



City Council Regular Meeting Agenda

January 21, 2025 at 6:30 PM

Pipestone City Hall- 119 2nd Ave SW #9, Pipestone, MN 56164

- 1. Call to Order and Roll Call**
- 2. Pledge of Allegiance**
- 3. Approve Agenda – Additions, Changes, Or Deletions**
- 4. Consent Agenda**

All items listed with asterisks () are considered routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a Council member, City staff or citizen so requests in which case, the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

- 5. **Approval of Minutes**
 - [A.](#) January 6, 2025 Special Meeting Minutes
 - [B.](#) January 6, 2025 Regular Meeting Minutes
- 6. Community Concerns**
- 7. Reports**
 - A.** Airport
 - B.** Senior Center
 - C.** Housing & Redevelopment Authority
 - D.** Chamber of Commerce
 - E.** Economic Development Authority
 - F.** Museum
- 8. Public Hearings, Petitions, and Bid Openings**
- 9. Legal**
- 10. Engineering**
- 11. **Financial**
 - A.** Payment of Claims-Listing of Bills

B. December 2024 Financial Report

12. Old Business

13. New Business

A. Audio Video Integrations Proposal

B. Resolution 2025-9: A Resolution Accepting Donations

C. Resolution 2025-10: A Resolution Ordering Preparation of Report on Improvement

D. Resolution 2025-11: A Resolution Receiving Feasibility Report and Calling Hearing on Improvement

E. Resolution 2025-12: A Resolution Regarding an Application for Authorization for Exemption from Lawful Gambling Permit

F. Hiawatha Lodge Alcohol Dispenser Agreement

G. Schedule Local Board of Appeals and Equalization Public Hearing

14. Council Liaison Reports

A. Human Rights Commission

B. Historic Preservation Commission

C. Planning Commission

D. Community Improvement Commission

E. Park and Recreation Commission

F. Law Enforcement Liaison Committee

15. Closing Comments

16. Executive/Closed Session

17. Adjournment

Pipestone, Minnesota
January 6, 2025

Pursuant to due call and notice thereof, a special meeting of the Pipestone City Council was duly held in-person and via Zoom in the Municipal Building at 5:30 p.m. on the 6th day of January 2025. Mayor Dan Delaney called the meeting to order. Roll call was taken, and a quorum was declared. Members present: Dan Delaney, Danielle Thompson, Scott Swanson, Rodger Smidt, and Verdeen Colbeck. Absent: none. Others present: City Attorney Jason Hill Via Zoom, City Financial Advisor Rebecca Kurtz Via Zoom, Kyle Kuphal, Cable Access Coordinator Steve Moffitt, Assistant City Administrator/City Clerk Stephanie LaBrune, and City Administrator Deb Nelson.

Mayor Delaney stated that the Council is holding a special meeting to discuss the city's special assessment policy. He said the Council has been talking about the policy for the last 18 months.

DISCUSSION ON THE SPECIAL ASSESSMENT POLICY

Administrator Nelson, started the discussion by stating that she had worked with the City Engineer and Attorney on drafting a revised assessment policy and also gathered input from them as well as the city's Financial Advisor for the Council to be able to move forward with discussions on possibly amending the city's assessment policy. Nelson presented numbers from the City Engineer showing the impact to the city if a ten percent cap were to be incorporated into the policy based on figures from the city's most recent street improvement project.

City Financial Advisor, Rebecca Kurtz, expressed concern about implementing a cap. Stating that she recognizes that in this specific year the project had some challenges in having assessments that are reasonable based on property values, but is fearful that amending a policy to address a specific problem may have a negative effect on funding and the ability to continue to do improvement projects.

City Engineer, Travis Winter, explained that the Minnesota State Statute does not allow cities to assess more than what is determined to be the added benefit to parcels based upon their estimated property valuation. He said with costs going up significantly and property values being on the lower end there becomes a gap in what can legally be assessed versus what the policy states can be assessed. Winter also reminded everyone that tax dollars will have to offset costs if a cap is put into place. Winter agreed that the policy should be revised but said the council needs to be careful because the cap will have a big impact on the levy.

Mayor Delaney said it has been twenty years ago since the policy was last looked at and added that it is out of date. He said that he respects Kurtz' comments and asked her if she had any solutions to the problem. Kurtz said that she did not have any specific solutions.

Councilman Smidt stated that no matter how the costs are distributed, they are still there. He went on to say that projects are getting to be unaffordable and said that he does not want to assess people out of their houses.

Kurtz then shared a story of when she first started working with the city of Pipestone. She said originally the city funded projects 100% with tax dollars because there was a mayor who believed that the entire city should pay for projects. She went on to explain that Minnesota law made it challenging because the costs eventually left the city with only \$15,000 remaining in the city's

debt limit to fund public projects which could include projects such as a new fire department of city hall building. She said keeping the twenty percent assessment policy will help preserve the city’s debt limit for important capital projects.

Further discussion was then held on how the city can address assessments to low valued homes. Kurtz stated that the city could look at issuing a different kind of debt. Winter also stated that the city will need to look at the individual properties to ensure that the assessment is not more than ten percent of the estimate market value of the home.

Attorney Hill reminded the Council of the lawsuits that the city is currently dealing with revolving around the current assessment policy. He said appraisals or something needs to be done in advance of projects to ensure that the assessments do not exceed the special benefits.

Delaney said that there maybe needs to be a change in how the city plans for projects in addition to looking at property valuations prior to beginning any projects. Winter also stated that the city could hold assessment hearings first before project bids are received and any debt is issued.

Councilmember Thompson commented by saying that there are many residents who do not know how assessments work and Delaney said that the city has a responsibility to educate people on these things. Continued discussion was then held regarding how to provide more education to the public on assessments.

Kurtz then gave her last statement saying that the city has approximately a 7.6 million debt limit with about \$900,000 of debt currently outstanding which results in 6.7 million dollars available.

