



City Council Regular Meeting Agenda

July 06, 2026 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.](#) June 22 2026 Regular Meeting Minutes

6. **Community Concerns (Maximum 3 Minutes Per Person)**

7. **Proclamation**

[A.](#) A Proclamation of the City of Pipestone Recognizing and Supporting the City's Sesquicentennial and United States Semi-Quincentennial

8. **Quarterly Reports**

[A.](#) Liquor Store

B. Library

C. City Utility

D. Public Works

E. Recreation

F. Law Enforcement

9. **Legal**

10. **Engineering**

[A.](#) Pipestone Municipal Airport (PQN) 80'80' Hangar Project Pay Request No. 3

[B.](#) Safe Routes to School Project Pay Request No. 2

11. **Financial

A. Payment of Claims-Listing of Bills

12. Old Business

13. New Business

A. Paycom Human Resources Information System and Payroll Services

[B.](#) Consider a Resolution 2026-37 Calling for the Sale of General Obligation Bonds, Series 2026A

[C.](#) Blight Properties

D. Schedule Public Hearing to Gather Input on the 2027 Municipal Budget

[E.](#) Resolution 2026-34: A Resolution Accepting Donations

[F.](#) Resolution 2026-35: Resolution Granting a Conditional Use Permit for a Secondary Structure at 310 4th Ave NW in the City of Pipestone

[G.](#) Resolution 2026-36: Resolution Granting a Conditional Use Permit for Southwestern Minnesota Opportunity Council

[H.](#) Temporary On-Sale Liquor License Application

14. Closing Comments

15. Adjournment

Pipestone, Minnesota
June 22, 2026

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 22nd day of June 2026. 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, and Verdeen Colbeck, and Danielle Thompson. Absent: None. Others present: City Attorney Jason Hill via Zoom, City Engineer Travis Winter, Cable Access Coordinator Steve Moffitt, City Clerk Megan DeWitte, City Administrator Stephanie LaBrune, and community members Myron Koets, Carla Heyl, Susan Hoskins, Annette Weisbeck, Sally Smith, Gen Lustfield, Steve Weets, and Dawn Heidebrink.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

APPROVE AGENDA - ADDITIONS, CHANGE OR DELETIONS

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

CONSENT AGENDA

Mayor Delaney stated the Consent Agenda contains the June 1, 2026 Special Meeting Minutes, the June 1, 2026 Regular Meeting Minutes, the Payment of Claims-Listing of Bills, the May 2026 Financial Reports, and approval of Staci's Bar & Grill Annual Hiawatha Lodge Alcohol and Beverage Dispenser Agreement. Delaney then asked if there was any discussion regarding these items. No discussion was held.

Motion was made by Swanson, seconded by Thompson and unanimously carried to approve the Consent Agenda items which consisted of the June 1, 2026 Special Meeting Minutes, the June 1, 2026 Regular Meeting Minutes, and the Payment of Claims-Listing of Bills in the amount of \$671,322.58 for warrants #077654 to #077779 to be issued in payment thereof.

COMMUNITY CONCERNS

Myron Koets of 103 10th Ave SW shared concerns about the community soccer field maintenance, fees and signage concerns.

LEGAL

Consideration of Ordinance 174, Fourth Series

Delaney stated that this is an Ordinance granting a franchise to Midcontinent Communications to construct, operate and maintain a cable television system in the City of Pipestone; setting forth conditions accompanying the grant of the franchise; providing regulation and use of the system; and prescribing liquidated damages for the violation of its provisions. Delaney said this Ordinance was introduced at the last council meeting and is now ready for consideration.

Motion made by Smidt, seconded by Swanson, and unanimously carried to consider Ordinance 174, Fourth Series. A roll call vote was taken Delaney- Aye, Smidt- Aye, Thompson- Aye, Swanson- Aye, and Colbeck- Aye. Motion passed 5-0.

ENGINEERING

Project Updates

Winter shared updates on the Safe Routes to School Project, the pre-construction meeting for the 2nd Ave S.E. project, and a bid contract for awarding the Lead line service replacement project.

OLD BUSINESS

Presentation from the Pipestone Area Community Foundation

Carla Heyl and Steve Weets appeared on behalf of the Pipestone Area Community Foundation and shared that the board met to discuss the physical condition of the Historic Carnegie Library building and have a proposal that may help the City rehabilitate the structure. Heyl shared that the formal motion was that the City award the East Wall Repair Project Bid that was received and tabled at the June 1, 2026 council meeting and then the Pipestone Area Community Foundation would see that there is good faith by the City, and would put their Foundation's effort into fundraising to help cover the shortfall costs for the grant and city matching funds for the wall and roof repairs.

Resolution 2026-31: A Resolution Accepting Bid for the Carnegie Library East Wall Repair Project

Delaney shared that this resolution was tabled at the last city council meeting to gather additional information on funding and budget shortfall for the east wall project and roof and that if council wishes to proceed with accepting the bid from Innovative Masonry Restoration in the amount of \$288,000 that staff would recommend utilizing funds from the liquor store fund balance which is at approximately \$1,568,000 to cover the unbudgeted costs of the project.

Motion was made by Delaney, seconded by Smidt, and unanimously carried to approve Resolution 2026-31 accepting bid for the Carnegie Library East Wall Repair Project.

Administrator LaBrune informed the Council that another motion is needed authorizing staff to approve plans and specifications and order advertisement for bids for the Carnegie Library Roof repair project.

Motion was made by Swanson, seconded by Colbeck and unanimously carried to approve plans and specifications and order advertisement for bids for the Carnegie Library Roof repair project.

NEW BUSINESS

Request for Council Action- 3rd Street SE Stop Signs

Delaney stated that neighborhood traffic concerns were shared at the previous city council meeting and a request was made for council action to consider adding two stop signs on 3rd St at the intersection of 3rd St and 10th Ave to reduce speeds, enhance safety, and prevent accidents.

Motion was made by Swanson, seconded by Delaney and unanimously carried to install two permanent stop signs on 3rd St at the intersection of 3rd St and 10th Ave.

Resolution 2026-32: A Resolution Approving the Summary Publication of a Cable Franchise Agreement with Midcontinent Communications

Delaney said due to the size of Ordinance 174, Fourth Series, which was adopted by the council earlier in the meeting, staff has requested council approval to publish a summarized version of the Ordinance, which council and staff have done with prior Ordinance publications.

Motion made by Colbeck, seconded by Thompson, and unanimously carried to approve Resolution 2026-32 for the summary publication of a cable franchise agreement with Midcontinent Communications.

Resolution 2026-33: A Resolution Accepting Donations

Delaney said this is a Resolution accepting the following donations that support the Pipestone Family Aquatic Center’s Daycare Day.

- Michelle Cheeseman \$250.00
- Meagan Moeller “The Copper Penny” \$150.00

Motion made by Swanson, seconded by Thompson, and unanimously carried to approve Resolution 2026-33 accepting donations.

Recreation Director Performance Evaluation Summary-

LaBrune shared a performance summary with the Council and is recommending Council approve a Satisfactory Performance Review for Recreation Director Robert Peterson.

Motion made by Swanson, seconded by Colbeck, and unanimously carried to approve Recreation Director Robert Peterson’s Satisfactory Performance Review.

Public Works Director Performance Evaluation Summary-

LaBrune shared a performance summary with the Council and is recommending Council approve a Satisfactory Performance Review for Public Works Director Michael Bloemendahl.

Motion made by Smidt, seconded by Thompson, and unanimously carried to approve Public Works Director Michael Bloemendahl’s Satisfactory Performance Review.

Liquor Store Manager Performance Evaluation Summary-

LaBrune shared a performance summary with the Council and is recommending Council approve a Satisfactory Performance Review for Liquor Store Manager Michael Wilson.

Motion made by Swanson, seconded by Thompson, and unanimously carried to approve a Satisfactory Performance Review for Liquor Store Manager Michael Wilson.

** Approval of Staci’s Bar & Grill Hiawatha Lodge Alcohol and Beverage Dispenser Agreement

This agreement allows licensed alcohol caterer Staci’s Bar and Grill to cater and serve alcohol for events held at the Hiawatha Lodge from June 22, 2026 – June 1, 2027.

(CONSENT AGENDA ITEM)

CLOSING COMMENTS

Thompson shared a reminder of the upcoming Water Tower Festival and that volunteers are still needed for the inflatables on the courthouse lawn after the parade.

Delaney shared that he had already received a notification of a \$1,000.00 donation towards the Carnegie Library Roof Repair project.

EXECUTIVE/CLOSED SESSION

Motion was made by Delaney, seconded by Smidt, and unanimously carried to close the meeting at 7:45pm, pursuant to Minnesota Statutes, section 13D.05, subdivision 3(c)(3) to develop or consider offers or counteroffers for the purchase or sale of real or personal property located in Section 01, Township 106 North, Range 46 West, and Section 36, Township 107 North, Range 46 West, Pipestone County, Minnesota (PID 18.101.0200 and 18.101.0100).

Motion was made by Colbeck, seconded by Thompson, and unanimously carried to reopen the meeting at 8:22pm.

ADJOURNMENT

Motion made by Swanson, seconded by Thompson, and unanimously carried to adjourn the meeting at 8:23pm.

Dan Delaney
Mayor

ATTEST:

Megan DeWitte
City Clerk

A Proclamation

OF THE CITY OF PIPESTONE, RECOGNIZING AND SUPPORTING THE CITY'S SESQUICENTENNIAL AND UNITED STATES SEMI-QUINCENTENNIAL

Whereas, local governments are the bedrock of American democracy, providing 336 million residents with the most accountable, responsive, inclusive, ethical, and transparent government in the world;

Whereas, from the nation's smallest villages to its largest cities, America's local governments have been essential in transforming the United States of America into the greatest, most influential nation in world history;

Whereas, the City of Pipestone was first platted in 1876 and incorporated in 1881 and is proudly served today by Mayor Dan Delaney, Councilmember's Rodger Smidt, Scott Swanson, Verdeen Colbeck, Danielle Thompson, and a municipal workforce of over 100 dedicated public servants;

Now, therefore, be it resolved that the City of Pipestone hereby recognizes the City of Pipestone's sesquicentennial and semi-quincentennial celebration of the United States of America as an opportunity to educate, preserve and innovate during these milestone anniversaries.

That this Resolution shall be in full force and effect at the earliest period allowed by law.

Dated: July 6, 2026

Dan Delaney, Mayor of Pipestone, MN

Background and Purpose

This report provides comparative data on municipal liquor operations owned and operated by Minnesota cities.¹ In 2024, 174 Minnesota cities reported operating 208 municipal liquor stores, with 82 cities operating both on-sale and off-sale liquor establishments and 92 cities restricting their municipally-owned establishments to off-sale liquor stores.² While the majority of municipally-owned liquor stores are located in Greater Minnesota, 18 cities within the Seven-County Metro Area (Metro Area) own and operate liquor establishments (see maps on pages 4 and 5 for locations of establishments).

Minnesota municipalities were originally authorized to own and operate liquor establishments as a means of controlling the sale of alcohol. For many communities in Greater Minnesota, municipal liquor operations provide access and convenience in areas that might be unable to attract a privately-run establishment. In addition to these functions, profitable municipal liquor operations have provided another source of revenue to supplement traditional tax and fee revenues.

The underlying financial data provided in this report is compiled from audited and unaudited financial statements that are required to be filed annually with the Office of the State Auditor. The tables and analysis derived from this data provide a basis of comparison for municipal liquor operations to highlight the current trends and financial condition of these operations. This report provides comparative data to city officials to assist them in the management of their municipal liquor store operations. In addition, it provides information to the public and policymakers, enabling them to evaluate the financial condition of these operations.

