

CITY OF VERGAS  
PUBLIC HEARING MINUTES  
VERGAS EVENTS CENTER & ZOOM  
Tuesday, September 12, 2023

The City Council of Vergas met at 6:00 pm, on Tuesday, September 12, 2023, at the Vergas Event Center and on a Zoom for a hybrid for a public hearing with the following members present: Mayor Julie Bruhn, Council Members: Bruce Albright, Paul Pinke, Dean Haarstick and Natalie Fischer. Absent: none. Also present: Clerk/Treasurer Julie Lammers, Utilities Superintendent Mike DuFrane, Liquor Store Manager Kyle Theisen, Attorney Tom Winters, Engineer Blaine Green, Carol Albright, Joy Summers, JoAnne Knuttila, Tony Sailer, Kevin Zitzow, Vanessa Perry, Duane Ditterich, Daren Berube and Paul Haarstick. On zoom was Amber's Galaxy, Jay, Kelly and Matthew's iPhone.

Mayor Julie Bruhn opened the public hearing at 6:00 pm.

Bruhn reviewed the cannabis ordinance and explained the city is proposing to adopt the same cannabis ordinance as Otter Tail County.

Mayor Julie Bruhn closed the public hearing at 6:09 pm.

CITY OF VERGAS  
COUNCIL MINUTES  
VERGAS EVENTS CENTER & ZOOM  
Tuesday, September 12, 2023

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**Call to Order**

Mayor Julie Bruhn called the meeting to order.

**Citizens' Concerns**

No concerns addressed.

**Agenda Additions and Deletions**

Motion by Pinke, seconded by Albright to approve the agenda with the following changes: Moved LMC-Liability Waiver and Events Center Advisor and CDH-Vergas Fire board moved to Consent Agenda. Pull the City claims list from the consent agenda. Motion passed unanimously.

**Approval of Consent Agenda**

Discussed claims list for approval questioned the claim for \$7,300 for Sonnenberg Excavating for grading and gravel. Albright explained it was for graveling Townline Road and Bennett Road and the street committee felt more gravel was needed than what we have done in the past. DuFrane explained the roads had not been graveled for a few years.

Motion by Pinke, seconded by Fischer to approve the following consent agenda:

1. Council Minutes of the August 8 and 17, 2023
2. Bills paid between Council meetings and Council bills totaling \$120,842.44.
3. Liquor Store bills for August 2023 totaling \$109,669.90.
4. Late water/sewer bills

5. 2023 Investment Schedule/Bond Schedule
6. American Rescue Plan Funding 2021-2026
7. Committee Reports: Personnel Committee, CDH-Fire Board, Event Center Advisory Board.
8. LMC-Liability Waiver

Motion passed unanimously.

### **Cannabis Ordinance**

Bruhn explained earlier we had a public hearing with no comments to change the ordinance adopted language from Otter Tail County. Motion by Pinke, seconded by Albright to approve Cannabis Ordinance after publication. Motion passed unanimously.

### **W. Lake Street Survey and Right of Way**

Albright explained the streets committee has reviewed W Lake Street and the street is almost impossible to maintain in the winter when we have heavy storms. We have a subdevelopment at the end of this street and the street committee feels we need to clean up the right of way on this street. Normally we have 66 feet of right of way on a street. The streets committee would like to get the right of way straightened out before we can proceed. With the street being there for many years it is time to proceed with easements and look at some kind of improvement to this street. Property owners questioned the timeline and if culverts would be placed. The layout of the street and the timeline will be decided after funding is received by the grant. Green explained that if you look at the agreement, phase 1 is 30 days and phase 2 is 60 days. Greene questioned if he would be able to put the stakes in the ground currently as he could not promise they could put stakes in frozen ground. Motion by Albright, seconded by Pinke to apply for the Local Road Improvement Program (LRIP) for \$2,500.00. Motion passed unanimously.

### **131 E Main St**

Lammers updated the Council on the purchase of 131 E Main St. The city council approved Lammers to purchase the property on August 16 and it was purchased for \$197,501.00, an inspection of the building was done for \$400.00, and the city lowered bid by \$600.00 due to some repairs making the purchase price \$196,901.00. The city has paid \$5,000 earnest money. Lammers is working with our city attorney, League of Mn Loss Control consultant, Joy Summer as our realtor and Daren Berube at Vergas State Bank. Lammers provided a layout for the remodeling project and asked Council permission to go out for bids.