ADJOURNMENT

Motion made by Thompson, seconded by Colbeck and unanimously carried to adjourn the meeting at 6:18 p.m.

Dan Delaney
Mayor

ATTEST:

Stephanie LaBrune
Assistant City Administrator / City Clerk

Pipestone, Minnesota
January 6, 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 Municipal Building at 6:30 p.m. on the 6th day of January 2025.

SWEARING IN OF ELECTED OFFICIALS

Assistant City Administrator and Clerk Stephanie LaBrune swore in newly elected Mayor, Dan Delaney, and Councilmembers Verdeen Colbeck and Danielle Thompson.

Mayor Dan Delaney then called the meeting to order. Roll call was taken, and a quorum was declared. Members present: Dan Delaney, Danielle Thompson, Scott Swanson, Rodger Smidt, and Verdeen Colbeck. Absent: none. Others present: Glenn Nelson, Tammy Manderscheid, Library Director Jody Wacker, Liquor Store Manager Michael Wilson, Kyle Kuphal, Engineer Travis Winter, Cable Access Coordinator Steve Moffitt, City Attorney Jason Hill, Assistant City Administrator/City Clerk Stephanie LaBrune, and City Administrator Deb Nelson.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

ADJOURN 2024 COUNCIL

Mayor Delaney adjourned the 2024 City Council Sine Die.

CONVENE 2025 COUNCIL

Mayor Delaney convened the 2025 Council.

APPROVE AGENDA - ADDITIONS, CHANGE OR DELETIONS

Motion made by Colbeck, seconded by Swanson, and unanimously carried to approve the agenda as presented.

CONSENT AGENDA

Mayor Delaney stated the Consent Agenda contains the December 16, 2024, Regular Meeting Minutes, December 20, 2024, Special Meeting Minutes, and Payment of Claims-Listing of Bills. He then asked if there was any discussion regarding these items. No discussion was held.

Motion was made by Swanson, seconded by Smidt and unanimously carried to approve the Consent Agenda items which consisted of the December 16, 2024, Regular Meeting Minutes, December 20, 2024, Special Meeting Minutes, and Payment of Claims-Listing of Bills in the amount of \$2,860,068.26 for warrants #073853 to #073993 to be issued in payment thereof.

COMMUNITY CONCERNS

Mayor Delaney invited guest Glenn Nelson to the podium. Nelson stated that he is currently a resident of Sioux Falls, SD with property located at 111 4th Ave. S.W. in Pipestone. Nelson stated that he has visible concerns with how the water base charges are figured into the monthly water bills. He said as a small business he only used six units of water and now without any usage his minimum monthly bill is \$60 and said that it disturbs him. He said he feels that the base charge is a tax and started comparing Pipestone's rated to Sioux Falls rates with a comparison of 2 cents versus 17 cents. Nelson also stated that Sioux Falls has a vacation rate of \$9.44 per month when

he goes down south and would like to see Pipestone come up with different ways to charge people. Mayor Delaney thanked Nelson for expressing his concerns and said that the new rates will soon go into effect and told Nelson the he and the other seven people who were inadvertently billed a base rate in December would get that month refunded to them. He also explained to Nelson that there is added value in having water and sewer available property and also said the city has infrastructure to maintain and costs are needed to do so. Delaney said these are fixed costs that make up the base rates and explained that everyone needs to pay their fair share. Nelson stated that he did speak with City Administrator Nelson on the subject.

REPORTS

Law Enforcement – None.

Liquor Store – Manager Michael Wilson presented his quarterly and annual report to the council that 2024 sales were down 1.72% from last year. Additionally, Wilson shared that the liquor store began selling THC and edible cannabinoid products at the beginning of 2025 and reported that there were approximate \$500 in sales within the first week of products being offered for sale.

Library - Director Jody Wacker reported on several programs that the library is offering this winter including a winter reading, teen café, plant sowing, and soup-er-bowl program to name a few. Colbeck then asked Wacker how one would get a library card. Wacker said there is no fee; only a photo id and current address is needed.

Building and Zoning – None.

Water/Wastewater – Written report provided.

Public Works – Written report provided.

Parks and Recreation – Written report provided.

LEGAL

Ordinance 164, Fourth Series

Delaney stated Ordinance 164, Fourth Series was introduced at the last city council meeting and is now ready for council consideration to establish the city's fee schedule for 2025.

Motion made by Smidt and seconded by Colbeck to adopt Ordinance 164, Fourth Series: An Ordinance Establishing Fees, Charges, and Compensation as allowed by City Code. LaBrune then conducted a roll call vote. Ayes: Delaney, Smidt, Colbeck, Swanson, and Thompson; Nays: none. Motion approved 5-0.

OLD BUSINESS

Resolution 2024-62

Administrator Nelson stated that she was unable to receive the information that was requested by the council due to a scheduling conflict with the individual who would be updating the scope of work for the Carnegie Library project.

Motion made by Smidt, seconded by Thompson and unanimously carried to table Resolution 2024-62: A Resolution for Minnesota Historical Society Grant Funding Assistance for the Pipestone Carnegie Library Building project until the February 3rd Council meeting.

Conflict of Interest Policy

Delaney stated that the city's conflict of interest policy is included in the city council packets for council review. He said there were no changes made to the policy so the policy was included for information only.

NEW BUSINESS**Election of Acting Mayor**

Delaney said each year according to the city's Charter, the council is to elect an acting mayor at its first meeting of the year. LaBrune then handed out ballots to each of the council members and mayor and collected them. She then read the results stating that councilmember Swanson received two votes and councilmember Colbeck received three votes making Colbeck the acting mayor in the absence of Mayor Delaney for the year 2025.

2025 Mayoral Appointments

Delaney presented his list of board and commission appointments for 2025. Additionally, Delaney shared that there are some vacancies on the city charter commission and said that those positions are to be appointed by the judge. He said with Judge Vajgrt retiring those positions would remain vacant until a new judge takes office.