¹ Minnesota Statutes § 340A.601 authorizes cities with not more than 10,000 people to own and operate on-sale and off-sale liquor establishments. Once a city has established a municipal liquor store, it may continue to operate the store regardless of a subsequent change in population.

² "On- and off-sale" operations are referred to as "on-sale" operations in this report.

Executive Summary

- The combined net profits, before transfers, of all municipal liquor operations totaled \$36.2 million in 2024. This represents an increase of \$4.6 million, or 14.6 percent, over the amount generated in 2023. Among on-sale operations, net profits totaled \$6.6 million in 2024, which was an increase of \$1.9 million, or 39.3 percent, over 2023. Total net profits for off-sale operations totaled \$29.6 million in 2024, which represents an increase of \$2.8 million, or 10.2 percent, over 2023 (page 6).
- Over the past five years, net profits increased 0.4 percent. Among off-sale operations, there was a 10.1 percent decrease in net profits, while on-sale establishments showed an increase of 112.0 percent (page 6).
- Twenty-seven Minnesota cities reported net losses for 2024 (four fewer than 2023). Twenty-six of the 27 cities with losses were in Greater Minnesota (page 7).
- During 2024, Minnesota's municipal liquor operations reported total sales of \$436.4 million, the first sales decrease in 28 years. Total sales generated in 2024 decreased by \$989,613, or 0.2 percent, from 2023. Among individual liquor operations that were in business for all of 2024, total sales ranged from \$24,689 in Elmore to \$22.6 million in Lakeville (page 7).
- During 2024, Minnesota's municipal liquor operations reported operating expenses totaling \$104.0 million. This represents an increase of \$1.6 million, or 1.6 percent, over the amount reported in 2023 (page 8).
- Municipal liquor operations located within the Metro Area are considerably larger and more profitable than their Greater Minnesota counterparts. Although only 18 of the 174 Minnesota cities (10.3 percent) that own and operate municipal liquor stores are in the Metro Area, they represent 33.1 percent of the total sales and 29.8 percent of the net profits of municipal liquor operations. Sales by all Metro Area municipal liquor operations averaged \$3.8 million in 2024, compared to average sales of \$1.7 million for all Greater Minnesota operations³ (page 9).
- During 2024, Minnesota's municipal liquor stores had net transfers (transfers out minus transfers in) of \$26.3 million. This represents a decrease of 7.6 percent from the total net transfers made in 2023. Net transfers totaled \$7.7 million among Metro Area establishments, compared to \$18.6 million for Greater Minnesota establishments (page 12).

³The average was calculated by dividing the total sales for the Metro Area by the number of liquor stores in the Metro Area, and likewise for Greater Minnesota.

Table 6
Comparison of City Liquor Store Operations - 2024
Ranked by Gross Sales

Ranking	Name of City	Type of Store	Foot-notes	Population	Sales (\$)	Cost of Sales (\$)	Gross Profit		Operating		Nonoperating		Net Profit/(Loss)		Net Transfers* (\$)
							Amount (\$)	Percent of Sales	Expenses (\$)	Income/(Loss) (\$)	Revenues (\$)	Expenses (\$)	Amount (\$)	Percent of Sales	
55	Warroad	Off-Sale Only	---	1,979	2,398,369	1,706,231	692,138	28.9%	511,294	180,844	16,600	---	197,444	8.2%	85,000
56	Grand Marais	Off-Sale Only	---	1,353	2,312,455	1,697,202	615,253	26.6%	656,995	(41,742)	17,175	11,461	(36,028)	-1.6%	1,033,334
57	Longville	On- & Off-Sale	---	154	2,290,096	1,326,199	963,897	42.1%	701,859	262,038	3,170	---	265,208	11.6%	43,348
58	Maple Lake	Off-Sale Only	---	2,222	2,275,589	1,714,943	560,646	24.6%	481,028	79,618	26,335	---	105,953	4.7%	50,000
59	Windom	Off-Sale Only	---	4,809	2,237,978	1,605,854	632,124	28.2%	552,029	80,095	26,222	18,818	87,499	3.9%	100,000
60	Anoka	Off-Sale Only	---	18,402	2,229,039	1,653,358	575,681	25.8%	819,529	(243,848)	583,731	---	339,883	15.2%	20,000
61	Roseau	Off-Sale Only	---	2,747	2,195,721	1,585,678	610,043	27.8%	373,186	236,857	769	---	237,626	10.8%	220,000
62	Battle Lake	Off-Sale Only	---	907	2,182,109	1,585,986	596,123	27.3%	414,137	181,986	16,508	6,495	191,999	8.8%	56,000
63	Moose Lake	On- & Off-Sale	---	2,717	2,089,811	1,407,056	682,755	32.7%	507,299	175,456	---	---	175,456	8.4%	---
64	Baudette	On- & Off-Sale	---	960	2,058,488	1,282,427	776,061	37.7%	549,032	227,029	---	---	227,029	11.0%	170,000
65	Braham	Off-Sale Only	---	1,771	2,009,907	1,435,271	574,636	28.6%	436,567	138,069	18,571	---	156,640	7.8%	67,000
66	Pipestone	Off-Sale Only	---	4,040	1,988,787	1,422,969	565,818	28.5%	360,681	205,137	56,988	---	262,125	13.2%	56,000
67	Lonsdale	Off-Sale Only	---	4,982	1,975,691	1,533,916	441,775	22.4%	425,869	15,906	16,662	---	32,568	1.6%	180,999
68	Paynesville	Off-Sale Only	---	2,575	1,916,531	1,478,317	438,014	22.9%	408,776	29,238	21,006	1,013	49,231	2.6%	40,000
69	Luverne	Off-Sale Only	---	4,929	1,893,298	1,356,594	536,904	28.4%	364,472	172,432	22,503	---	194,935	10.3%	50,000
70	Blue Earth	Off-Sale Only	---	3,194	1,868,237	1,396,157	472,080	25.3%	379,463	92,617	8,112	---	100,729	5.4%	---
71	Bagley	Off-Sale Only	---	1,283	1,839,869	1,344,813	495,056	26.9%	371,501	123,555	3,480	10,227	116,808	6.3%	16,500
72	Glenwood	Off-Sale Only	---	2,691	1,812,475	1,327,040	485,435	26.8%	341,986	143,449	25,209	---	168,658	9.3%	60,000
73	Blackduck	On- & Off-Sale	---	820	1,772,064	979,244	792,820	44.7%	948,496	(155,676)	44,674	10,345	(121,347)	-6.8%	78,500
74	Hackensack	On- & Off-Sale	---	310	1,771,114	1,238,391	532,723	30.1%	504,214	28,509	27,794	---	56,303	3.2%	14,208
75	Kasson	Off-Sale Only	---	7,220	1,690,339	1,303,082	387,257	22.9%	296,752	90,505	15,738	---	106,243	6.3%	16,000
76	Jackson	Off-Sale Only	---	3,289	1,673,472	1,208,155	465,317	27.8%	370,197	95,120	10,715	---	105,835	6.3%	56,000
77	Pelican Rapids	Off-Sale Only	---	2,568	1,563,940	1,073,185	490,755	31.4%	316,231	174,524	9,529	---	184,053	11.8%	117,987
78	Hawley	Off-Sale Only	---	2,267	1,555,119	1,124,883	430,236	27.7%	337,257	92,979	1,899	3,522	91,356	5.9%	15,000
79	Cook	Off-Sale Only	---	536	1,551,338	1,146,445	404,893	26.1%	316,201	88,692	3,747	---	92,439	6.0%	---
80	Mahnomen	On- & Off-Sale	---	1,217	1,523,764	978,568	545,196	35.8%	511,355	33,841	28,413	---	62,254	4.1%	---
81	Atkin	Off-Sale Only	---	2,231	1,518,357	1,112,680	405,677	26.7%	295,494	110,183	18,155	---	128,338	8.5%	78,000

Footnotes:
[0] Information is taken from a cash receipts and disbursements statement.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 7
Comparison of City Liquor Store Operations - 2024
Ranked by Net Profit/(Loss) as a Percent of Sales

Ranking	Name of City	Type of Store	Foot- notes	Population	Sales			Gross Profit			Operating			Nonoperating			Net Profit/(Loss)		Net Transfers* (\$)
					\$	Cost of Sales	\$	Amount	Percent	\$	Expenses	Income/(Loss)	\$	Revenues	Expenses	\$	Amount	Percent	
1	Randall	On- & Off-Sale	---	608	313,527	218,118	95,409	30.4%	43,836	51,573	383,439	---	435,072	138.8%	---	---	---	---	---
2	Ile	On- & Off-Sale	---	824	1,029,642	698,275	331,367	32.2%	312,132	19,235	495,087	116,583	397,739	38.6%	15,000	---	---	---	---
3	Rogers	On- & Off-Sale	---	16,130	4,665,478	3,105,076	1,560,402	33.4%	1,397,328	163,074	1,166,841	---	1,329,915	28.5%	241,359	---	---	---	---
4	Dawson	Off-Sale Only	---	1,466	425,368	316,514	108,854	25.6%	73,223	35,631	77,800	---	113,431	26.7%	---	---	---	---	---
5	Mentor	On- & Off-Sale	---	101	602,257	259,144	343,113	57.0%	226,369	116,744	15,144	---	131,888	21.9%	42,000	---	---	---	---
6	Princeton	Off-Sale Only	---	5,421	5,650,062	4,111,069	1,538,993	27.2%	656,366	882,627	201,651	---	1,084,278	19.2%	151,650	---	---	---	---
7	Fergus Falls	Off-Sale Only	---	14,188	7,458,133	4,980,994	2,477,139	33.2%	1,191,394	1,285,745	88,065	3,064	1,370,746	18.4%	842,773	---	---	---	---
8	Perham	Off-Sale Only	---	3,659	4,460,593	3,136,629	1,323,964	29.7%	703,658	620,306	141,889	1,725	760,470	17.0%	316,050	---	---	---	---
9	Marshall	Off-Sale Only	---	14,029	7,418,591	5,189,122	2,229,469	30.1%	1,068,508	1,160,961	135,198	51,525	1,244,634	16.8%	600,000	---	---	---	---
10	Detroit Lakes	Off-Sale Only	---	10,015	9,398,209	6,765,115	2,633,094	28.0%	1,198,533	1,434,561	52,073	23,390	1,463,244	15.6%	1,776,749	---	---	---	---
11	Anoka	Off-Sale Only	---	18,402	2,229,039	1,653,358	575,681	25.8%	819,529	(243,848)	583,731	---	339,883	15.2%	20,000	---	---	---	---
12	Hadley	On- & Off-Sale	---	62	314,571	123,198	191,373	60.8%	157,024	34,349	13,593	---	47,942	15.2%	---	---	---	---	---
13	Cromwell	On- & Off-Sale	---	252	522,147	209,660	312,487	59.8%	236,627	75,860	1,877	---	77,737	14.9%	25,000	---	---	---	---
14	Fairmont	Off-Sale Only	---	10,226	4,721,826	3,400,103	1,321,723	28.0%	750,794	570,929	126,794	---	697,723	14.8%	1,290,000	---	---	---	---
15	Verndale	On- & Off-Sale	---	507	441,079	185,838	261,241	58.4%	199,630	61,611	689	---	62,300	13.9%	---	---	---	---	---
16	Morris	Off-Sale Only	---	5,188	2,616,282	1,912,688	703,594	26.9%	412,167	291,427	63,581	---	355,008	13.6%	50,000	---	---	---	---
17	Glencoe	Off-Sale Only	---	5,676	2,672,827	1,952,966	719,861	26.9%	358,632	361,229	1,827	10,093	352,963	13.2%	285,000	---	---	---	---
18	Pipestone	Off-Sale Only	---	4,040	1,988,787	1,422,969	565,818	28.5%	360,681	205,137	56,988	---	262,125	13.2%	56,000	---	---	---	---
19	Mapleton	On- & Off-Sale	---	1,669	633,812	362,422	271,390	42.8%	291,328	(19,938)	100,506	---	80,568	12.7%	40,500	---	---	---	---
20	Mound	Off-Sale Only	---	9,297	3,881,104	2,705,563	1,175,541	30.3%	731,274	444,267	39,677	---	483,944	12.5%	360,000	---	---	---	---
21	Frazee	On- & Off-Sale	---	1,318	755,170	444,719	310,451	41.1%	207,959	102,492	650	10,820	92,322	12.2%	---	---	---	---	---
22	Hanley Falls	On- & Off-Sale	---	238	251,145	112,207	138,938	55.3%	123,127	15,811	14,832	280	30,363	12.1%	(3,080)	---	---	---	---
23	Clearbrook	On- & Off-Sale	---	456	722,729	447,760	274,969	38.0%	236,449	38,520	48,698	---	87,218	12.1%	---	---	---	---	---
24	Callaway	On- & Off-Sale	---	203	578,174	315,971	262,203	45.4%	193,626	68,577	709	---	69,286	12.0%	8,919	---	---	---	---
25	Menasha	On- & Off-Sale	---	1,384	1,447,879	729,941	417,938	36.4%	299,962	117,976	18,812	---	136,788	11.9%	70,000	---	---	---	---
26	Pelican Rapids	Off-Sale Only	---	2,568	1,563,940	1,073,185	490,755	31.4%	316,231	174,524	9,529	---	184,053	11.8%	117,987	---	---	---	---
27	Longville	On- & Off-Sale	---	154	2,290,096	1,326,199	963,897	42.1%	701,859	262,038	3,170	---	265,208	11.6%	43,348	---	---	---	---
28	Long Prairie	Off-Sale Only	---	3,766	2,447,474	1,854,860	592,614	24.2%	357,892	234,722	44,573	---	279,295	11.4%	110,000	---	---	---	---

