that the law firm the city had previously would be maintaining oversight of the city's legal matters.

Attorney Skoyles introduced herself, explaining that she works with Ramstad, Skoyles and Bakken law firm. She mentioned they do a lot of work with municipalities in Minnesota. She stated they take municipal business seriously because they understand there are reasons people live in municipalities and expect rules to be followed.

Mayor Bruhn welcomed Skoyles and encouraged her to interrupt if she felt there was something that needed discussion. Skoyles responded that was why she attends the meetings.

Citizens' Concerns

No citizen concerns were reported.

Agenda Additions and Deletions

Motion by Pinke, seconded by Stenger to approve the agenda as presented. Motion passed unanimously.

Approval of Consent Agenda

Mayor Bruhn requested to pull out the liquor store bills for discussion. She expressed concern that even with July being a busy month, the liquor store was \$20,000 in deficit, and they hadn't yet paid the \$30,000 to the general fund. She noted this was a significant change from the past when they had been doing well financially.

Lammers announced that the liquor store committee would meet before the next council meeting to discuss this with Kyle Theisen (liquor store manager), who reported that sales were slowly decreasing, a trend also happening in other small cities. She emphasized this could have a huge impact on other budgets if the \$30,000 wasn't transferred to the general fund.

Regarding the council portfolio, Mayor Bruhn explained it was basically the same, but she inserted herself where Dwight Lundgren had been, except for water/sewer which went to Bruce Albright.

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

Tax Abatement Bond - Parking Lot and Alley

Green from Northland Securities presented the resolution 2025-007 for the award of the sale of general obligation tax abatement bonds, Series 2025A, with a principal amount of \$147,000. She reiterated that the proceeds would finance improvements to the parking lot and stormwater drainage, with Vergas State Bank as the private purchaser. She confirmed the closing date would be September 10th, when proceeds would be available. (Complete copy of resolution can be found at the clerk-treasurer office)

Motion by Albright, seconded by Pinke to adopt resolution 2025-007 relating to property tax abatement for public infrastructure and parking lot projects granting the abatement. The motion passed unanimously.

Event Solar System

Two resolutions were presented: one for the solar system and one for West Central Initiative financing.

Motion by Albright, seconded by Stenger to adopt resolution 2025-006 to accept solar proposal. (Complete copy of resolution can be found at the

clerk-treasurer office)

Motion by Albright, seconded by Stenger to approve resolution 2025-005 for financing with West Central Initiative. (Complete copy of resolution can be found at the clerk-treasurer office) The motion passed unanimously.

Council Meeting Time

Mayor Bruhn requested consideration of moving the council meetings from Mondays due to her multiple commitments on that day. She understood that Tuesdays were difficult due to Lions meetings at the same location.

Albright mentioned he had conflicts on Tuesday nights in summer with fishing league, but was willing to make accommodations. There was discussion about whether Wednesday would work, but it was noted that rescue meetings were held on the second Wednesday of the month.

After further discussion about various constraints, Albright suggested moving to the third Tuesday.

Motion by Albright, seconded by Stenger to move the council meeting to the third Tuesday at 6:30 PM. The motion passed unanimously.

Committee Reports

A. Pickleball

Lammers reported that the pickleball committee presented to the park board requesting to put cement around the courts as shown in pictures provided. The project had two phases:

1. Phase 1: Install sunshades over the bench area and create an 8 by 40 concrete pad at the entrance for shaded benches
2. Phase 2: Install a sidewalk on three sides of the court

DuFrane expressed concerns about space constraints, particularly whether the 8-foot pad would interfere with the roadway and parking area. He noted that the corner area was already tight with the fence and adjacent properties.

Durfrane suggested alternatives such as placing the benches on the other side facing the ball diamond, but it was noted that the current location allowed viewing both courts simultaneously.

Mayor Bruhn suggested having Shannon Carpenter from the pickleball association meet with DuFrane to work out the details and report back at the next meeting.

Baseball Field Usage Fee

Lammers reported that the park board recommended charging a \$100 fee to any schools wanting to use the baseball field, except for Frazee, which helps with field upkeep.

Albright made a motion to approve this recommendation, but during discussion, Stenger expressed concern that the fee might deter people from using the field, which would hurt local businesses that benefit from visitors (gas stations, restaurants, etc.).

Albright withdrew his motion, and the council agreed to gather more information from the baseball committee and determine whether the fee should apply to schools only or to all outside users.

B. Planning Commission

Albright reported that a citizen had approached him about the city siren, noting it had been turned off during Looney Days and that was appreciated. The planning commission discussed whether the frequent sounding of the siren (7 AM, noon, 1 PM, 6 PM) might cause people to ignore it during actual emergencies—similar to "the boy who cried wolf."

The council discussed conducting a survey to gather public input. After debate about who should be included in the survey (residents, property owners, or business owners), they decided to create a survey that would ask respondents to identify whether they were residents, business owners, or property owners within the city limits.

The survey would be available online and in the newsletter, with responses due by September 10th to allow time for analysis before the next council meeting.

Haarstick emphasized that emergency sirens are critical, and noted there had been many emergency calls this year. Mayor Bruhn clarified they were only discussing the time sirens (7 AM, noon, 1 PM, 6 PM), not the emergency weather siren controlled by the county.

Motion by Albright, seconded by Stenger to proceed with the siren survey. The motion passed unanimously.

Staff Reports

Utilities Superintendent Report

DuFrane had no specific report. Mayor Bruhn thanked the city utility workers for their work during Looney Days, noting the town looked good and acknowledging the effort required for hauling and garbage management.

Albright asked about the lift station status. DuFrane reported they were waiting on a pump from the original company, as they had to go through Minnesota PubWorks due to a non-compete clause with North Dakota Sewage. He noted that only one pump was currently running, but it served only a few houses so they were managing.

Regarding the water treatment plant fencing that had been discussed previously, DuFrane reported they did not receive the grant, as the state had canceled that particular grant program.

Clerk-Treasurer Report

Lammers requested permission to apply for an OSHA safety grant. She explained this was a 50/50 grant up to \$10,000, and she had applied two years ago but didn't receive it.

She proposed three security projects:

1. City office: Camera at the entrance, camera at the back of the building, and a panic button (\$2,684.88 from Arvig)
2. City shop: Two cameras covering front and back areas (\$2,894.58)
3. Yard waste site: Multidirectional panoramic camera (\$8,018, more expensive due to lack of Internet access)

There was extensive discussion about the yard waste camera. Skoyles cautioned that for effective enforcement, they would need to be able to identify specific individuals, not just license plates, and would need to manage significant amounts of data. DuFrane shared that they had tried using a deer camera but had issues with people tampering with it.

DuFrane also reported growing concerns about fire safety at the yard waste site, noting the fire department had recently responded to a fire that cost the city \$750. He mentioned a previous incident that cost around \$2,000 and warned that the brush pile was encroaching on trees, some of which were dead, creating a significant fire hazard.

Motion by Albright, seconded by Stenger to apply for the OSHA grant for the city shop and office cameras (including panic button). The motion passed unanimously.

Lammers also mentioned that many cities are putting their council meetings on YouTube and suggested that with the deputy clerk's assistance, they could do the same. Council members generally supported transparency, but Skoyles cautioned about the potential for inappropriate comments. The council decided to gather more information about YouTube options, particularly whether comments could be disabled.

Information & Announcements

Lammers would be attending Clerks Advanced Academy in Rochester on September 18-19, 2025.

Adjournment

The business for which the meeting was called having been completed, the meeting was adjourned at 7:34PM.

Vergas Clerk-Treasurer
Julie Lammers, CMC