

Pipestone, Minnesota
December 15, 2025

Pursuant to due call and notice thereof, a regular meeting of the Pipestone City Council was duly held in-person and via Zoom in the Council Chambers at City Hall at 6:30 p.m. on the 15th day of December, 2025. Mayor Dan Delaney called the meeting to order. Roll call was taken and a quorum was declared. Members present: Dan Delaney, Rodger Smidt, Scott Swanson, Danielle Thompson, and Verdeen Colbeck. Absent: None. Others present: City Administrator LaBrune, Cable Access Coordinator Steve Moffitt, Pipestone Community Development Director Justin Schroyer, Administrative Assistant Megan DeWitte, and community member Donna Morris. City Engineer Travis Winter, City Attorney Jason Hill appeared via Zoom.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

APPROVE AGENDA- ADDITIONS, CHANGES OR DELETIONS

Motion was made by Thompson, seconded by Colbeck and unanimously carried to approve the agenda.

CONSENT AGENDA

Mayor Delaney state the consent agenda contains the December 1, 2025 Regular Meeting Minutes, Payment of Claims-Listing of Bills in the amount of \$384,184.37 for warrants #076413-#076521, and the November 2025 Financial Report. Delaney asked if there was any further discussion needed regarding these items. No further discussion was held.

Motion was made by Swanson, seconded by Thompson, and unanimously carried to approve the consent agenda contents of the December 1, 2025 Regular Meeting Minutes, Payment of Claims-Listing of Bills, and the November 2025 Financial Report.

COMMUNITY CONCERNS

Resident Donna Morris of 420 9th Ave NW, Pipestone, spoke on behalf of her concern as a landlord in the community about the delinquent utility bill that her tenants had acquired at one of her properties. She claims she had called into City Hall asking for their water service to be turned off due to the bill being unpaid, and was told that could not happen due to the tenants having signed a financial agreement at city hall and making attempts to pay their delinquent bill at that time.

LaBrune shared what the city policy states and how staff notifies tenants and property owners of the delinquent bills and told Morris that she would be happy to discuss it further tomorrow. Mayor Delaney informed Morris that no action can be made on the day a concern is brought forward but said he would discuss it with the council further and act on it at a later date.

PUBLIC HEARING

Public Hearing Relating to the Pipestone Economic Development Authority's proposed amendment to the Spending Plan for Tax Increment Financing District #12 and 13, pursuant to Minnesota Statutes, Section 469.176, Subd. 4n.

Mayor Delaney shared, this Spending Plan is being amended to authorize the Pipestone EDA to use available tax increments from the TIF Districts and interest earned on transferred increment to provide assistance in business expansion within the City's downtown area.

Preference for the assistance is to finance a portion of the costs of demolition and site preparation of two substandard parcels in the City's Downtown area. It allows the proposed developer to acquire the parcels, construct as expansion of its current business operations, and add additional employees, he explained. The proposed developer has submitted a Letter of Intent to the EDA which represents construction of the Development shall commence before December 31, 2025. It would not commence by such date without the assistance provided pursuant to the Spending Plan.

To amend the budget set forth in the Tax Increment Financing Plans for the Tax Increment Financing District is necessary to provide the assistance authorized by this Spending Plan. To take any other action necessary and authorized under the Act in connection with the construction or substantial rehabilitation of facilities of the type described in the clause above.

The assistance provide pursuant to this Plan shall be subject to Minnesota Statutes, Sections 116J.993 to 116J.995 (the "Business Subsidy Law"), if applicable, and shall be subject to the City's Business Subsidy Policy.

Motion was made by Smidt, seconded by Thompson, and unanimously carried to open the public hearing at 6:40pm.

Mayor Delaney asked if anyone would like to speak or has anything to share about amending the Spending Plan. There was no further discussion.

Motion was made by Smidt to close the public hearing, seconded by Swanson and unanimously carried. Public Hearing was closed at 6:41pm.

LEGAL

Ordinance 169, Fourth Series: An ordinance Establishing Fees, Charges, and Compensation as Allowed by City Code. Delaney said, this Ordinance was introduced at the December 1st Council Meeting and is now ready for council consideration and adoption. These rate changes are being recommended by city staff SAFEbuilt, and Ehlers who conducted a utility rate study in 2024. Additionally, the State Water Surcharge fee is a fee set by the MN State Department of Health.