Footnotes:
[0] Information is taken from a cash receipts and disbursements statement.
* Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

Table 13
Comparison of City Liquor Store Operations - 2024
Listed by Economic Development Region and City

Ranked by Net Profit/(Loss) as a Percent of Sales by Type of Establishment

Rank	Region and City	Type of Store	Footnotes	Population	Operating							Nonoperating		Net Profit/(Loss)		
					Sales (\$)	Cost of Sales (\$)	Gross Profit (\$)	Expenses (\$)	Percent of Sales	Income/ (Loss) (\$)	Revenues (\$)	Expenses (\$)	Amount (\$)	Percent of Sales	Net Transfer*(\$)	
7	Maple Lake	Off-Sale Only	---	2,222	2,275,589	1,714,943	560,646	481,028	21.1%	79,618	26,335	---	105,953	4.7%	50,000	
8	Paynesville	Off-Sale Only	---	2,575	1,916,331	1,478,317	438,014	408,776	21.3%	29,238	21,006	1,013	49,231	2.6%	40,000	
1	Gilman	On- & Off-Sale	---	261	461,219	207,081	254,138	296,884	64.4%	(42,746)	68,097	---	25,351	5.5%	12,000	
2	Howard Lake	On- & Off-Sale	---	2,240	1,142,898	734,112	408,786	356,513	31.2%	52,273	343	---	52,616	4.6%	---	
3	Waverly	On- & Off-Sale	---	2,234	1,132,073	766,976	365,097	325,233	28.7%	39,864	---	---	39,864	3.5%	---	
4	Holdingford	On- & Off-Sale	---	748	296,119	144,062	152,057	165,132	55.8%	(13,075)	622	---	(12,453)	4.2%	---	
Total for Region					104,273	\$42,722,407	\$30,824,413	\$11,897,994	\$8,845,107	20.7%	\$3,052,887	\$611,434	\$3,440	\$3,660,881	8.6%	\$3,302,528
Percent of Total MLS Operations					10.3%	9.8%	10.1%	9.0%	8.5%	10.8%	6.9%	0.3%	10.1%	12.5%		
8 - Southwest																
1	Marshall	Off-Sale Only	---	14,029	7,418,591	5,189,122	2,229,469	1,068,508	14.4%	1,160,961	135,198	51,525	1,244,634	16.8%	600,000	
2	Pipestone	Off-Sale Only	---	4,040	1,988,787	1,422,969	565,818	360,681	18.1%	205,137	56,988	---	262,125	13.2%	56,000	
3	Worthington	Off-Sale Only	---	13,742	5,235,188	3,876,676	1,358,512	811,429	15.5%	547,083	26,693	9,866	563,910	10.8%	275,000	
4	Luverne	Off-Sale Only	---	4,929	1,893,298	1,356,394	536,904	364,472	19.3%	172,432	22,503	---	194,935	10.3%	50,000	
5	Lakefield	Off-Sale Only	---	1,729	784,790	579,505	205,285	154,008	19.6%	51,277	24,442	---	75,719	9.6%	6,000	
6	Jackson	Off-Sale Only	---	3,289	1,673,472	1,208,155	465,317	370,197	22.1%	95,120	10,715	---	105,835	6.3%	56,000	
7	Tracy	Off-Sale Only	---	2,056	933,598	619,823	313,775	275,741	29.5%	38,034	8,211	---	46,245	5.0%	50,000	
8	Windom	Off-Sale Only	---	4,809	2,237,978	1,605,854	632,124	552,029	24.7%	80,095	26,222	18,818	87,499	3.9%	100,000	
9	Redwood Falls	Off-Sale Only	---	5,036	2,630,116	1,929,268	700,848	670,124	25.5%	30,724	16,118	---	46,842	1.8%	120,000	
1	Hadley	On- & Off-Sale	---	62	314,571	123,198	191,373	157,024	49.9%	34,349	13,593	---	47,942	15.2%	---	
2	Avoca	On- & Off-Sale	---	113	268,978	108,733	160,245	145,519	54.1%	14,726	17,769	4,106	28,389	10.6%	26,988	
3	Heron Lake	On- & Off-Sale	---	596	453,620	248,661	204,959	163,070	35.9%	41,889	4,810	---	46,699	10.3%	---	
4	Ivanhoe	On- & Off-Sale	---	543	561,411	313,053	248,358	250,508	44.6%	(2,150)	29,110	---	26,560	4.8%	---	
5	Walnut Grove	On- & Off-Sale	---	737	568,285	295,434	272,851	274,940	48.4%	(2,089)	23,627	112	21,426	3.8%	---	

Footnotes:

[0] Information is taken from a cash receipts and disbursements statement.
 * Net transfers are calculated by subtracting transfers in from transfers out. A positive amount indicates a greater level of transfers out than in.

City of Pipestone

Liquor Store Sales Quarterly Report

2nd **2026**
Quarter Year

\$ 532,589.56
Quarter Sales

\$ 961,381.44
Year to Date

Gain/Loss over Quarter **\$ (29,578.25)** **-2.93%**

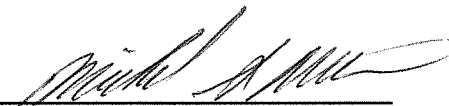
Gain/Loss over Year **\$ (46,973.89)** **-4.66%**

17774
Trans/Quarter

\$ 29.96
Ave/Trans

32140
Year to Date Trans

Sales Tax Collected	
\$ 46,457.38	
Quarter	
\$ 84,246.12	
Year	


Store Manager

City of Pipestone
Liquor Store Sales Report

June
Month

2026
Year

\$ 186,669.70
Month to Date

\$ 961,381.44
Year to Date

\$ (257.70)
Change

\$ (46,973.89)
Change

-0.14%
% Change

-4.66%
% Change

2025
Year

\$ 186,927.40
Month to Date

\$ 1,008,355.33
Year to Date

2024
Year

\$ 191,294.22
Month to Date

\$ 1,039,428.74
Year to Date

12,510
Quantity Sold

\$ 170,522.43
Retail

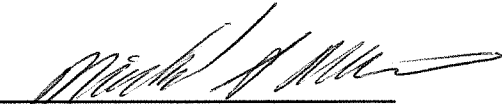
\$ 125,769.23
Cost

6251
Transactions

35.58%
Mark-Up

\$ 29.86
Ave/Trans

Sales Tax Collected	
<u>\$ 16,147.27</u>	Month
<u>\$ 84,246.12</u>	Year


Store Manager

City of Pipestone
Liquor Store Sales Report

May
Month

2026
Year

\$ 188,667.31
Month to Date

\$ 774,711.74
Year to Date

\$ (18,343.42)
Change

\$ (46,716.19)
Change

-8.86%
% Change

-5.69%
% Change

2025
Year

\$ 207,010.73
Month to Date

\$ 821,427.93
Year to Date

2024
Year

\$ 205,022.06
Month to Date

\$ 848,134.52
Year to Date

12,603
Quantity Sold

\$ 172,219.97
Retail

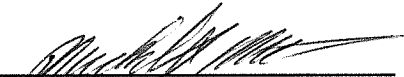
\$ 126,609.24
Cost

6208
Transactions

36.02%
Mark-Up

\$ 30.39
Ave/Trans

Sales Tax Collected	
\$ 16,447.34	Month
\$ 68,098.85	Year


Store Manager

City of Pipestone
Liquor Store Sales Report

April
Month

2026
Year

\$ 157,252.55
Month to Date

\$ 586,044.43
Year to Date

\$ (10,977.13)
Change

\$ (28,372.77)
Change

-6.53%
% Change

-4.62%
% Change

2025
Year

\$ 168,229.68
Month to Date

\$ 614,417.20
Year to Date

2024
Year

\$ 168,624.13
Month to Date

\$ 643,112.46
Year to Date

10,588
Quantity Sold

\$ 143,389.78
Retail

\$ 105,327.26
Cost

5315
Transactions

36.14%
Mark-Up

\$ 29.59
Ave/Trans

Sales Tax Collected	
<u>\$ 13,862.77</u>	Month
<u>\$ 51,651.51</u>	Year


Store Manager

Pipestone Liquor Store
Department Sales Summary

Date: 6/1/2026 12:00:00 AM to 6/30/2026 11:59:59 PM

Department	Qty Sold	Ext Price	Ext Cost	Margin %	Total Margin \$
1-BEER	6,505	93,110.00	70,132.82	24.68	22,977.18
2-LIQUOR	3,517	58,246.28	42,345.55	27.3	15,900.73
3-WINE	1,158	10,899.52	7,621.95	30.07	3,277.57
4-MIX	1,094	5,127.16	3,575.69	30.26	1,551.47
5-THC-CBD	236	3,139.47	2,093.22	33.33	1,046.25
	12,510	170,522.43	125,769.23	29.128	44,753.20

Pipestone Liquor Store
Tax Category Summary

Section 8, Item A.