Motion by Smidt, seconded by Thompson and unanimously carried to accept the mayor's list of board and commission appointments for the year 2025.

Resolution 2025-1

Delaney said this resolution is adopted annually and determines the rules of order and procedure for the City Council.

Motion was made by Colbeck, seconded by Thompson and unanimously carried to approve Resolution 2025-1: A RESOLUTION ADOPTING RULES OF ORDER AND PROCEDURE FOR THE CITY COUNCIL IN ACCORDANCE WITH THE CITY CODE CHAPTER 2, SECTION 2.03.

Resolution 2025-2

Delaney said this resolution is adopted annually and designates the Pipestone County Star as the official newspaper for the city.

Motion was made by Smidt, seconded by Swanson and unanimously carried to approve Resolution 2025-2: A RESOLUTION DESIGNATING THE PIPESTONE COUNTY STAR AS THE OFFICIAL NEWSPAPER FOR THE CITY OF PIPESTONE.

Resolution 2025-3

This resolution is adopted annually and designates First Farmers and Merchants National Bank as an official depository of City funds.

Motion was made by Colbeck, seconded by Thompson and unanimously carried to approve Resolution 2025-3: A RESOLUTION DESIGNATING THE FIRST FARMERS AND MERCHANTS NATIONAL BANK AS AN OFFICIAL DEPOSITORY OF CITY FUNDS.

Resolution 2025-4

Delaney said this resolution is adopted annually and designates First Bank and Trust as an official depository of City funds.

Motion was made by Thompson, seconded by Swanson and unanimously carried to approve Resolution 2025-4: A RESOLUTION DESIGNATING THE FIRST BANK & TRUST AS AN OFFICIAL DEPOSITORY OF CITY FUNDS.

Resolution 2025-5

Delaney said this resolution is adopted annually and designates First State Bank Southwest as an official depository of City funds.

Motion was made by Thompson, seconded by Smidt and unanimously carried to approve Resolution 2025-5: A RESOLUTION DESIGNATING THE FIRST STATE BANK SOUTHWEST AS AN OFFICIAL DEPOSITORY OF CITY FUNDS.

Resolution 2025-6

Delaney shared resolution 2025-6 stating that the resolution if approved would approve the mayor and councilmembers of the city to be covered by Minnesota worker’s compensation law. He continued by saying that this resolution has been approved in the past.

Motion was made by Thompson, seconded by Colbeck and unanimously carried to approve Resolution 2025-6: A RESOLUTION APPROVING THE MAYOR AND CITY COUNCIL MEMBERS OF THE CITY OF PIPESTONE BE COVERED BY THE MINNESOTA WORKER’S COMPENSATION LAW.

Resolution 2025-7

Delaney said with the approval of ordinance 164, fourth series, amending the city’s fee schedule, the council is allowed to publish a summary of the ordinance in the paper versus the full version to save on cost due to the length of the ordinance. He then called for a motion.

Motion made by Colbeck, seconded by Thompson to approve Resolution 2025-7: A RESOLUTION AUTHORIZING THE PUBLICATION OF A SUMMARY FOR ORDINANCE 164, FOURTH SERIES: AN ORDINANCE ESTABLISHING FEES, CHARGES, AND COMPENSATION AS ALLOWED BY CITY CODE.

Resolution 2025-8

Mayor Delaney stated that the following donations have been received and this resolution accepts the donations:

- This resolution accepts the following donations:
- Steven & Peg Lange \$100.00 – to assist with the Lights and the Lodge.
 - Sioux Valley Energy \$1,200.00 – to assist with the Lights and the Lodge.
 - Gorters Clay & Dairy \$250.00 – to assist with the Lights and the Lodge.

Motion was made by Smidt, seconded by Swanson and unanimously carried to approve Resolution 2025-8: A RESOLUTION ACCEPTING DONATIONS.

TIF District 13 Reimbursement Request

Nelson shared with the council the background on TIF District 13 that was created in 2017 to address blight in the downtown area. She stated blighted properties were identified and the owners

within the district have paid into the district to address those blighted issued. Nelson went onto say that there has been a request by Ed Scholten to be reimbursed for roof repair expenses from building repairs that were performed on his building within the district. Nelson stated that the total expenses of the project were \$28,801.79 and Ehler’s, the city’s financial advisors are suggesting that the city reimburse Scholten’s for 50% of the improvement costs. Nelson also added that Ehler’s is recommending that the city create an interfund loan in February to be able to continue assisting others with these types of expenses.

Motion made by Colbeck, seconded by Thompson, and unanimously carried to approve the request to reimburse Ed Scholten \$14,400.90 for costs incurred to repair his building within TIF District 13.

Family Dollar 3.2 Off Sale Liquor License

Delaney said staff is recommending approval of the Family Dollar store’s 3.2 off sale liquor license for 2025.

Motion made by Thompson and seconded by Swanson, and unanimously carried to approve the 2025 3.2 Off Sale Liquor License for Family Dollar Store #33355.

Approve New Resident Manager

Mayor Delaney shared that staff is recommending the approval of a new resident manager for the Family Dollar store with respects to their liquor license. He said with staffing changes, the store would like to designate Penny Scribner as the new resident manager.

Motion by Smidt, seconded by Thompson, and unanimously carried to approve Penny Scribner as the new resident manager for the Family Dollar Store #33355 with respects to their liquor license.

CLOSING COMMENTS

Mayor Delaney – Announced that Kwik Trip will be having a grand opening on January 16th and invited the community to attend.

ADJOURNMENT

Motion made by Smidt, seconded by Colbeck, and unanimously carried to adjourn the meeting at 7:28p.m.