	<u>OLD FEE</u>	<u>NEW FEE</u>
Copies	.25/copy	.10/copy
State Water Surcharge Fee	.81/mo.	1.27/mo.
Water Base Fee	36.30/mo.	39.93/mo.
Water Usage Fees	1.03/100gal.	1.13/100gal
Sewer Base Fee	22.20/mo.	28.08/mo.
Sewer Usage Fees	1.23/100gal. water	1.36/100gal. water
Storm Water REF		
(Residential Equivalency Factor)	10.60	11.24
Commercial Garbage	*Overall 2.00 per yard increase	
Building Permit Fees	*Updated with SAFEbuilt recommendation	

Motion was made by Smidt, seconded by Thompson to approve and adopt the new fee schedule to Ordinance 169, fourth series.

Mayor Delaney said he would like some discussion on this and had some concerns to share. He stated that he thinks that the economic status is getting strenuous on some residents and that it makes little sense to hold the levy down but increase service rates for next year. He would like to see a fee schedule adopted that does not increase fees on the water and sewer services until the economy stabilizes a little more.

Smidt asked if these rates were increasing because our City Departments are supposed to be standing on their own financially?

Delaney said yes but they are not operating in the black yet anyway. Delaney said he would like to delay these increases at least 6 months or just keep as is for 2026.

LaBrune shared that Ehlers recommended approximately 20% for the first 3 years starting in 2024 and then 3% each year to get the enterprise funds into the black. She also said and these increases have not been implemented in the past to keep up with the spending costs.

Delaney stated, to do these increases 3 years in a row is too aggressive, we need to try to give some relief where we can.

Smidt and Thompson both agreed to rescind their motion.

Delaney made a motion to only change the necessary increases in Ordinance 169, Fourth series, excluding any increases to water, storm sewer, sanitary sewer, and garbage rates. The motion was seconded by Colbeck. Roll call vote Ayes: Delaney, Colbeck, Thompson, Smidt, and Swanson. Nays: none.

Introduction of Ordinance No. 170, Fourth Series: An Ordinance of the City of Pipestone Amending Chapter 90 of the Pipestone City Code Regarding Dynamic Braking in the City-

Mayor Delaney shared, this Ordinance was developed by Attorney Hil following concerns brought forth from residents. If adopted, it would add additional language to the city code to help with enforcement efforts for people who use Jake brakes and do not have adequate exhaust on their vehicles. This ordinance is being introduced and will be considered at the next Council meeting on January 5th.

NEW BUSINESS

Resolution 2025-76 Delaney said a public hearing was held on December 1st for a tax abatement request by Alison Douthy on a new home construction in Southwest Acres. To authorize the abatement, Resolution 2025-76: A Resolution Relating to a Tax Abatement on Property Being Developed by Alison Douthy; Granting the Abatement will need to be approved by the Council.

Motion made by Colbeck, seconded by Swanson, and unanimously carried to approve Resolution 2025-76 granting the Abatement request for Alison Douthy on her new home construction in Southwest Acres.

Resolution 2025-77 Delaney shared City staff is requesting approval of Resolution 2025-77: A Resolution Declaring Equipment or Property as Surplus and Authorizing the Sale of the Same for a 1996 Dodge Pickup that is no longer needed.

Motion made by Swanson, seconded by Smidt, and unanimously carried to approve Resolution 2025-77 authorizing the sale of a surplus 2008 Dodge pickup sold.

Resolution 2025-78 Delaney said earlier in the meeting, a public hearing was held concerning the proposed amendment to the Spending Plan for Tax Increment Financing Districts No. 12 and No. 13 in the City. To approve the amendment, a motion is needed.

Motion made by Thompson, seconded by Colbeck, and unanimously carried to approve Resolution 2025-78 which approves the amendment to the Spending Plan for Tax Increment Financing Districts No. 12 and No. 13 in the City.

Resolution 2025-79 Delaney stated, this is a Resolution accepting the following Donation(s)

- **Dan & Linda Delaney** \$100.00 Lights at the Lodge
- **Dynamic Health Chiropractic, Ltd.** \$100.00 Lights at the Lodge

Motion was made by Thompson, seconded by Smidt and unanimously carried to accept and approve Resolution 2025-79 accepting the two donations made for Lights at the Lodge.

Resolution 2025-80 Delaney shared, this is a Resolution Approving a State Airport Fund Grant Agreement with the Minnesota Department of Transportation, stating it would authorize staff to enter into an agreement with the state for a total grant not to exceed \$51,300 which will cover 60% of the design and bid administration costs for the Jet A Fuel System Replacement project.

Motion made by Swanson, seconded by Smidt, and unanimously carried to approve Resolution 2025-80 that allows City staff to enter into the agreement for the grant towards the Jet A Fuel System Replacement Project.

Resolution 2025-81 Delaney stated, this Resolution is to Approve Fund Transfers. It is a process that is done annually to make the 2025 budgeted transfers to the correct funds.