Date: 6/1/2026 to 6/30/2026

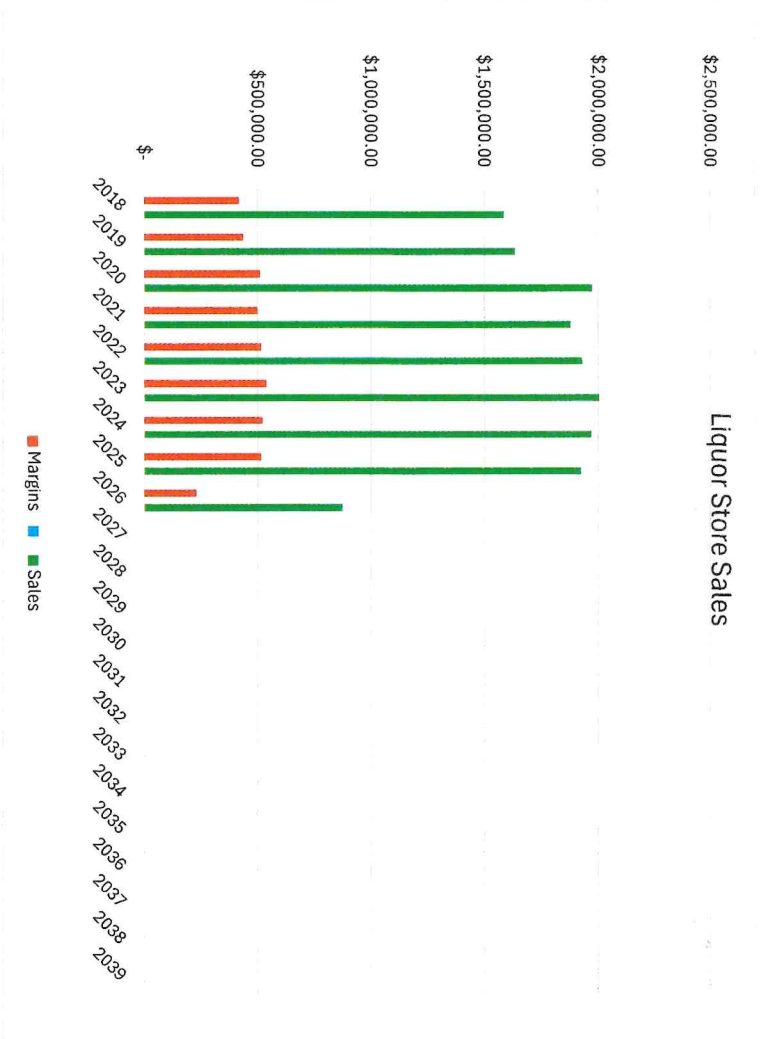
Agency	Tax Location	Tax Code	Sales	Tax %	Tax
<blank>	Local Sales Tax	Non	1,574.25	0	0.00
	Local Sales Tax		1,574.25		0.00
	<blank>				1,574.25
MN Dept of Revenue	Exempt	Tax	71.96	0	0.00
	Exempt		71.96		0.00
MN Dept of Revenue	Local Sales Tax	Tax	162,188.07	9.38	15,206.87
		Tx2	3,688.68	6.88	253.66
		TX3	3,139.47	21.88	686.74
		Local Sales Tax	169,016.22		16,147.27
	MN Dept of Revenue			169,088.18	
			170,662.43		16,147.27

Pipestone Municipal Liquor Store

Section 8, Item A.

	Dept	Count	Ext Price	Ext Cost	% of Sales	Margin %	Mark-Up %	Margin	Monthly Margin			
January	Beer	4415	\$ 62,647.79	\$ 47,053.58	46.94%	24.89%	33.14%	\$ 15,594.21	\$ 36,255.98	Total Sales	% of Sales	
	Liquor	3185	\$ 53,652.39	\$ 38,563.54	40.20%	28.12%	39.13%	\$ 15,088.85		Beer	\$ 450,556.57	51.37%
	Wine	1110	\$ 10,978.35	\$ 7,671.31	8.23%	30.12%	43.11%	\$ 3,307.04		Liquor	\$ 317,197.99	36.16%
	Mix	649	\$ 2,681.85	\$ 1,761.90	2.01%	34.30%	52.21%	\$ 919.95		Wine	\$ 65,064.02	7.42%
	THC/CBD	327	\$ 3,497.32	\$ 2,151.39	2.62%	38.48%	62.56%	\$ 1,345.93		Mix	\$ 21,545.52	2.46%
February	Beer	4219	\$ 57,995.59	\$ 43,666.08	50.15%	24.71%	32.82%	\$ 14,329.51	\$ 31,213.00	THC/CBD	\$ 22,771.22	2.60%
	Liquor	2666	\$ 42,489.71	\$ 30,532.27	36.74%	28.14%	39.16%	\$ 11,957.44		\$ 877,135.32		
	Wine	893	\$ 9,371.92	\$ 6,562.27	8.10%	29.98%	42.82%	\$ 2,809.65		Total Margin & % of Total Margins		
	Mix	579	\$ 2,591.53	\$ 1,754.75	2.24%	32.29%	47.69%	\$ 836.78		Beer	\$ 111,683.34	47.79%
	THC/CBD	293	\$ 3,197.80	\$ 1,918.18	2.77%	40.02%	66.71%	\$ 1,279.62		Liquor	\$ 87,401.03	37.40%
March	Beer	4785	\$ 69,048.08	\$ 52,127.33	48.66%	24.51%	32.46%	\$ 16,920.75	\$ 37,823.27	Wine	\$ 19,461.93	8.33%
	Liquor	3266	\$ 53,580.59	\$ 38,967.10	37.76%	27.27%	37.50%	\$ 14,613.49		Mix	\$ 6,759.78	2.89%
	Wine	1172	\$ 11,222.86	\$ 7,833.92	7.91%	30.20%	43.26%	\$ 3,388.94		THC/CBD	\$ 8,412.62	3.60%
	Mix	769	\$ 3,377.03	\$ 2,298.58	2.38%	31.93%	46.92%	\$ 1,078.45		\$ 233,718.70		
	THC/CBD	396	\$ 4,670.33	\$ 2,848.69	3.29%	39.00%	63.95%	\$ 1,821.64		1st Qt Margins & % of Dept Margins		
April	Beer	5121	\$ 74,092.72	\$ 55,755.04	51.67%	24.75%	32.89%	\$ 18,337.68	\$ 38,062.52	Beer	\$ 46,844.47	41.94%
	Liquor	3155	\$ 49,887.02	\$ 36,291.48	34.79%	27.25%	37.46%	\$ 13,595.54		Liquor	\$ 41,659.78	47.67%
	Wine	1247	\$ 11,863.59	\$ 8,362.58	8.27%	29.51%	41.87%	\$ 3,501.01		Wine	\$ 9,505.63	48.84%
	Mix	685	\$ 3,255.68	\$ 2,215.50	2.27%	31.95%	46.95%	\$ 1,040.18		Mix	\$ 2,835.18	41.94%
	THC/CBD	380	\$ 4,290.77	\$ 2,702.66	2.99%	37.01%	58.76%	\$ 1,588.11		THC/CBD	\$ 4,447.19	52.86%
May	Beer	6518	\$ 93,662.39	\$ 70,138.38	54.39%	25.12%	33.54%	\$ 23,524.01	\$ 45,610.73	\$ 105,292.25		
	Liquor	3654	\$ 59,342.00	\$ 43,097.02	34.46%	27.38%	37.69%	\$ 16,244.98		2nd Qt Margins & % of Dept Margins		
	Wine	1154	\$ 10,727.78	\$ 7,550.06	6.23%	29.62%	42.09%	\$ 3,177.72		Beer	\$ 64,838.87	58.06%
	Mix	929	\$ 4,512.27	\$ 3,179.32	2.62%	29.54%	41.93%	\$ 1,332.95		Liquor	\$ 45,741.25	52.33%
	THC/CBD	348	\$ 3,975.53	\$ 2,644.46	2.31%	33.48%	50.33%	\$ 1,331.07		Wine	\$ 9,956.30	51.16%
June	Beer	6505	\$ 93,110.00	\$ 70,132.82	54.60%	24.68%	32.76%	\$ 22,977.18	\$ 44,753.20	Mix	\$ 3,924.60	58.06%
	Liquor	3517	\$ 58,246.28	\$ 42,345.55	34.16%	27.30%	37.55%	\$ 15,900.73		THC/CBD	\$ 3,965.43	47.14%
	Wine	1158	\$ 10,899.52	\$ 7,621.95	6.39%	30.07%	43.00%	\$ 3,277.57		\$ 128,426.45		
	Mix	1094	\$ 5,127.16	\$ 3,575.69	3.01%	30.26%	43.39%	\$ 1,551.47		3rd Qt Margins & % of Dept Margins		
	THC/CBD	236	\$ 3,139.47	\$ 2,093.22	1.84%	33.33%	49.98%	\$ 1,046.25		Beer	\$ -	0.00%
July	Beer				#DIV/0!	#DIV/0!	#DIV/0!	\$ -	\$ -	Liquor	\$ -	0.00%
	Liquor				#DIV/0!	#DIV/0!	#DIV/0!	\$ -		Wine	\$ -	0.00%
	Wine				#DIV/0!	#DIV/0!	#DIV/0!	\$ -		Mix	\$ -	0.00%
	Mix				#DIV/0!	#DIV/0!	#DIV/0!	\$ -		THC/CBD	\$ -	0.00%
	THC/CBD				#DIV/0!	#DIV/0!	#DIV/0!	\$ -		\$ -		
August	Beer				#DIV/0!	#DIV/0!	#DIV/0!	\$ -	\$ -	4th Qt Margins & % of Dept Margins		
	Liquor				#DIV/0!	#DIV/0!	#DIV/0!	\$ -		Beer	\$ -	0.00%
	Wine				#DIV/0!	#DIV/0!	#DIV/0!	\$ -		Liquor	\$ -	0.00%
	Mix				#DIV/0!	#DIV/0!	#DIV/0!	\$ -		Wine	\$ -	0.00%
	THC/CBD				#DIV/0!	#DIV/0!	#DIV/0!	\$ -		Mix	\$ -	0.00%
September	Beer				#DIV/0!	#DIV/0!	#DIV/0!	\$ -	\$ -	THC/CBD	\$ -	0.00%
	Liquor				#DIV/0!	#DIV/0!	#DIV/0!	\$ -		\$ -		
	Wine				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				
	Mix				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				
	THC/CBD				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				
October	Beer				#DIV/0!	#DIV/0!	#DIV/0!	\$ -	\$ -			
	Liquor				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				
	Wine				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				
	Mix				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				
	THC/CBD				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				
November	Beer				#DIV/0!	#DIV/0!	#DIV/0!	\$ -	\$ -			
	Liquor				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				
	Wine				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				
	Mix				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				
	THC/CBD				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				
December	Beer				#DIV/0!	#DIV/0!	#DIV/0!	\$ -	\$ -			
	Liquor				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				
	Wine				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				
	Mix				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				
	THC/CBD				#DIV/0!	#DIV/0!	#DIV/0!	\$ -				

	Sales	Change
2018	\$ 1,587,608.85	
2019	\$ 1,636,518.24	3.08%
2020	\$ 1,975,294.50	20.70%
2021	\$ 1,878,771.94	-4.89%
2022	\$ 1,930,956.53	2.78%
2023	\$ 2,005,096.32	3.84%
2024	\$ 1,970,371.35	-1.73%
2025	\$ 1,925,663.75	-2.27%
2026	\$ 877,135.32	-54.45%
2027	\$ -	-100.00%
2028	\$ -	#DIV/0!
2029	\$ -	#DIV/0!
2030	\$ -	#DIV/0!
2031	\$ -	#DIV/0!
2032	\$ -	#DIV/0!
2033	\$ -	#DIV/0!
2034	\$ -	#DIV/0!
2035	\$ -	#DIV/0!
2036	\$ -	#DIV/0!
2037	\$ -	#DIV/0!
2038	\$ -	#DIV/0!
2039	\$ 15,787,416.80	#DIV/0!



