

Pipestone, Minnesota
September 2, 2025

Pursuant to due call and notice thereof, a Special Meeting of the Pipestone City Council was duly held in the Municipal Building at 5:30 p.m. on the 2nd day of September 2025. Mayor Dan Delaney called the special meeting to order. Roll call was taken and a quorum was declared. Members present: Dan Delaney, Rodger Smidt, Danielle Thompson, Scott Swanson and Verdeen Colbeck. Absent: None. Others present: Kyle Kuphal, Assistant City Administrator/Clerk Stephanie LaBrune, Cable Access Coordinator Steve Moffitt, and City Administrator Deb Nelson.

Mayor Delaney stated the purpose of the special meeting is to hold a work session to discuss the proposed 2026 budget and levy.

Delaney then turned it over to Administrator Nelson. Nelson started off by saying that the initial preliminary levy increase is 11% or \$366,545. She then shared that the proposed budget includes a 10% increase for health insurance, a 5% cost of living adjustment (COLA), \$50,000 for blighted city property, a \$100,000 transfer to the water fund from the general fund, and a \$50,000 transfer to the recreation fund from the liquor store funds to start a new recreation/city building fund. She also added that there is a deficit in the cemetery fund due to not selling lots.

Delaney then asked about the airport fund deficit. Nelson responded that the excess is needed for the hangar project and added that the budget does not include any funds needed for the fuel tank project. Delaney then asked why there was only \$96 in excess revenues shown in the municipal building fund. Nelson stated that there was a renter than moved out and another moved back in.

The council then held a discussion on the general fund and the impact the Sheriff's contract has on the general levy. Delaney shared that a \$240,000 decrease could result if the County would remove the dispatch costs from the city's contract. Smidt stated that the reduction could lower the city's proposed levy by 8%.

Discussion was then held on the COLA. Smidt asked what the social security COLA was. Nelson stated that she thought it was around 2.7%. Nelson said that she was working on refiguring the COLA and said the levy would drop by reducing the COLA from 5% to 2.7%. Smidt shared there could be a 1% to 1.5% reduction in the levy if the COLA was reduced.

Swanson asked if there was anything that could be pushed back in the capital outlay sheets? Nelson said there could be somethings pushed back such as the pumper truck.

Delaney then asked about the airport fund stating, what will happened to the \$180,000 in the reserves if the full \$400,000 is borrowed. Nelson said the money would stay in the airport fund.

Smidt then stated that if there is a chance the Sheriff's contract could be negotiated, that would reduce the budget quite a bit and suggested that he would like to hold off on removing a lot of these things because they are not bad ideas.

Discussion was also held on the Carnegie Library. Nelson shared that the money saved for the last three years was mostly used to pay LHB. Delaney stated that the Carnegie Library building will keep costing the city if a decision cannot be made on what to do with it.

The council also inquired about other city's preliminary levies and Nelson stated that she would reach out to them tomorrow.

Lastly, Delaney stated that the city was fortunate last year to not have an increase in insurance costs and said the city will also be saving money this year by contracting with a company to provide building official services.

ADJOURNMENT

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

Dan Delaney
Mayor

ATTEST:

Stephanie LaBrune
Assistant City Administrator - Clerk