Dan Delaney
Mayor

ATTEST:

Stephanie LaBrune
Assistant City Administrator / City Clerk

**Proposal for
Pipestone, MN City Council Chambers
1-16-25**

This proposal is to update the technology in the Council Chambers to include microphones, cameras, and the control system. This will allow the City to use the Council Chambers to hold meetings with amplified audio, audio recording, streaming and video conferencing with an easy to use control interface.

AVI will perform the necessary work around Council meetings assuring little to no disruption to the normal work of the City. However, we will need access to the Council Chambers and other parts of the City building to install, program, and test the equipment.

City Representatives have been appraised of the warranty periods of the equipment that is to be installed, and AVI will forward all warranty information to the city upon completion of the project. AVI will include a binder of the manuals of all installed equipment, including all make, model, and serial numbers (if available) of the installed equipment.

AVI will contact the City 1 month after finalization of the project to check in on the functionality of the system to see if any issues arise. AVI will also perform an additional check after 6 months to check for any issues or make any changes to the functionality of the system. These checks are included in the price of the system and are looked at as AVI completing the installation of the system. These checks are for adjustments and tweaks of settings, or minor system changes. They are not meant to be a reconfiguration of the system.

AVI will also set up a service agreement with the City (if wanted) to maintain the equipment (firmware updates, lingering issues, changes, etc.). These service visits can be scheduled at set time periods, initially at 6 months, possibly moving to yearly. Routine maintenance of AV systems is critical to the longevity of the systems.

Some of the equipment we will include:

- Crestron TS-1070-B-S tabletop touchscreen
- PTZ camera 12x
- Biamp Parle Celing Microphone

* A full list of equipment will be available

Payment Terms

Project down payment = 50% of materials (TBD). Project will formally start after receipt of initial payment.

Final payment = 50% of materials & 100% of labor. The final payment will be due upon completion and full system performance test, excluding some change orders.

Pricing is good for 30 days from proposal date. Pricing includes equipment and labor as listed above. This proposal does not include any additional provisions for items out of the identified scope of work. Any additional changes, and/or modifications will result in project scope change orders. Financial charges for change orders will be determined on a case-by-case basis, charges will be determined on a time + material basis.

The Client is responsible for providing 110v/220v power at the predetermined locations to power equipment. The Client is also responsible for providing an internet connection, Wi-Fi and or LAN, and necessary access to the network, and/or personnel to access the network, including the ability to manage ports and set up subnets if needed. For projects that require a computer, the client will need to provide the computer. AVI is not responsible for acquiring, updating, setting up, assuring compatibility, or any other matter related to computers. Because of security concerns, compatibility, and many other reasons selecting, setting up, and maintaining a computer is solely the responsibility of the client.

AVI is not responsible for filling holes, or refinishing surfaces where materials were removed, disposing of removed materials, or any other work not explicitly stated in this proposal.

A breakout of items is on a separate document

Material cost: \$32,103

Labor Cost: \$8,192.38

Project total: \$40,300.38

Sincerely,
Jeremy Rensink
President

Audio Video Integrations
623 S. Lyons Ave. Suite #300
Sioux Falls, SD 57106

Approved By _____ Date _____

RESOLUTION 2025-9

A RESOLUTION ACCEPTING DONATIONS.

WHEREAS, the City of Pipestone is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 for the benefit of its citizens; and

WHEREAS, the following entities and/or individuals have offered to contribute the cash amounts and tangible items as set below to the City of Pipestone:

<u>Name of Donor(s)</u>	<u>Amount</u>
• Pipestone United Way	\$2,000.00 – to assist the city’s Park & Rec Department
• Pipestone United Way	\$2,000.00 – to assist the city’s After School & Summertime Fun Programs
• Pipestone United Way	\$250.00 – to assist with the Lights and the Lodge
• Julie Manzey	\$200.00 – to assist with the Lights and the Lodge
• Pipestone Holdings, LLC	\$1,676.00 – to assist with the Lights and the Lodge
• Kwik Trip	\$1,000.00 – to assist the Pipestone Fire Department

WHEREAS, such donations have been contributed to assist the city as allowed by law; and

WHEREAS, the City Council finds that it is appropriate to accept the donations offered.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF PIPESTONE, MINNESOTA, AS FOLLOWS:

1. The donations described above are accepted.
2. The City Clerk is hereby directed to issue a receipt to the donors acknowledging the City’s receipt of the donors’ donations.

Passed and adopted by the City Council of the City of Pipestone this 21st day of January 2025.

Dan Delaney
Mayor

ATTEST:

Deb Nelson
City Administrator

RESOLUTION 2025-10

A RESOLUTION ORDERING PREPARATION OF REPORT ON IMPROVEMENT.

WHEREAS, it is proposed to improve:

- Industrial Road by the improvement of providing a concrete permanent hard surface pavement on the gravel portion of the road, pursuant to Minnesota Statutes, Chapter 429.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF PIPESTONE, MINNESOTA:

That the proposed improvement, called the Industrial Road Improvement be referred to Travis Winter from the firm Bolton & Menk, Inc. for study and that that person is instructed to report to the council with all convenient speed advising the council in a preliminary way as to whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

Passed and adopted by the city council of the City of Pipestone this 21st day of January 2025.

Dan Delaney
Mayor

ATTEST:

Deb Nelson
City Administrator



Real People. Real Solutions.

1501 S

Section 13, Item D.

Suite 100
Fairmont, MN 56031-4467
Ph: (507) 238-4738
Fax: (507) 238-4732
Bolton-Menk.com

January 21, 2025

Honorable Mayor and City Council
City of Pipestone
119 2nd Avenue SW
Pipestone, MN 56164

RE: Preliminary Engineering Report
Industrial Road Improvements
City of Pipestone, MN
Project No.: F18.116289

Dear Mayor and Council;

Per your request, I have completed my analysis on the pavement construction needed to improve the street surfacing on the gravel portion of Industrial Road. See the attached Figure A for the preliminary layout of the improvements. This report summarizes the findings of the investigation and is submitted in accordance with Minnesota Statutes Chapter 429.