	Margins	Change
2018	\$ 421,376.00	0.00%
2019	\$ 440,118.94	4.26%
2020	\$ 514,445.34	14.45%
2021	\$ 504,233.00	-2.03%
2022	\$ 520,625.69	3.15%
2023	\$ 541,400.69	3.84%
2024	\$ 524,426.23	-3.24%
2025	\$ 520,205.75	-0.81%
2026	\$ 233,718.70	-122.58%
2027	\$ -	-100.00%
2028	\$ -	#DIV/0!
2029	\$ -	#DIV/0!
2030	\$ -	#DIV/0!
2031	\$ -	#DIV/0!
2032	\$ -	#DIV/0!
2033	\$ -	#DIV/0!
2034	\$ -	#DIV/0!
2035	\$ -	#DIV/0!
2036	\$ -	#DIV/0!
2037	\$ -	#DIV/0!
2038	\$ -	#DIV/0!
2039	\$ 4,220,550.34	#DIV/0!



Real People. Real Solutions.

7533 Sunwood Drive NW
Suite 206
Ramsey, MN 55303-5119

Ph: (763) 433-2851
Fax: (763) 427-0833
Bolton-Menk.com

June 23, 2026

Ms. Stephanie LaBrune
City Administrator
City of Pipestone
119 2nd Avenue Southwest
Pipestone, MN 56164

RE: Pipestone Municipal Airport (PQN)
80' x 80' Hangar
FAA AIP 3-27-0079-019-2025 / AIG 020-2025
SP No. A5901-59 & 60

Dear Ms. LaBrune:

Enclosed is Pay Application No. 3 for the above-mentioned project in the amount of **\$347,005.15**. This Pay Application completes payment for building concrete, erection, electrical, and plumbing construction.

I recommend that the Pay Application be approved as shown. If you agree, please sign and return one copy with payment to the Contractor and one copy to me for our records.

If you have any questions or need additional information, please contact me at 612-987-0138 or silas.parmar@bolton-menk.com.

Sincerely,
Bolton & Menk, Inc.

Silas Parmar, P.E.
Project Manager

Enclosures

Contractor's Application for Payment

Owner:	CITY OF PIPESTONE		Owner's Project No.:	
Engineer:	BOLTON & MENK, INC.		Engineer's Project No.:	24X.136402
Contractor:	EVERSTRONG CONSTRUCTION, INC.		Agency's Project No.:	FAA AIP 19-25/AIG 20-25/ SP A5001-49/50
Project:	80' X 80' HANGAR			
Application No.:	3	Application Date:	6/23/2026	
Application Period:	From	1/1/2026	to	6/19/2026

1. Original Contract Price	\$	803,732.46
2. Net change by Change Orders	\$	-
3. Current Contract Price (Line 1 + Line 2)	\$	803,732.46
4. Total Work completed and materials stored to date (Sum of Column G Lump Sum Total and Column J Unit Price Total)	\$	737,511.86
5. Retainage		
a. 5% X \$ 737,511.86 Work Completed	\$	36,875.59
b. X \$ - Stored Materials	\$	-
c. Total Retainage (Line 5.a + Line 5.b)	\$	36,875.59
6. Amount eligible to date (Line 4 - Line 5.c)	\$	700,636.27
7. Less previous payments	\$	353,631.12
8. Amount due this application	\$	347,005.15
9. Balance to finish, including retainage (Line 3 - Line 4)	\$	66,220.60

Contractor's Certification

The undersigned Contractor certifies, to the best of its knowledge, the following:

- (1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;
- (2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such liens, security interest, or encumbrances); and
- (3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor: EVERSTRONG CONSTRUCTION, INC.

Signature: Peter U'Ren **Date:** June 24, 2026
Name: PETER U'REN **Title:** PRESIDENT

Recommended by Engineer

By: Silas Parnan
Name: SILAS PARNAN
Title: PROJECT MANAGER
Date: 6/23/2026

Approved by Owner

By: _____
Name: _____
Title: _____
Date: _____

Contractor's Application for Payment

Owner:		CITY OF PIPESTONE	
Engineer:		BOLTON & MENK, INC.	
Contractor:		EVERSTRONG CONSTRUCTION, INC.	
Project:		80' X 80' HANGAR	
Owner's Project No.:		24X.136402	
Contractor's Project No.:		FAA AIP 19-25/AIG 20-25/ SP A5001-49/50	
Agency's Project No.:		FAA AIP 19-25/AIG 20-25/ SP A5001-49/50	
Application No.:		3	
Application Period:		01/01/26 to 06/19/26	
Application Date:		06/23/26	

A	B	C	D	E	F	F1	F2	G	H	I	J	K	L
1	80' X 80' HANGAR, COMPLETE DESIGN-BUILD PER RFP	1.00	LUMP SUM	803,732.46	803,732.46	0.463143	372,243.28	0.917609	737,511.86	-	737,511.86	92%	66,220.60
Original Contract Totals					\$ 803,732.46	\$ 372,243.28	\$ 737,511.86	\$ 737,511.86	\$ 737,511.86	\$ -	\$ 737,511.86	92%	\$ 66,220.60

Contractor's Application for Payment

Owner:	City of Pipestone	Owner's Project No.:	S.A.P. 059-591-006
Engineer:	Bolton & Menk, Inc.	Engineer's Project No.:	24X.134941.000
Contractor:	Hulstein Excavating LLC	Agency's Project No.:	S.A.P. 059-591-006
Project:	Safe Routes to School, S.A.P. 059-591-006		
Contract:	S.A.P. 059-591-006		
Application No.:	2	Application Date:	7/6/2026
Application Period:	From 5/26/2026	to	6/25/2026

1. Original Contract Price	\$	856,946.15
2. Net change by Change Orders	\$	-
3. Current Contract Price (Line 1 + Line 2)	\$	856,946.15
4. Total Work completed and materials stored to date (Sum of Column H Unit Price Total and Column M Stored Materials)	\$	777,318.00
5. Retainage		
a. 5% X \$ 777,318.00 Work Completed	\$	38,865.90
b. X \$ - Stored Materials	\$	-
c. Total Retainage (Line 5.a + Line 5.b)	\$	38,865.90
6. Amount eligible to date (Line 4 - Line 5.c)	\$	738,452.10
7. Less previous payments	\$	74,804.66
8. Amount due this application	\$	663,647.44
9. Balance to finish, including retainage (Line 3 - Line 4)	\$	79,628.15

Contractor's Certification

The undersigned Contractor certifies, to the best of its knowledge, the following:

(1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;

(2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such liens, security interest, or encumbrances); and

(3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor: Hulstein Excavating LLC

Signature: _____ **Date:** _____

Name: _____ **Title:** _____

Recommended by Engineer	Approved by Owner
By: _____	By: _____
Name: <u>Travis L. Winter, P.E.</u>	Name: <u>Dan Delaney</u>
Title: <u>Pipestone City Engineer</u>	Title: <u>Mayor, City of Pipestone</u>
Date: _____	Date: _____

Approved by Funding Agency

By: _____	By: _____
Name: <u>Nick Bergman</u>	Name: _____
Title: <u>Pipestone County Engineer</u>	Title: _____
Date: _____	Date: _____

Progress Estimate - Unit Price Work

Contractor's Application for Payment

Owner:	City of Pipestone							Owner's Project No.: SAP 059-591-006			
Engineer:	Bolton & Menk, Inc.							Engineer's Project No.: 24X.134941.000			
Contractor:	Hulstein Excavating LLC							Contractor's Project No.:			
Project:	Safe Routes to School, S.A.P. 059-591-006							Agency's Project No.: SAP 059-591-006			
Contract:	S.A.P. 059-591-006										
Application No.: 2 Application Period: From 05/26/26 to 06/25/26 Application Date: 07/06/26											
A	B	C	D	E	F	F1	F2	G	H	K	L
Bid Item No.	Description	Contract Information				Previous Estimate		Work Completed		% of Value of Item (J / F) (%)	Balance to Finish (F - J) (\$)
		Item Quantity	Units	Unit Price (\$)	Value of Bid Item (C X E) (\$)	Quantity Previous Estimate	Value Previous Estimate	Estimated Quantity Incorporated in the Work	Value of Work Completed to Date (E X G) (\$)		
Original Contract											
1	MOBILIZATION	1.00	LUMP SUM	75,000.00	75,000.00	0.50	37,500.00	0.90	67,500.00	90%	7,500.00
2	CLEARING	2.00	EACH	1,500.00	3,000.00	-	-	2.00	3,000.00	100%	-
3	GRUBBING	2.00	EACH	400.00	800.00	-	-	4.00	1,600.00	200%	(800.00)
4	SALVAGE CONCRETE APRON	3.00	EACH	700.00	2,100.00	-	-	3.00	2,100.00	100%	-
5	SALVAGE SIGN	16.00	EACH	55.00	880.00	12.00	660.00	16.00	880.00	100%	-
6	SALVAGE SIGN SPECIAL	2.00	EACH	110.00	220.00	-	-	2.00	220.00	100%	-
7	SALVAGE MAIL BOX SUPPORT	8.00	EACH	125.00	1,000.00	4.00	500.00	8.00	1,000.00	100%	-
8	SAWING CONCRETE PAVEMENT (FULL DEPTH)	111.00	LIN FT	9.00	999.00	111.00	999.00	111.00	999.00	100%	-
9	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	2,521.00	LIN FT	3.00	7,563.00	2,521.00	7,563.00	2,521.00	7,563.00	100%	-
10	REMOVE CURB AND GUTTER	284.00	LIN FT	7.00	1,988.00	220.00	1,540.00	284.00	1,988.00	100%	-
11	REMOVE CONCRETE WALK	38.00	SQ YD	10.00	380.00	38.00	380.00	38.00	380.00	100%	-
12	REMOVE CONCRETE DRIVEWAY PAVEMENT	163.00	SQ YD	8.25	1,344.75	163.00	1,344.75	163.00	1,344.75	100%	-
13	REMOVE CONCRETE PAVEMENT	26.00	SQ YD	55.00	1,430.00	26.00	1,430.00	26.00	1,430.00	100%	-
14	REMOVE BITUMINOUS PAVEMENT	1,023.00	SQ YD	5.50	5,626.50	900.00	4,950.00	1,023.00	5,626.50	100%	-
15	EXCAVATION - COMMON	2,333.00	CU YD	15.00	34,995.00	700.00	10,500.00	2,333.00	34,995.00	100%	-
16	COMMON EMBANKMENT (CV)	1,138.00	CU YD	18.00	20,484.00	-	-	1,138.00	20,484.00	100%	-
17	AGGREGATE BASE (CV) CLASS 5	1,331.00	CU YD	45.00	59,895.00	-	-	1,370.00	61,650.00	103%	(1,755.00)
18	CONCRETE PAVEMENT 7.0"	26.00	SQ YD	150.00	3,900.00	-	-	26.00	3,900.00	100%	-
19	TYPE SP 9.5 WEARING COURSE MIXTURE (3,B)	234.00	TON	275.00	64,350.00	-	-	211.46	58,151.50	90%	6,198.50
20	INSTALL CONCRETE APRON	3.00	EACH	600.00	1,800.00	-	-	3.00	1,800.00	100%	-
21	12" RC PIPE CULVERT	12.00	LIN FT	130.00	1,560.00	-	-	25.00	3,250.00	208%	(1,690.00)
22	CONNECT TO EXISTING PIPE DRAIN	2.00	EACH	1,300.00	2,600.00	-	-	2.00	2,600.00	100%	-
23	12" RC PIPE SEWER DESIGN 3006	56.00	LIN FT	100.00	5,600.00	-	-	91.50	9,150.00	163%	(3,550.00)
24	CONNECT TO EXISTING STORM SEWER	1.00	EACH	3,000.00	3,000.00	-	-	1.00	3,000.00	100%	-