Motion made by Thompson, seconded by Smidt, and unanimously carried to approve Resolution 2025-81 and make the budgeted fund transfers needed.

Resolution 2025-82 Delaney shared, this is a Resolution Approving an Amendment to the Legal Services- Criminal Prosecution Agreement with O'Neill, O'Neill & Barduson. The City has been utilizing this legal firm since 2023 and they have requested an increase in compensation from \$3,000 per month to \$3,300 per month, he shared, their requested increase has been reflected in the 2026 budget.

Motion made by Thompson, seconded by Colbeck, and unanimously carried to approve Resolution 2025-82 that will increase monthly compensation for O'Neill, O'Neill & Barduson from \$3,000 per month to \$3,300 per month.

Resolution 2025-83 Delaney stated, this is a Resolution Establishing the Days, Times, and Places of Regular Meetings of the Pipestone City Council, Commissions, and Committees During Calendar Year 2026.

Motion made by Thompson, seconded by Colbeck, and unanimously carried to adopt Resolution 2025-83 that sets the meeting schedules for the upcoming year with considerations of the meetings that are scheduled on recognized holidays.

Resolution 2025-84 Delaney shared, that due to the size of Ordinance 169, Fourth series, staff has recommended the council approve this Resolution Authorizing the Publication of a Summary for Ordinance No. 169, Fourth Series: An Ordinance Establishing Fees, Charges, and Compensation as Allowed by City Code LaBrune said, this motion will need to be approved with the changes made earlier in this meeting.

Motion made by Smidt, seconded by Swanson and unanimously carried to approve Resolution 2025-84 stating that a summary of Ordinance No. 169, Fourth Series can be published with the amended items of rates that will remain the same, as previously voted on and approved in this meeting.

Consider Approval of Cost-of-Living-Adjustment for Employees Delaney stated that a 2.8% Cost of Living Adjustment has been incorporated into the city's 2026 budget based on the increase established by social security. To authorize the 2.8% Cost of Living Adjustment we need council approval.

Motion made by Swanson, seconded by Thompson, and unanimously carried to approve the proposed 2.8% Cost of Living Adjustment for City Employee wages for 2026.

Consider Televising Camera Purchase- Delaney explained the need for a televising camera purchase that Wastewater Superintendent Joel Adelman is requesting. The purchase request is for a new 2026 Aries CCTV Voyager Command Center televising camera per state contract 187482 at the price of \$126,388, which includes the trade in price of \$5,000 for the city's current camera. Administration is proposing to purchase the equipment by transferring \$100,000 from the city's storm sewer replacement capital fund and also transferring \$26,388 from the city's sanitary sewer Jetter/Vac capital fund. The Utility Committee has discussed this matter and is recommending the purchase.

Motion made by Swanson, seconded by Smidt, and unanimously carried to approve the purchase of the 2026 Aries CCTV Voyager Command Center televising camera for the wastewater department.

Consider Amendment(s) to Geyerman's Utility Billing Account(s) Delaney shared that there is unique situation that has come forth with the utility services provided to Geyerman's Clothing Store. The property owners originally purchased three separate properties with three separate utility connections and since have expanded and physically combined all three buildings into one. The owners have made attempts to combine the parcels but have been unsuccessful meeting the requirements set by the County Auditor's office. Only one water and sewer connection is

being utilized by Geyerman's and the utility committee is recommending that the council authorize the City Treasurer to remove the water and sewer charges for 209 Main St. W. and 207 Main St. W. and only charge one water and sewer charge for 201 Main St. W. and one storm sewer charge for the three parcels that will be billed on the 201 Main St. W. utility bill.

Motion made by Swanson, seconded by Smidt, and unanimously carried to authorize the City Treasurer to remove the water and sewer charges for 209 Main St. W. and 207 Main St. W. and only charge one water and sewer charge for 201 Main St. W. and one storm sewer charge for the three parcels that will be billed on the 201 Main St. W. utility bill.

CLOSING COMMENTS

Mayor Delaney announced that commission chair member appointment letters are being mailed out. Let him know if you want to stay on your commissions or try a new one for 2026.

He also said he hopes everyone has a great holiday season, this hasn't been an easy year but we're getting through it and he looks forward to the year ahead. Great work has been done by everyone.

Administrator LaBrune shared that there is still work being done on the water treatment plant, and said it may be one more week with harder than normal water until they can get the issues repaired.

ADJOURNMENT

Motion was made by Colbeck, seconded by Thompson, and unanimously carried to adjourn the meeting at 7:07pm.

Dan Delaney
Mayor

ATTEST:

Stephanie LaBrune
City Administrator / Clerk