

Pipestone, Minnesota
August 4, 2025

Pursuant to due call and notice thereof, a Special Meeting of the Pipestone City Council was duly held in the city council chambers at Pipestone City Hall at 5:30 p.m. on the 4th day of August 2025. Mayor Dan Delaney called the meeting to order. Members present: Dan Delaney, Danielle Thompson, Rodger Smidt, and Verdeen Colbeck. Others present: Kyle Kuphal, City Treasurer Jodie Jensen, City Engineer Travis Winter, Public Access Coordinator Steve Moffitt, Assistant City Administrator-Clerk Stephanie LaBrune, and City Administrator Deb Nelson.

Mayor Delaney called the meeting to order and stated the purpose of the special meeting was to hold a work session to discuss the 2026 budget.

Administrator Nelson then provided a PowerPoint presentation with highlights from the draft 2026 budget. She started her presentation by explained to the council that the budget numbers are very, very preliminary. She stated that she, Mayor Dan Delaney, and city finance staff met with department heads in July to develop capital outlay schedules and budget proposals. She shared that the preliminary figures showed a potential 10 percent levy increase. Nelson said the preliminary budget includes a 5 percent cost of living increase for city employees, which could be lowered, and a 3 percent increase in both city attorney's fees. She also shared that the city is expected to receive \$2,759,371 in local government aid in 2026, which amounts to an increase of \$7,218 from what was received in 2025. It was also noted that the city's debt service amount will be reduced by \$31,801.

Nelson also presented information about big ticket items that have been proposed and noted that not all of them were included in the draft budget. Two options for a splash pad were presented. With proposed costs varying from \$270,000 to \$467,000. Delaney said, the city certainly is not proposing that the whole dollar amount be paid for entirely by the budget. He added that the project will be partially funded with grants and donations. Potential locations for the future splash pad were also discussed.

Nelson also alerted the council of a large projected expense relating to the airport fuel tank replacement project at the Pipestone Municipal Airport. She said the current below ground fuel tanks are a safety issue because of water infiltration issues. She also shared that there are grant funds available for the estimated 1-million-dollar project and said that the city's share of the project would be approximately \$400,000. She said that cost is not included in the budget. Delaney suggested the city also look into selling bonds to spread the cost out over a longer period.

A new recreation center was also discussed and Nelson said there is a \$50,000 transfer from the liquor store fund to a new recreation center/city building fund so there is a fund available where the city could set aside funds for the project each year and the fund could also be used to store donations, such as the funds that were raised by the #LiveLikeJoe golf tournament.

In addition, the law enforcement contract amount was discussed and Delaney said the city is hoping to be able to negotiate the contract following new information that was discovered pertaining to dispatch responsibilities back in January.

Finally, the council came to a consensus that they would like to review the final draft budget figures during a special meeting on September 2nd with plans to adopt a preliminary levy before the end of September, which is the deadline to approve the preliminary levy.

ADJOURNMENT

Motion made by Colbeck, seconded by Thompson and unanimously carried to adjourn the meeting at 6:08 p.m.

Dan Delaney
Mayor

ATTEST:

Stephanie LaBrune
Assistant City Administrator - Clerk