Progress Estimate - Unit Price Work

Contractor's Application for Payment

Owner:	City of Pipestone									Owner's Project No.: SAP 059-591-006	
Engineer:	Bolton & Menk, Inc.									Engineer's Project No.: 24X.134941.000	
Contractor:	Hulstein Excavating LLC									Contractor's Project No.:	
Project:	Safe Routes to School, S.A.P. 059-591-006									Agency's Project No.: SAP 059-591-006	
Contract:	S.A.P. 059-591-006										

Application No.:	2	Application Period:	From	05/26/26	to	06/25/26	Application Date: 07/06/26				
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A	B	C	D	E	F	F1	F2	G	H	K	L
Bid Item No.	Description	Contract Information				Previous Estimate		Work Completed		% of Value of Item (J / F) (%)	Balance to Finish (F - J) (\$)
		Item Quantity	Units	Unit Price (\$)	Value of Bid Item (C X E) (\$)	Quantity Previous Estimate	Value Previous Estimate	Estimated Quantity Incorporated in the Work	Value of Work Completed to Date (E X G) (\$)		
25	ADJUST GATE VALVE AND BOX	9.00	EACH	250.00	2,250.00	-	-	9.00	2,250.00	100%	-
26	CONSTRUCT DRAINAGE STRUCTURE DESIGN 48-4020	2.00	EACH	4,000.00	8,000.00	-	-	2.00	8,000.00	100%	-
27	CASTING ASSEMBLY	2.00	EACH	825.00	1,650.00	-	-	2.00	1,650.00	100%	-
28	6" CONCRETE WALK	26,560.00	SQ FT	7.50	199,200.00	-	-	26,316.00	197,370.00	99%	1,830.00
29	DRILL AND GROUT REINF BAR (EPOXY COATED)	150.00	EACH	15.75	2,362.50	-	-	150.00	2,362.50	100%	-
30	CONCRETE CURB RAMP WALK	804.00	SQ FT	16.25	13,065.00	-	-	795.00	12,918.75	99%	146.25
31	CONCRETE CURB AND GUTTER DESIGN B424	696.00	LIN FT	57.25	39,846.00	-	-	-	-		39,846.00
32	CONCRETE CURB AND GUTTER DESIGN B624	1,186.00	LIN FT	62.00	73,532.00	-	-	2,004.00	124,248.00	169%	(50,716.00)
33	6" CONCRETE DRIVEWAY PAVEMENT	260.00	SQ YD	110.00	28,600.00	-	-	220.00	24,200.00	85%	4,400.00
34	8" CONCRETE DRIVEWAY PAVEMENT	318.00	SQ YD	150.00	47,700.00	-	-	297.00	44,550.00	93%	3,150.00
35	CONCRETE SILL	701.00	LIN FT	40.00	28,040.00	-	-	-	-		28,040.00
36	CONCRETE CURB AND GUTTER (ADA)	295.00	LIN FT	75.00	22,125.00	-	-	262.00	19,650.00	89%	2,475.00
37	8" CONCRETE VALLEY GUTTER	18.00	SQ YD	200.00	3,600.00	-	-	27.00	5,400.00	150%	(1,800.00)
38	TRUNCATED DOMES	101.00	SQ FT	77.00	7,777.00	-	-	112.00	8,624.00	111%	(847.00)
39	INSTALL MAIL BOX SUPPORT	8.00	EACH	425.00	3,400.00	-	-	-	-		3,400.00
40	INSTALL SIGN	16.00	EACH	750.00	12,000.00	-	-	-	-		12,000.00
41	INSTALL SIGN SPECIAL	2.00	EACH	550.00	1,100.00	-	-	-	-		1,100.00
42	TEMPORARY FENCE	400.00	LIN FT	20.00	8,000.00	-	-	-	-		8,000.00
43	STORM DRAIN INLET PROTECTION	6.00	EACH	175.00	1,050.00	3.00	525.00	3.00	525.00	50%	525.00
44	SEDIMENT CONTROL LOG TYPE WOOD FIBER	5,425.00	LIN FT	2.50	13,562.50	4,340.00	10,850.00	4,340.00	10,850.00	80%	2,712.50
45	SOIL BED PREPARATION	1.10	ACRE	1,000.00	1,100.00	-	-	1.10	1,100.00	100%	-
46	FILTER TOPSOIL BORROW	863.00	CU YD	32.00	27,616.00	-	-	594.00	19,008.00	69%	8,608.00
47	FERTILIZER TYPE 3	214.00	POUND	1.10	235.40	-	-	-	-		235.40
48	SEEDING	1.10	ACRE	1,000.00	1,100.00	-	-	-	-		1,100.00
49	SEED MIXTURE SOUTHERN BOULEVARD	94.00	POUND	5.50	517.00	-	-	-	-		517.00

Progress Estimate - Unit Price Work

Contractor's Application for Payment

Owner:	City of Pipestone					Owner's Project No.: SAP 059-591-006					
Engineer:	Bolton & Menk, Inc.					Engineer's Project No.: 24X.134941.000					
Contractor:	Hulstein Excavating LLC					Contractor's Project No.:					
Project:	Safe Routes to School, S.A.P. 059-591-006					Agency's Project No.: SAP 059-591-006					
Contract:	S.A.P. 059-591-006										

Application No.:	2	Application Period:	From	05/26/26	to	06/25/26	Application Date: 07/06/26				
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A	B	C	D	E	F	F1	F2	G	H	K	L
Bid Item No.	Description	Contract Information				Previous Estimate		Work Completed		% of Value of Item (J / F) (%)	Balance to Finish (F - J) (\$)
		Item Quantity	Units	Unit Price (\$)	Value of Bid Item (C X E) (\$)	Quantity Previous Estimate	Value Previous Estimate	Estimated Quantity Incorporated in the Work	Value of Work Completed to Date (E X G) (\$)		
50	SEED MIXTURE RESIDENTIAL TURF	95.00	POUND	4.50	427.50	-	-	-	-		427.50
51	SEED MIXTURE SOUTHERN TALLGRASS ROADSIDE	1.00	POUND	225.00	225.00	-	-	-	-		225.00
52	HYDRAULIC REINFORCED FIBER MATRIX	4,175.00	POUND	2.00	8,350.00	-	-	-	-		8,350.00
Original Contract Totals					\$ 856,946.15		\$ 78,741.75		\$ 777,318.00	91%	\$ 79,628.15

July 6, 2026

PRE-SALE REPORT FOR

City of Pipestone, Minnesota

\$3,130,000 General Obligation Bonds, Series 2026A



Prepared by:

Ehlers
3001 Broadway Street, Suite 320
Minneapolis, MN 55413

Advisors:

Rebecca Kurtz, Senior Municipal Advisor
Keith Dahl, Senior Municipal Advisor

BUILDING COMMUNITIES. IT'S WHAT WE DO.

EXECUTIVE SUMMARY OF PROPOSED DEBT

Proposed Issue: \$3,130,000 General Obligation Bonds, Series 2026A
Purposes: The proposed issue includes financing for the following purposes: • 2nd Avenue SW Improvement Project in the amount of \$2,645,000. Debt service will be paid from special assessments of at least 20% of the project and taxes. • 7th Avenue SE Street Repairs in the project amount of \$70,000. Debt service will be paid from tax abatement revenues / taxes. • Fuel Tank Replacement at the Airport in the project amount of \$415,000. Debt service will be paid from taxes.
Authority: The Bonds are being issued pursuant to Minnesota Statutes, Chapters: • 429: Improvement Bond Authority. Because the City is assessing at least 20% of the project costs, the Bonds can be a general obligation without a referendum and will not count against the City’s debt limit. • 469: Tax Abatement Authority. On August 3rd, the City will hold a public hearing and consider the approval or a tax abatement to be used to pay debt service on tax abatement purpose of the bonds. Under the Tax Abatement Authority, the amount of property taxes abated in any year for the Bonds, together with any outstanding annual abatements, may not exceed 10% of the City’s net tax capacity or \$200,000, whichever is greater. • 410 and 412: Equipment Certificate Authority. If the amount of equipment certificates issued is more than .25% of the estimated market value of taxable property in the City a public hearing must be held, and the issue is subject to reverse referendum. The City is under the maximum amount of debt limit proscribed by the statutory authority. • 475 – General Bonding Authority The Bonds will be general obligations of the City for which its full faith, credit and taxing powers are pledged.

Term/Call Feature:

The Bonds are being issued for a term of 15 years. Principal on the Bonds will be due on February 1 in the years 2028 through 2042. Interest will be due every six months beginning August 1, 2027.

The Bonds will be subject to prepayment at the discretion of the City on February 1, 2036 or any date thereafter.

Bank Qualification:

Because the City is expecting to issue no more than \$10,000,000 in tax exempt debt during the calendar year, the City will be able to designate the Bonds as “bank qualified” obligations. Bank qualified status broadens the market for the Bonds, which can result in lower interest rates.

Rating:

The City’s most recent bond issues were rated by S&P Global Ratings. The current rating on those bonds is “AA-”. The City will request a new rating for the Bonds.

If the winning bidder on the Bonds elects to purchase bond insurance, the rating for the issue may be higher than the City’s bond rating in the event that the bond rating of the insurer is higher than that of the City.

Basis for Recommendation:

Based on your objectives, financial situation and need, risk tolerance, liquidity needs, experience with the issuance of Bonds and long-term financial capacity, as well as the tax status considerations related to the Bonds and the structure, timing and other similar matters related to the Bonds, we are recommending the issuance of Bonds as a suitable option.

Method of Sale/Placement:

We are recommending the Bonds be issued as municipal securities and offered through a competitive underwriting process. You will solicit competitive bids, which we will compile on your behalf, for the purchase of the Bonds from underwriters and banks.

An allowance for discount bidding will be incorporated in the terms of the issue. The discount is treated as an interest item and provides the underwriter with all or a portion of their compensation in the transaction.

If the Bonds are purchased at a price greater than the minimum bid amount (maximum discount), the unused allowance may be used to reduce your borrowing amount.

Premium Pricing:

In some cases, investors in municipal bonds prefer “premium” pricing structures. A premium is achieved when the coupon for any maturity (the interest rate paid by the issuer) exceeds the yield to the investor, resulting in a price paid that is greater than the face value of the

bonds. The sum of the amounts paid in excess of face value is considered “reoffering premium.” The amount of the premium varies, but it is not uncommon to see premiums for new issues in the range of 2.00% to 10.00% of the face amount of the issue. This means that an issuer with a \$2,000,000 offering may receive bids that result in proceeds of \$2,040,000 to \$2,200,000.

For this issue of Bonds we have been directed to use the net premium to reduce the size of the issue/increase the net proceeds for the project. The resulting adjustments may slightly change the true interest cost of the issue, either up or down.

The amount of premium can be restricted in the bid specifications. Restrictions on premium may result in fewer bids but may also eliminate large adjustments on the day of sale and unintended impacts with respect to debt service payment. Ehlers will identify appropriate premium restrictions for the Bonds intended to achieve the City’s objectives for this financing.

Review of Existing Debt:

We have reviewed all outstanding indebtedness for the City and find that there are no refunding opportunities at this time.

We will continue to monitor the market and the call dates for the City’s outstanding debt and will alert you to any future refunding opportunities.

Continuing Disclosure:

Because the City has more than \$10,000,000 in outstanding debt subject to a continuing disclosure undertaking (including this issue) and this issue does not meet an available exemption from continuing disclosure, the City will be agreeing to provide certain updated Annual Financial Information and its Audited Financial Statement annually, as well as providing notices of the occurrence of certain reportable events to the Municipal Securities Rulemaking Board (the “MSRB”), as required by rules of the Securities and Exchange Commission (SEC). The City is already obligated to provide such reports for its existing bonds, and has contracted with Ehlers to prepare and file the reports.