Kevin Zitzow, President of EDA, gave background of EDA. Zitzow stated they were surprised the building was purchased, the city paid too much for the building, there is going to be tons of expenses for this building, this is a poor decision buying this building. The city should consider remodeling the event center for city offices. There was multiple bids for this building and the EDA does not feel this was a good decision. Duane Ditterich stated he is not a Vergas taxpayer, but he is not in favor of a main street business space used for city office. This was not good use for retail space. Ditterich randomly asked 7 business owners in town and all 7 of them said this was a bad to poor decision. Ditterich stated he is not done investing in his lifetime but if the city is going to take the opportunity of business away from businesses, he can take his investments to the townships. Albright stated the EDA does agree the conditions of the current city office do need to be improved. The city is very limited and if a business came to town today, we would ask where we put them. Having the city offices moved this is expanding retail with the liquor store. Albright stated it is really neat that when you come to town on a Saturday you cannot find a parking spot. Fischer stated the building has been sitting empty for years and no one opened a retail business. Zitzow questioned how the city can say they do not have funding, but they can buy a building. Carol Albright questioned what kind of business would go into the building. Paul Haarstick questioned if the same funding could be used for the building be the same for the remodeling of the event center. With the purchase of this building we will be using the rent from the US Post Office. Bruhn explained the council looked at the businesses requested in the comp plan: car wash, pharmacy, etc. and this building was not feasible for any of these businesses. The timeline was set by the seller not the city. Zitzow asked our attorney what the justification was for paying over the purchase price. Attorney Winters stated that there would need to be justification. Perry stated Summers, Lammers and herself did look at remodeling the area by the bar for City Offices. Already many people go to Frazee because our event center is too small. Albright asked Lammers how we were going to pay for this.

Lammers stated the Council needs to decide if we are going to finance the project with a lease to own bond for 15 years, for a cost of \$17,000 and an interest rate or we can use uncommitted funds to purchase the project. Zitzow

questioned the council why the city does not have a community meeting regarding the building. Fischer stated that she would like to proceed with the current plan. This building will pay for itself with the lease with the post office. By roll call the council decided to have a public meeting session. The following wanted a public session: Pinke, Haarstick and Albright. To proceed with the purchase: Fischer. Motion by Albright, seconded by Pinke to hold a community public input session on September 27 at 6:30 pm with a special council meeting immediately following the public input session. Voting yes: Pinke, Albright and Haarstick. Voting no: Fischer. Motion carried.

### **Chevy Pickup Bid Opening**

At 7 pm opened bids for 06 Chevy Pickup. Two bids were received at the city office. Bruhn opened the 2 bids, one for \$404.00 the other for \$800.00. Motion by Albright, seconded by Pinke to sell pickup for \$800.00. Motion passed unanimously.

### **Event Requests**

#### Alley Closing – Sept. 16, 2023

Motion by Albright, seconded by Pinke to close the alley between Altona Square and Vergas Liquor Store from 11:00 – 4:00 pm on Saturday, September 16, 2023 and have city staff drop off barricades. Motion passed unanimously.

#### Hairy Man City worker request – Sept 30, 2023

Motion by Albright, seconded by Pinke to accept the request for city workers for Hairy Man event with employees completing all the work during regular working hours. Motion passed unanimously.

### **Committee Reports**

#### Parks

Tony Sailer reviewed the Park Board meeting held on August 24, 2023 (minutes available at the Vergas City Office). Motion by Pinke, seconded by Fischer to proceed with FEMA grant for a multi-use building at the Long Lake Park to double as a restroom and storm shelter. Motion passed unanimously. Motion by Pinke, seconded by Fischer to proceed with a bike grant for 3 two hung racks for \$400.00 each with a grant to pay for the racks and install them at the city parking lot, Long Lake Park and at the trail head. Motion passed unanimously. Motion by Pinke, seconded by Haarstick to proceed with further research on ice rinks and to proceed with a light on a second pole at the skating rink. Motion passed unanimously. Motion by Fischer, seconded by Haarstick to spend up to \$2,500.00 on the restrooms at Long Lake Park. Motion passed unanimously. Discussed the need for porta-potties to be placed during skating rink time is open. The water ski team would like the same usage of the beach for the summer of 2024. There will only be one dock next year. They asked if they could store their present docks along the shoreline. DuFrane asked who would be liable and Lammers stated the County does not allow docks to be stored within 200 feet of the road. Motion by Albright, seconded by Pinke to allow the ski team for 2024 and to allow them to store the docks on city property. Motion passed unanimously.