I. EXISTING CONDITIONS

The existing street surface is gravel with concrete curb and gutter. This street corridor had major improvements completed in 2009 with utility construction of the sanitary sewer, watermain and storm sewer. At that same time the street was improved with B624 concrete curb and gutter, but due to lack of funds the street was finished with gravel instead of a permanent pavement surface. The existing right-of-way is 60-feet and the existing street is approximately 28-feet from face of curb to face of curb with 18-inches of aggregate base. The existing utilities are expected to be in good condition and have had no issues since installation.

II. PROPOSED IMPROVEMENTS

Since the underground utilities in this corridor are felt to be in good condition, their replacement is not being considered as a part of this improvement. The purpose of this improvement is to provide the permanent hard surface pavement that was not completed in 2009. The improvements include the removal of the existing aggregate material necessary to construct a new concrete pavement with a depth of seven inches. It is anticipated that there will be some removal and replacement of existing curb and gutter needed due to issues accumulated over the last nine years.

A preliminary layout of the proposed improvements is attached to this report.

III. PROJECT CONSIDERATIONS

Construction projects which disturb more than one acre of existing ground cover must obtain an MPCA Storm Water Permit for Construction Activities. At this time, it is not anticipated that the construction will disturb one acre since the underlying soils will not be disturbed in the road bed.

A cost estimate has been prepared for the proposed improvement. Based on the improvements discussed the construction costs are estimated at \$261,000. Cost estimates are based upon recent, public bidding cost information and are subject to variation for many reasons, including number of bidders, weather conditions at the time of bidding, other similar work in the area, construction schedule, changing costs of construction materials, etc. Consequently, no guarantees can be given as to the accuracy of cost estimates prepared for this preliminary investigation. The estimated costs include allowances for normal construction condition variations, and unforeseen construction conditions. Because of the uncertainties in construction estimates, it is recommended that final project funding be based upon actual bid prices with appropriate allowances and contingencies. A detailed preliminary cost estimate is attached with this report.

It is our understanding that the Council would anticipate funding this project with assessments to benefited property owners. Council and staff are advised that specialized appraisal services may be useful for establishing project benefits and assessments. It is recommended that the City consult with its public financial consultant regarding funding sources, bonding and other cost matters. Preliminary assessments for the benefited property owners is attached based upon 30% funding through assessments.

IV. CONCLUSION

To the best of our knowledge and in our professional opinion, the proposed improvement is feasible as described herein and is necessary to complete the street surface construction. The improvement, as described, represents a cost-effective means of providing the desired service in a manner that is compatible with the standards used on similar projects in similar situations in area communities.

The procedures necessary to continue forward with the project are described in Minnesota Statutes Chapter 429 and reference is made thereto regarding necessary process. If the Council wishes to proceed with the proposed project, a public hearing should be scheduled with affected property owners to advise them of the results of this report.

Sincerely,

Bolton & Menk, Inc.



Travis L. Winter, P.E.
City Engineer

Enclosures



PRELIMINARY ASSESSMENT ROLL
INDUSTRIAL ROAD IMPROVEMENTS
PIPESTONE, MINNESOTA

1/8/2025

GENERAL DESCRIPTION					STREET ASSESSMENT LENGTH (FT.)	STREET ASSESSMENT
P.I.N.	TAXPAYER NAME & ADDRESS	LOT DESCRIPTION	FRONTAGE (FT.)			
INDUSTRIAL ROAD						\$42.00
18.500.0020	GORTER CLAY & DAIRY EQUIPMENT 1400 7TH ST SE E HWY 30 PIPESTONE, MN 56164	1ST SUB-DIV SEC 18 LOT 2 1769	135.8	67.9	\$2,851.80	
18.500.0040	SCHNEIDER LIVING TRUST 912 PARK DR PIPESTONE, MN 56164	1ST SUB-DIV SEC 18 LOT 3 & 4 1771	230.0	115.0	\$4,830.00	
18.740.0020	EVERETT JNT RLT/STEVEN & LORI 723 5TH AVENUE SW PIPESTONE, MN 56164	2ND SUB-DIV SEC 18 LOTS 1, 2, 3, & 4 1854	509.8	254.9	\$10,705.80	
18.740.0030	B.D.H. LLC PO BOX 603 HUMBOLDT, IA 50548	2ND SUB-DIV SEC 18 LOT 5 1855	145.2	145.2	\$6,098.40	
18.740.0070	PBM LAND MANAGEMENT LLC 812 INDUSTRIAL ROAD PO BOX 424 PIPESTONE, MN 56164	2ND SUB-DIV SEC 18 LOTS 6 & 7 1859	294.1	294.1	\$12,352.20	
18.740.0100	SCHNEIDER LIVING TRUST PO BOX 185 PIPESTONE, MN 56164	2ND SUB-DIV SEC 18 LOTS 9, 10, 11, 12, 13 & 14 1860	987.0	987.0	\$41,454.00	
TOTAL PRELIMINARY ASSESSMENTS					1,864.1	\$78,292.20

RESOLUTION 2025-11

A RESOLUTION RECEIVING FEASIBILITY REPORT AND CALLING HEARING ON IMPROVEMENT.

WHEREAS, pursuant to resolution of the council adopted January 21, 2025, a report has been prepared by Bolton & Menk, Inc. with reference to the proposed Industrial Road Improvement which involves the following area:

- Industrial Road

and to assess the benefited property for all or a portion of the cost of the improvement, pursuant to Minnesota Statutes, Chapter 429.

WHEREAS, the report provides information regarding whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF PIPESTONE, MINNESOTA:

1. The council will consider the improvement of such street in accordance with the report and the assessment of abutting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429 at an estimated total cost of the improvement of \$261,000.00.
2. A public hearing shall be held on such proposed improvement on the 18th day of February, 2025 in the council chambers of the city hall at approximately 6:30 p.m. and the City Clerk shall give mailed and published notice of such hearing and improvement as required by law.