Arbitrage Monitoring:

The City must ensure compliance with certain sections of the Internal Revenue Code and Treasury Regulations (“Arbitrage Rules”) throughout the life of the issue to maintain the tax-exempt status of the Bonds. These Arbitrage Rules apply to amounts held in construction, escrow, reserve, debt service account(s), etc., along with related investment income on each fund/account.

IRS audits will verify compliance with rebate, yield restriction and records retention requirements within the Arbitrage Rules. The City’s specific arbitrage responsibilities will be detailed in the Nonarbitrage Certificate (the “Tax Compliance Document”) prepared by your Bond Attorney and provided at closing.

The Bonds may qualify for one or more exception(s) to the Arbitrage Rules by meeting 1) small issuer exception, 2) spend down requirements, 3) bona fide debt service fund limits, 4)

reasonable reserve requirements, 5) expenditure within an available period limitations, 6) investments yield restrictions, 7) de minimis rules, or; 8) borrower limited requirements.

An Ehlers arbitrage expert will contact the City within 30 days after the sale date to review the City’s specific responsibilities for the Bonds. The City is currently receiving arbitrage services from Ehlers in relation to the Bonds.

Investment of Bond Proceeds:

Ehlers can assist the City in developing a strategy to invest your Bond proceeds until the funds are needed to pay the project costs.

Risk Factors:

Special Assessments: We have not assumed any pre-paid special assessments and we have assumed that assessments will be levied as projected. If the City receives a significant amount of pre-paid assessments or does not levy the assessments, it may need to increase the levy portion of the debt service to make up for lower interest earnings than the expected assessment interest rate.

Other Service Providers:

This debt issuance will require the engagement of other public finance service providers. This section identifies those other service providers, so Ehlers can coordinate their engagement on your behalf. Where you have previously used a particular firm to provide a service, we have assumed that you will continue that relationship. For services you have not previously required, we have identified a service provider. Fees charged by these service providers will be paid from proceeds of the obligation, unless you notify us that you wish to pay them from other sources. Our pre-sale bond sizing includes a good faith estimate of these fees, but the final fees may vary. If you have any questions pertaining to the identified service providers or their role, or if you would like to use a different service provider for any of the listed services please contact us.

Bond Counsel: Kennedy & Graven

Paying Agent: Bond Trust Services Corporation

Rating Agency: Standard & Poor’s Global Ratings (S&P)

Summary:

- The decisions to be made by the City Council are as follows:
- Accept or modify the finance assumptions described in this report
 - Adopt the resolution attached to this report.

PROPOSED DEBT ISSUANCE SCHEDULE

Pre-Sale Review by City Council:	July 6, 2026
Due Diligence Call to Review Official Statement:	Week of July 20, 2026
Conference with Rating Agency:	Week of July 20, 2026
Distribute Official Statement:	July 2, 2026
City Council Meeting to Award Sale of the Bonds:	August 3, 2026
Estimated Closing Date:	August 20, 2026

Attachments

- Estimated Sources and Uses of Funds
- Estimated Proposed Debt Service Schedule
- Resolution Authorizing Ehlers to Proceed with Bond Sale

EHLERS' CONTACTS

Rebecca Kurtz, Senior Municipal Advisor	(651) 697-8516
Keith Dahl, Senior Municipal Advisor	(651) 697-8595
Silvia Johnson, Senior Public Finance Analyst	(651) 697-8580
Alicia Gage, Senior Financial Analyst	(651) 697-8551

City of Pipestone, Minnesota

\$3,130,000 General Obligation Bonds, Series 2026A

Issue Summary

Assumes Current Market BQ AA- Rates plus 50bps

Total Issue Sources And Uses

Dated 08/20/2026 | Delivered 08/20/2026

	Improvements	Equipment	Tax Abatement	Issue Summary
Sources Of Funds				
Par Amount of Bonds	\$2,645,000.00	\$415,000.00	\$70,000.00	\$3,130,000.00
Total Sources	\$2,645,000.00	\$415,000.00	\$70,000.00	\$3,130,000.00
Uses Of Funds				
Total Underwriter's Discount (1.200%)	31,740.00	4,980.00	840.00	37,560.00
Costs of Issuance	66,758.79	10,474.44	1,766.77	79,000.00
Deposit to Project Construction Fund	2,542,600.00	400,000.00	70,000.00	3,012,600.00
Rounding Amount	3,901.21	(454.44)	(2,606.77)	840.00
Total Uses	\$2,645,000.00	\$415,000.00	\$70,000.00	\$3,130,000.00

City of Pipestone, Minnesota

\$3,130,000 General Obligation Bonds, Series 2026A

Issue Summary

Assumes Current Market BQ AA- Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/20/2026	-	-	-	-	-
08/01/2027	-	-	108,935.76	108,935.76	-
02/01/2028	135,000.00	3.100%	57,502.75	192,502.75	301,438.51
08/01/2028	-	-	55,410.25	55,410.25	-
02/01/2029	195,000.00	3.200%	55,410.25	250,410.25	305,820.50
08/01/2029	-	-	52,290.25	52,290.25	-
02/01/2030	205,000.00	3.260%	52,290.25	257,290.25	309,580.50
08/01/2030	-	-	48,948.75	48,948.75	-
02/01/2031	210,000.00	3.350%	48,948.75	258,948.75	307,897.50
08/01/2031	-	-	45,431.25	45,431.25	-
02/01/2032	215,000.00	3.400%	45,431.25	260,431.25	305,862.50
08/01/2032	-	-	41,776.25	41,776.25	-
02/01/2033	210,000.00	3.500%	41,776.25	251,776.25	293,552.50
08/01/2033	-	-	38,101.25	38,101.25	-
02/01/2034	215,000.00	3.550%	38,101.25	253,101.25	291,202.50
08/01/2034	-	-	34,285.00	34,285.00	-
02/01/2035	220,000.00	3.600%	34,285.00	254,285.00	288,570.00
08/01/2035	-	-	30,325.00	30,325.00	-
02/01/2036	225,000.00	3.700%	30,325.00	255,325.00	285,650.00
08/01/2036	-	-	26,162.50	26,162.50	-
02/01/2037	240,000.00	3.800%	26,162.50	266,162.50	292,325.00
08/01/2037	-	-	21,602.50	21,602.50	-
02/01/2038	195,000.00	3.900%	21,602.50	216,602.50	238,205.00
08/01/2038	-	-	17,800.00	17,800.00	-
02/01/2039	205,000.00	4.000%	17,800.00	222,800.00	240,600.00
08/01/2039	-	-	13,700.00	13,700.00	-
02/01/2040	210,000.00	4.100%	13,700.00	223,700.00	237,400.00
08/01/2040	-	-	9,395.00	9,395.00	-
02/01/2041	220,000.00	4.150%	9,395.00	229,395.00	238,790.00
08/01/2041	-	-	4,830.00	4,830.00	-
02/01/2042	230,000.00	4.200%	4,830.00	234,830.00	239,660.00
Total	\$3,130,000.00	-	\$1,046,554.51	\$4,176,554.51	-

Yield Statistics

Bond Year Dollars	\$27,269.81
Average Life	8.712 Years
Average Coupon	3.8377777%
Net Interest Cost (NIC)	3.9755124%
True Interest Cost (TIC)	3.9831126%
Bond Yield for Arbitrage Purposes	3.8140155%
All Inclusive Cost (AIC)	4.3483908%

IRS Form 8038

Net Interest Cost	3.8377777%
Weighted Average Maturity	8.712 Years

City of Pipestone, Minnesota

\$3,130,000 General Obligation Bonds, Series 2026A

Issue Summary

Assumes Current Market BQ AA- Rates plus 50bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% of Total	Assessments	Levy/(Surplus)
02/01/2027	-	-	-	-	-	-	-
02/01/2028	135,000.00	3.100%	166,438.51	301,438.51	316,510.44	60,212.42	256,298.02
02/01/2029	195,000.00	3.200%	110,820.50	305,820.50	321,111.53	60,212.41	260,899.12
02/01/2030	205,000.00	3.260%	104,580.50	309,580.50	325,059.53	60,212.41	264,847.12
02/01/2031	210,000.00	3.350%	97,897.50	307,897.50	323,292.38	60,212.43	263,079.95
02/01/2032	215,000.00	3.400%	90,862.50	305,862.50	321,155.63	60,212.41	260,943.22
02/01/2033	210,000.00	3.500%	83,552.50	293,552.50	308,230.13	60,212.42	248,017.71
02/01/2034	215,000.00	3.550%	76,202.50	291,202.50	305,762.63	60,212.42	245,550.21
02/01/2035	220,000.00	3.600%	68,570.00	288,570.00	302,998.50	60,212.41	242,786.09
02/01/2036	225,000.00	3.700%	60,650.00	285,650.00	299,932.50	60,212.42	239,720.08
02/01/2037	240,000.00	3.800%	52,325.00	292,325.00	306,941.25	60,212.42	246,728.83
02/01/2038	195,000.00	3.900%	43,205.00	238,205.00	250,115.25	60,212.42	189,902.83
02/01/2039	205,000.00	4.000%	35,600.00	240,600.00	252,630.00	60,212.41	192,417.59
02/01/2040	210,000.00	4.100%	27,400.00	237,400.00	249,270.00	60,212.43	189,057.57
02/01/2041	220,000.00	4.150%	18,790.00	238,790.00	250,729.50	60,212.42	190,517.08
02/01/2042	230,000.00	4.200%	9,660.00	239,660.00	251,643.00	60,212.43	191,430.57
Total	\$3,130,000.00	-	\$1,046,554.51	\$4,176,554.51	\$4,385,382.24	\$903,186.28	\$3,482,195.96

Significant Dates

Dated	8/20/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	\$27,269.81
Average Life	8.712 Years
Average Coupon	3.8377777%
Net Interest Cost (NIC)	3.9755124%
True Interest Cost (TIC)	3.9831126%
Bond Yield for Arbitrage Purposes	3.8140155%
All Inclusive Cost (AIC)	4.3483908%

City of Pipestone, Minnesota

\$2,645,000 General Obligation Bonds, Series 2026A Improvements

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% of Total	Assessments	Levy/(Surplus)
02/01/2027	-	-	-	-	-	-	-
02/01/2028	95,000.00	3.100%	142,265.56	237,265.56	249,128.84	60,212.42	188,916.42
02/01/2029	145,000.00	3.200%	95,357.50	240,357.50	252,375.38	60,212.41	192,162.97
02/01/2030	150,000.00	3.260%	90,717.50	240,717.50	252,753.38	60,212.41	192,540.97
02/01/2031	155,000.00	3.350%	85,827.50	240,827.50	252,868.88	60,212.43	192,656.45
02/01/2032	160,000.00	3.400%	80,635.00	240,635.00	252,666.75	60,212.41	192,454.34
02/01/2033	165,000.00	3.500%	75,195.00	240,195.00	252,204.75	60,212.42	191,992.33
02/01/2034	170,000.00	3.550%	69,420.00	239,420.00	251,391.00	60,212.42	191,178.58
02/01/2035	175,000.00	3.600%	63,385.00	238,385.00	250,304.25	60,212.41	190,091.84
02/01/2036	180,000.00	3.700%	57,085.00	237,085.00	248,939.25	60,212.42	188,726.83
02/01/2037	190,000.00	3.800%	50,425.00	240,425.00	252,446.25	60,212.42	192,233.83
02/01/2038	195,000.00	3.900%	43,205.00	238,205.00	250,115.25	60,212.42	189,902.83
02/01/2039	205,000.00	4.000%	35,600.00	240,600.00	252,630.00	60,212.41	192,417.59
02/01/2040	210,000.00	4.100%	27,400.00	237,400.00	249,270.00	60,212.43	189,057.57
02/01/2041	220,000.00	4.150%	18,790.00	238,790.00	250,729.50	60,212.42	190,517.08
02/01/2042	230,000.00	4.200%	9,660.00	239,660.00	251,643.00	60,212.43	191,430.57
Total	\$2,645,000.00	-	\$944,968.06	\$3,589,968.06	\$3,769,466.46	\$903,186.28	\$2,866,280.18