#### Liquor Store/Municipal Building/Licensing Committee

The committee recommends increasing the rent from \$500.00 to \$600.00 a month. Knuttila explained they paid \$1,800 more for the flooring than they had expected for the building. With the amount of labor that has gone into the building she feels they have made an investment in the building. A 20% increase is kind of high. Knuttila asked for a 10% increase and to sign a 3-year lease. Need to look at the entry way, only public bathrooms and stairs need to be taken into consideration. Motion by Albright, seconded by Pinke to enter into a 2-year lease for \$550.00 a month. Motion passed unanimously.

#### Water and Sewer Committee

Fischer reviewed the Water and Sewer Committee meeting held on September 9, 2023 (minutes available at the Vergas City Office). Committee recommends we deny the request from Bunkowske to raise the manhole 6 feet. Engineers have not been able to work out an agreement. Motion by Pinke, seconded by Haarstick to deny the request. Motion passed unanimously.

The Water and sewer committee has received a request from EDA/HRA to lower the water and sewer payments for the improvements at Sunny Oaks Development. Zitzow explained that currently the city is getting zero on these lots and if they should lower them to \$10,000 to help the EDA/HRA to raise funds and get some money back. The

water and sewer committee is proposing a break of \$5,000 if built on in 2024, \$4000 if built on in 2025, \$3,000 if built on in 2026, \$2,000 if built on in 2027 and \$1,000 if built on in 2028. Motion by Albright, seconded by Fischer to lower project costs on these lots to 15 years if they sell within 2 years or by December 31, 2025. Motion passed unanimously. Motion by Fischer, seconded by Pinke to receive grease records from Loon's Nest, Skal and Billy's Corner Bar. Motion passed unanimously. : 2024 Water Budget Discussed proposed budget for 2024. The water fund had a \$15,420.00 loss in 2022 and currently is looking at a \$5,804.00 loss in 2023. The main cause of the loss is the payback of the 2019 water and sewer bond payment which was not reimbursed by property owners. Discussed raising the rates for 2024. The current rate is \$3.75 with an increase of 50 cents rate would be \$4.25 and 75 cents would be \$4.50 per 1,000 gallons. The committee recommends the council approve the 2024 proposed water budget totaling \$137,200.00 with a 50 cents per 1,000-gallon increase in rates. Motion by Albright, seconded by Pinke to raise water rates by 50 cents per 1,000 gallons in 2024. Motion passed unanimously.

#### EDA/HRA

Discussed dispensaries and waiting for Planning Commission to review locations the city will allow for dispensaries.

#### Streets/Sidewalks/Yard Waste

Motion by Albright, seconded by Fischer to approve in accordance with the new ordinance for street lighting. Motion passed unanimously.

#### **Staff Reports**

Lammers requested guidelines on presentation. Bruhn stated Lammers should use the proposed plan and Council members should contact Lammers with suggestions.

Due to the length of the meeting all staff reports were tabled until the October meeting.

#### **2024 Budget**

Motion by Albright, seconded by Pinke to approve resolution regarding preliminary budget (complete copy of resolution located at the city office) for \$271,225.00. Motion passed unanimously.

#### **Information & Announcements**

##### Trainings:

- A. Clerks Advanced Academy- Sept 14-15, 2023, Bemidji, MN (Lammers)
- B. LMC, Safety and Loss Control Workshop, Peer Support Training, Cybersecurity Essentials, October 31, Fergus Falls, (Lammers, DuFrane, Engebretson)

##### Events:

- A. Otter Tail County Board of Commissioners Open House in Pelican Rapids-September 18, 7-9 pm-Lake Region Electric Cooperative 1401 South Broadway Pelican Rapids MN
- B. Hairy Man, September 30, 2023.

#### **Adjournment**

The business for which the meeting was called having been completed, the meeting was adjourned at 8:55 pm.

Vergas Clerk-Treasurer  
Julie Lammers, CMC