Passed and adopted by the City Council of the City of Pipestone this 21st day of January 2025.

Dan Delaney
Mayor

ATTEST:

Deb Nelson
City Administrator

RESOLUTION 2025-12

A RESOLUTION REGARDING AN APPLICATION FOR AUTHORIZATION FOR EXEMPTION FROM LAWFUL GAMBLING LICENSE.

WHEREAS, Pipestone County Pheasants Forever, Pipestone, Minnesota, a non-profit organization, has requested a Lawful Gambling Exemption by written application dated January 15, 2025; and

WHEREAS, said organization intends to sponsor gambling activity at the Pipestone National Guard Armory, 421 2nd Ave SW, Pipestone, Minnesota.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PIPESTONE, MINNESOTA, THAT:

1. The City of Pipestone does approve the Application for Exemption for special event of March 25, 2025, filed with the City and/or the Minnesota Charitable Gambling Board.
2. The City Clerk is directed to sign the City Approval for the Lawful Gambling Exemption application dated January 15, 2025, and to forward same, together with a copy of this resolution to the applicant who will then forward the information onto the Minnesota Charitable Gambling Control Board.

Adopted by the City Council of the City of Pipestone this 21st day of January 2025.

Dan Delaney
Mayor

ATTEST:

Deb Nelson
City Administrator

**ALCOHOL AND BEVERAGE DISPENSER AGREEMENT
HIAWATHA LODGE
HIAWATHA PAGEANT PARK**

This Alcohol and Beverage Dispenser Agreement (“Agreement”) is hereby made and entered into by and between the City of Pipestone, a Minnesota municipal corporation (hereinafter “City”) and Hatfield Entertainment Group, LLC (hereinafter “Contractor”), a Minnesota limited liability company, on this ____day of January 2025.

WHEREAS, the City finds it necessary to retain the services of Contractor to provide alcohol and beverage dispenser services for the City-owned Hiawatha Lodge.

WHEREAS, the City desires to engage the Contractor to provide said services pursuant to the conditions of this Agreement.

NOW, THEREFORE, in consideration of mutual covenants of the parties set forth herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows::

1.

Scope of Work. The Contractor has been retained by the City to be the primary entity to provide alcohol and beverage dispenser services (“Services”) at the Hiawatha Lodge (“Lodge”). These services can only be provided by a contractor with an approved Caterer’s Permit with Alcohol issued by the State of Minnesota. Subcontracting of the Services outlined is permitted provided that subcontractor also has a Caterer’s Permit with Alcohol approved by the State. A further description of services to be provided by Contractor is included herein as Attachment A, and incorporated herein as part of this Agreement.
2.

Address and Phone Contact. The address (mailing and, if different, physical location) and phone number(s) of the Contractor is:

Hatfield Entertainment Group, LLC

340 2nd Street

Hatfield MN 56164

Business: 507-825-0069

Cell Phone: 605-209-7672 (Matthew Sibley)
3.

Term. This Agreement shall be effective from the date first entered above and terminate December 31, 2025 or pursuant to the termination provision herein.
4.

Notice of Intent to Renew. On or before November 1, 2025, the Contractor shall notify the City in writing if it does not intend to provide liquor serves at the Lodge for 2026. Failure of the Contractor to notify the City by this date shall permit the City to proceed to negotiate with the other entities to provide service. The provisions of this section do not restrict or prohibit the City’s ability to terminate the Agreement in accordance with Section 6 below.
5.

Performance Review. This Agreement will be reviewed on or before December 1, 2025 by the City. If any deficiencies are noted during the review process, the Contractor may be given a specified time, as per the Notice to Cure provision below, in which to cure said deficiency(ies).

6. Termination. The City may terminate this Agreement, with or without cause, upon thirty (30) days written notice, except that if the Contractor is in default and fails to cure the default within the period provided in the written notice of default as provided in this Agreement, the City has the right to terminate this Agreement immediately upon written notice of termination. If notified of termination, the Contractor shall immediately cease performing the Services. The Contractor will be paid for Services properly rendered prior to the effective date of termination. The following provisions of this Agreement shall survive expiration, termination, or cancellation of this Agreement: Indemnification; Insurance; Applicable Law; Audit; and Data Practices.
7. Conflict of Interest. Should there be any conflict between any terms, condition or understanding between any term or condition contained in this Agreement and those documents incorporated by reference, the terms and condition of this Agreement shall govern.
8. Independent Contractor. The Contractor and its employees are not employees of the City. Nothing in the Agreement is intended or should be construed in any manner as creating or establishing the relationship as employer/employee, co-partners, or a joint venture between the City and the Contractor. It is agreed that the Contractor and its employees will act as an independent contractor and acquire no rights to tenure, workers' compensation benefits, unemployment compensation benefits, medical and hospital benefits, sick and vacation leave, severance pay, pension benefits or other rights or benefits offered to employees of the City. The manner in which the Services are performed shall be controlled by the Contractor; however, the nature of the Services and the results to be achieved shall be specified by the City..
9. Non-Agency. The Contractor, as an independent contractor, shall not be considered an agent or servant of the City for any purpose and shall have no authority to enter into any contracts, create any obligations, or make any warranties or representations on behalf of the City. To the extent applicable and contemplated in the delivery of the Services, the Contractor may apply for and obtain needed permits on behalf of the City at Contractor's own cost.
10. Data Practices. The Contractor agrees to comply with the Minnesota Government Data Practices Act and all other applicable laws relating to data privacy or confidentiality. The Contractor will immediately report to the City any data requests from third parties relating to this Agreement. The City agrees to work with the Contractor to respond to the data request. The Contractor agrees to defend and hold the City, its officers, and employees harmless from any claims resulting from the Contractor's unlawful disclosure, use or failure to produce.
11. Audit. The Contractor agrees that the City, the Minnesota State Auditor, and Minnesota Legislative Auditor, or any of their duly authorized representatives, at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt and transcribe any books, documents, papers, and records that are relevant and involve transactions relating to this Agreement.
12. Contractor Representations. The Contractor represents and warrants, as inducement to the City to enter into the Agreement, as follows: (a) it has the legal authority to enter into this Agreement; (b) the person(s) executing this Agreement on behalf of the Contractor is duly

authorized to enter into this Agreement and to bind the Contractor to its terms; (c) all of the documents that constitute this Agreement are valid and binding on the Contractor; (d) it will comply with the terms and conditions of this Agreement; (e) it has the necessary licenses, personnel, experience, skill, tools, and equipment to complete the Services in accordance with the standards and timelines established in this Agreement; and (f) it is not involved in or aware of any action, claim, suit, or proceeding that is reasonably anticipated to interfere with Contractor's ability to provide the Services in accordance with the terms of this Agreement.

13. Not Exclusive. This Agreement does not constitute an exclusive contract between the City and the Contractor. The City remains free to contract for similar services from other consultants and the Contractor remains free to contract to provide similar services to others, provided that any such contracts do not interfere with the delivery of Services under this Agreement.
14. Amendments. No modification, amendment, deletion, or waiver in the terms of this Agreement, or any expansion in the scope of the Services, is valid unless it is in writing and signed by the parties.
15. Taxes. The Contractor acknowledges that it, and it alone, shall be liable for and shall pay, the applicable gross receipts and all other taxes due on all monies paid to it under this Agreement and that the City shall have no liability for payment of such tax. The Contractor also acknowledges that it, and it alone, shall be liable to the State and Federal governments and/or their agencies for income and self-employment taxes required by law and that the City shall have no liability for payment of such taxes or amounts.
16. Indemnification. The Contractor agrees to defend, indemnify and hold harmless, the City, its officials, officers, agents and employees from any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, resulting directly or indirectly from any act or omission of the Contractor, its offices, employers, agents, contractors or subcontractors or anyone directly or indirectly employed by them, or anyone volunteering for them, or anyone for whose acts or omissions they may be liable in the performance of the Services specified in this Agreement and against all loss by reason of the failure of the Contractor to perform fully, in any respect, all obligations under this Agreement. Nothing in this Agreement shall constitute a waiver by the City of any limits on or exclusions from liability available to it under Minnesota Statutes, chapter 466 or other law.
17. Insurance. The Contractor agrees to at all times during the term of this Agreement, have and keep or cause to have and be kept in force, and to cause all Contractors and subcontractors to do likewise, the following insurance coverages with at least the following limits:
 - (a) Liquor Liability Insurance in amounts of at least equal to the requirements set forth by Minnesota Department of Public Safety, Alcohol and Gambling Enforcement Division requirement for a Caterer's Permit with Alcohol.
 - (b) Commercial General Liability on an occurrence basis with Contractual Liability Coverage:

Limits

General Annual Aggregate	\$2,000,000
Products-Completed Operations	\$1,500,000
Personal and Advertising Injury	\$1,500,000
Each Occurrence –	
Combined Bodily Injury and Property Damage	\$1,500,000

(c) Workers’ Compensation and Employer’s Liability:

(1) Workers’ Compensation	Statutory
If the Contractor is based outside the State of Minnesota, coverage must apply to Minnesota laws.	
(2) Employer’s Liability. Bodily Injury by:	
Accident – Each accident	\$500,000
Disease – Policy Limit	\$500,000
Disease – Each Employee	\$500,000

The required coverage limits may be achieved through an excess or umbrella policy, provided such policy provides the same scope of coverages as the underlying policy. The insurance must be maintained continuously for a period of at least one year after the termination of this Agreement. The Contractor shall have the City named as an additional insured on its commercial general liability policy. The Contractor shall provide the City a certificate of insurance showing the required coverages, insurance limits, and additional insured endorsement before undertaking any Services under this Agreement. The Contractor will require that any subcontractors furnish certificates of insurance to the Contractor of the insurance coverages listed above, and provide updated certificates as coverages expire. It is the sole responsibility of the Contractor to determine the need for and to procure additional insurance that may be needed to satisfy its indemnification obligation or other obligations in connection with this Agreement. Copies of policies will be submitted to the City upon written request.

18. Assignment and Subcontracting. The Contractor shall not assign, transfer or subcontract any interest in this Agreement or attempt to assign, transfer or subcontract any claims for money due under this Agreement without prior notification and approval of the City.
19. Conflict of Interest. The Contractor agrees that it will not, during the term of this Agreement, enter into a contract or otherwise accept employment for the performance of any work or service with any individual, business, partnership, corporation, government, governmental unit, or any other organization that would create a conflict of interest in the performance of its obligations under this Agreement.
20. Default by Contractor. Unless excused by City’s default, the occurrence of an uncontrollable circumstance, or City issuing a written waiver of default, each of the following shall constitute default on part of the Contractor:

(a) The written admission by the Contractor that it is bankrupt; or filing by Contractor of a voluntary petition under the Federal Bankruptcy Act; or the filing of an involuntary petition under the Federal Bankruptcy Act against the Contractor unless dismissed

within ninety (90) days. The Notice of Default and cure provision of this Agreement do not apply to this paragraph;

- (b) The making of any arrangement with or for the benefit of Contractor's creditors involving an assignment to a trustee, receiver or similar fiduciary. The Notice of Default and cure provisions of this Agreement do not apply to this paragraph;
 - (c) Making a material misrepresentation in any of the documents submitted by the Contractor or in any other provisions or conditions relied upon in the making or modification of the Agreement;
 - (d) The Contractor is found to persistently disregard laws, ordinances, rules, regulations or orders of any public authority having jurisdiction;
 - (e) Failure to make satisfactory progress towards completion of the Services; or
 - (f) Failure to perform any other material provision of the Agreement.
21. Written Notice of Default. Unless otherwise provided, no event shall constitute a default giving rise to the right to terminate unless and until written Notice of Default is given to the defaulting party, specifying the particular event, series of events, or failure constituting the default and a reasonable cure period.
 22. Cure Period. If the party in default fails to cure the specified circumstances as described by the Notice of Default within ten (10) days or such longer period as may be provided in the Notice of Default, then this Agreement may immediately be terminated by the party not in default providing a written notice of termination to the party in default.
 23. Withholding of Payment. Notwithstanding any other provision of the Agreement, the City may, after giving Notice of Default, withhold, without penalty or interest, any payment which becomes due after Notice of Default is given, until the default is excused, waived in writing, cured, or the Agreement is terminated. The City shall not be responsible for paying any portion of the withheld funds upon translation for the Contractor's default if the services for which payment is being sought were deficient or are not usable by the contractor hired to complete the Services.
 24. Preservation of Other Remedies. The rights and remedies of the City provided in the Agreement shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Agreement.
 25. No Waiver. If the City fails to enforce any provisions of this Agreement, such failure does not waive the provision or the City's right to enforce it.
 26. Nondiscrimination. Contractor agrees to abide by the requirements and regulations of The Americans with Disabilities Act of 1990 (ADA), the Minnesota Human Rights Act (Minn. Stat. Chap. 363), and Title VII of the Civil Rights Act of 1964. These laws deal with discrimination based on race, gender, disability, and religion, and with sexual harassment.

Violation of any of the above laws can lead to the immediate termination of this Agreement without needing to provide a cure period.

- 27. Severability. In the event that a court of competent jurisdiction finds that any term or provision of this Agreement is void, voidable or otherwise unenforceable, all other terms and provisions shall remain intact and enforceable where not otherwise inconsistent with the court’s findings.
- 28. Scope of Agreement. This Agreement incorporates all of the agreements and understandings between the parties. No prior agreement(s) or understanding(s), verbal or otherwise, shall be valid or enforceable unless embodied in this Agreement.
- 29. Applicable Law. This Agreement shall be governed by the laws of the State of Minnesota and the ordinances, resolutions, rules and regulations of the City. Any legal proceeding brought against the City arising out of this Agreement, shall be brought before the Fifth District Court, Pipestone County, State of Minnesota.
- 30. Applicable Liquor and Licensing Law. The Contractor is responsible for complying with all federal, state, and local laws encompassing the purchase, sale and transportation of liquor and shall protect and defend the City’s interest.
- 31. Illegal Acts. It shall be unlawful for any Contractor to engage in bribery, offer gratuities with the intent to solicit business, or offer or accept kickbacks of any kind. All other similar act(s) of bribes, gratuities, and/or kickbacks are likewise hereby prohibited.
- 32. Compensation and Consideration. No compensation shall be paid by the Contractor to the City. No compensation shall be paid by the City to the Contractor. Consideration for this Agreement is granting Hatfield Roadhouse use of the Lodge at no charge.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

HATFIELD ENTERTAINMENT GROUP, LLC

By: Matthew Sibley
Its: _____

CITY OF PIPESTONE

By: Dan Delaney, Mayor

By: Deb Nelson, City Administrator

ATTACHMENT A

Hatfield Entertainment Group, LLC (hereafter Contractor) agrees to the following supplemental Scope of Work for the provision of Alcohol and Beverage Dispenser Services at the City of Pipestone's Hiawatha Lodge.

1. The Contractor shall provide Alcohol and Beverage Dispenser service to events at the Hiawatha Lodge as authorized and coordinated by the City.
2. Contractor shall provide the City with a PDF electronic file and hard copy to be placed at the City offices, which includes a description of the Alcohol and Beverage Dispenser services provided, menus, business cards, price listings, and other information the Contractor wishes to provide to the client.
3. Information provided by the Contractor may be used on the City of Pipestone website. The Contractor shall provide professionally printed Alcohol and Beverage Sale Prices at the serving station.
4. The Contractor is responsible for installing replacement trash bags, breaking down all cartons and removing all trash, garbage, decorations, food and drink from the Hiawatha Lodge that was provided by the Contractor for the performance as the duties of the Contractor.
5. The Contractor shall not block any interior access points and comply with the fire code.
6. It is the Contractor's responsibility to report any violations of law and to notify the City of any such violations and reports.
7. The Contractor shall be required to train their employees on appropriate behavior and courtesies when providing alcohol and beverage dispenser services at the Hiawatha Lodge.
8. Contractor shall ensure that a sufficient number of employees are provided for each event to ensure alcohol and beverage dispenser service is provided in a timely manner and that the area used by the Contractor for the dispensing of the liquor (bar area and storage area for liquor) is cleaned up promptly following each event.
9. Illegal drugs and alcohol consumption by Contractor or employees and staff is not allowed in or on City property when using City facilities; violation of this policy is grounds for immediate termination of this contract.
10. No office space will be made available for use by Contractor.
11. Locked storage will be made available to the Contractor for the storage of supplies to provide alcohol and beverage dispenser service.
12. Contractor shall coordinate with the City all scheduled times whenever they expect to be in the Hiawatha Lodge. In particular, event set up times for both the Hiawatha Lodge and

Contractor must be coordinated in advance so that appropriate scheduling can be developed.

- 13. The Contractor shall provide written responses to customer complaints and/or negative customer evaluations within five (5) working days with copies of both the complaints and responses forwarded to the City.
- 14. The Contractor shall offer a Minnesota produced beer as required by Minnesota Statute 340A.909.
- 15. The Contractor shall notify law enforcement prior to any event as required by Minnesota Statute 340A.404, Subd. 12(d).