Significant Dates

Dated	8/20/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	\$24,402.90
Average Life	9.226 Years
Average Coupon	3.8723592%
Net Interest Cost (NIC)	4.0024257%
True Interest Cost (TIC)	4.0107933%
Bond Yield for Arbitrage Purposes	3.8140155%
All Inclusive Cost (AIC)	4.3588725%

City of Pipestone, Minnesota

\$415,000 General Obligation Bonds, Series 2026A
Equipment

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2027	-	-	-	-	-
02/01/2028	30,000.00	3.100%	20,856.64	50,856.64	53,399.47
02/01/2029	35,000.00	3.200%	13,481.50	48,481.50	50,905.58
02/01/2030	40,000.00	3.260%	12,361.50	52,361.50	54,979.58
02/01/2031	40,000.00	3.350%	11,057.50	51,057.50	53,610.38
02/01/2032	40,000.00	3.400%	9,717.50	49,717.50	52,203.38
02/01/2033	45,000.00	3.500%	8,357.50	53,357.50	56,025.38
02/01/2034	45,000.00	3.550%	6,782.50	51,782.50	54,371.63
02/01/2035	45,000.00	3.600%	5,185.00	50,185.00	52,694.25
02/01/2036	45,000.00	3.700%	3,565.00	48,565.00	50,993.25
02/01/2037	50,000.00	3.800%	1,900.00	51,900.00	54,495.00
Total	\$415,000.00	-	\$93,264.64	\$508,264.64	\$533,677.87

Significant Dates

Dated	8/20/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	\$2,615.60
Average Life	6.303 Years
Average Coupon	3.5657111%
Net Interest Cost (NIC)	3.7561074%
True Interest Cost (TIC)	3.7731847%
Bond Yield for Arbitrage Purposes	3.8140155%
All Inclusive Cost (AIC)	4.2470655%

IRS Form 8038

Net Interest Cost	3.5657111%
Weighted Average Maturity	6.303 Years

City of Pipestone, Minnesota

\$70,000 General Obligation Bonds, Series 2026A
Tax Abatement

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	105% Overlevy
02/01/2027	-	-	-	-	-
02/01/2028	10,000.00	3.100%	3,316.31	13,316.31	13,982.13
02/01/2029	15,000.00	3.200%	1,981.50	16,981.50	17,830.58
02/01/2030	15,000.00	3.260%	1,501.50	16,501.50	17,326.58
02/01/2031	15,000.00	3.350%	1,012.50	16,012.50	16,813.13
02/01/2032	15,000.00	3.400%	510.00	15,510.00	16,285.50
Total	\$70,000.00	-	\$8,321.81	\$78,321.81	\$82,237.90

Significant Dates

Dated	8/20/2026
First Coupon Date	8/01/2027

Yield Statistics

Bond Year Dollars	\$251.31
Average Life	3.590 Years
Average Coupon	3.3114310%
Net Interest Cost (NIC)	3.6456854%
True Interest Cost (TIC)	3.6650098%
Bond Yield for Arbitrage Purposes	3.8140155%
All Inclusive Cost (AIC)	4.4456579%

IRS Form 8038

Net Interest Cost	3.3114310%
Weighted Average Maturity	3.590 Years

EXTRACT OF MINUTES OF MEETING
OF THE CITY COUNCIL OF THE
CITY OF PIPESTONE
PIPESTONE COUNTY, MINNESOTA

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Pipestone, Minnesota, was duly held in the City Hall in said City on July 6, 2026, commencing at 6:30 o'clock p.m.

The following members were present:

and the following were absent:

Member _____ introduced the following resolution and moved its adoption:

CITY OF PIPESTONE
PIPESTONE COUNTY, MINNESOTA

RESOLUTION NO. 2026-37

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
GENERAL OBLIGATION BONDS, SERIES 2026A, IN THE
AGGREGATE PRINCIPAL AMOUNT OF APPROXIMATELY
\$3,130,000; AND TAKING OTHER ACTIONS WITH RESPECT TO
THERE TO**

BE IT RESOLVED By the City Council (“Council”) of the City of Pipestone, Pipestone County, Minnesota (the “City”), as follows:

1. Background; Findings; Authorizations. The Council proposes to issue general obligation improvement bonds, tax abatement bonds and equipment certificates of indebtedness. In connection therewith, it is hereby determined that:

(a) Improvement Bonds.

(i) The City is authorized by Minnesota Statutes, Chapter 475, as amended (the “Act”) and Minnesota Statutes, Chapter 429, as amended (“Chapter 429”), to issue obligations in such amounts as it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making improvements authorized by Chapter 429.

(ii) Certain assessable public street improvements within the City (the “Street Improvements”) have been made, duly ordered or contracts let for the construction thereof pursuant to the provisions of Chapter 429.

(iii) The Council finds and determines that it is necessary and expedient to the sound financial management of the affairs of the City to issue its general obligation improvement bonds in the aggregate principal amount of approximately \$2,645,000 (the “Improvement Bonds”), pursuant to the Act and Chapter 429, to provide financing for the Street Improvements and related financing costs.

(b) Tax Abatement Bonds.

(i) The City is authorized by Minnesota Statutes, Chapter 475, as amended (the “Act”), and Minnesota Statutes, Sections 469.1812 to 469.1815, as amended (the “Abatement Act”) to issue general obligation tax abatement bonds.

(ii) Subject to fulfilling the requirements of the Abatement Act, the Council hereby finds and determines that it is necessary and expedient to the sound financial management of the affairs of the City to issue its general obligation tax abatement bonds (the “Abatement Bonds”) in the aggregate principal amount of approximately \$70,000, in accordance with the Act and the Abatement Act, to provide funds for the construction of street repairs and improvements to the City’s 7th Avenue SE (the “Abatement Project”), and related financing costs.

(c) Equipment Certificates.

 (i) The City is authorized by the Act and Minnesota Statutes, Sections 410.32 and 412.301, as amended (collectively, the “Equipment Act”), to issue general obligation certificates of indebtedness to finance the purchase of items of capital equipment.

 (ii) The City intends to purchase and install a new fuel tank at the City’s airport (the “Equipment”).

 (iii) The Council finds and determines that it is necessary and expedient to the sound financial management of the affairs of the City to issue its general obligation equipment certificates of indebtedness in the principal amount of approximately \$415,000 (the “Equipment Certificates”), pursuant to Act and the Equipment Act, to provide financing for the Equipment and related financing costs. The Council further finds and determines that the expected useful life of the Equipment is or will be at least as long as the term of the Equipment Certificates; and the principal amount of Equipment Certificates to be issued in the year 2026 will not exceed one-quarter of one percent (0.25%) of the estimated market value of taxable property in the City for the year 2026.

(d) The Council hereby determines that the Improvement Bonds, the Tax Abatement Bonds and the Equipment Certificates shall be issued together in a single series in the aggregate principal amount of approximately \$3,130,000 (the “Bonds”). The Council designates the Bonds as the “General Obligation Bonds, Series 2026A.” The Street Improvements, the Abatement Project and the Equipment are hereinafter collectively referred to as the “Project.”

2. Sale of Bonds. The City has retained Ehlers and Associates, Inc. (the “Municipal Advisor”) to serve as the City’s independent municipal advisor with respect to the offer and sale of the Bonds and therefore is authorized by Section 475.60, subdivision 2(9), of the Act to sell the Bonds other than pursuant to a competitive sale.

3. Acceptance of Proposal. The Council shall meet at the time specified in the Preliminary Official Statement or at such other time designated by the Council to receive and consider proposals for the purchase of the Bonds and take any other appropriate action with respect to the Bonds.

4. Authority of Municipal Advisor. The Municipal Advisor is authorized and directed to assist the City in the preparation and dissemination of a Preliminary Official Statement to be distributed to potential purchasers of the Bonds and to open, read, and tabulate the proposals for the purchase of the Bonds for presentation to the Council. The Municipal Advisor is further authorized and directed to assist the City in the award and sale of the Bonds on behalf of the City after receipt of written proposals and to assist the City in the preparation and dissemination of a final Official Statement with respect to the Bonds.

5. Authority of Bond Counsel. The law firm of Kennedy & Graven, Chartered, is authorized to act as bond counsel for the City (“Bond Counsel”), and to assist in the preparation and review of necessary documents, certificates, and instruments related to the Bonds. The officers, employees, and agents of the City are hereby authorized to assist Bond Counsel in the preparation of such documents, certificates, and instruments.

6. Reimbursement from Bond Proceeds. The City may incur certain expenditures that may be financed temporarily from sources other than the Bonds and reimbursed from the proceeds of the Bonds. Treasury Regulation § 1.150-2 (the “Reimbursement Regulations”) provides that proceeds of tax-exempt bonds allocated to reimburse expenditures originally paid from a source other than the tax-exempt bonds will not be deemed expended unless certain requirements are met. In order to preserve its ability to reimburse certain costs from proceeds of the Bonds in accordance with the Reimbursement Regulations, the City hereby makes its declaration of official intent (the “Declaration”) described below to reimburse certain costs

(a) Declaration of Intent. The City proposes to issue the Bonds to finance the costs of the Project. The City may reimburse original expenditures made for certain costs of the Project from the proceeds of the Bonds in an estimated maximum principal amount of \$3,130,000. All reimbursed expenditures will be capital expenditures, costs of issuance of the Bonds, or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Reimbursement Regulations.

(b) Declaration Made Not Later Than 60 Days. This Declaration has been made not later than sixty (60) days after payment of any original expenditure to be subject to a reimbursement allocation with respect to the proceeds of the Bonds, except for the following expenditures: (a) costs of issuance of the Bonds; (b) costs in an amount not in excess of \$100,000 or five percent (5%) of the proceeds of the Bonds; or (c) “preliminary expenditures” up to an amount not in excess of twenty (20) percent of the aggregate issue price of the Bonds that finance or are reasonably expected by the City to finance the Project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of the Project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

(c) Reasonable Expectations; Official Intent. This Declaration is an expression of the reasonable expectations of the City based on the facts and circumstances known to the City as of the date hereof. The anticipated original expenditures for the Project and the principal amount of the Bonds described in Section 6(a), above, are consistent with the City’s budgetary and financial circumstances. No sources other than proceeds of the Bonds to be issued by the City are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside pursuant to the City’s budget or financial policies to pay such original expenditures. This Resolution is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

The motion for the adoption of the foregoing resolution was duly seconded by Member _____, and upon vote being taken thereon, the following voted in favor of the motion:

and the following voted against:

STATE OF MINNESOTA)
)
COUNTY OF PIPESTONE) ss.
)
CITY OF PIPESTONE)

I, the undersigned, being the duly qualified City Administrator of the City of Pipestone, Pipestone County, Minnesota (the “City”), do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council of the City held on July 6, 2026, with the original minutes on file in my office, and the extract is a full, true, and correct copy of the minutes insofar as they relate to they relate to authorizing the issuance of the City’s General Obligation Bonds, Series 2026A, in the maximum aggregate principal amount of approximately \$3,130,000.

WITNESS My hand officially as such City Administrator this _____ day of July, 2026.

Stephanie LaBrune
City Administrator
City of Pipestone, Pipestone County, Minnesota

Blighted Properties

601 3rd Ave NE

Owner: Kevin Kellen

Owner had a court date on June 23, awaiting judicial determination.



816 West Main St.

Pipestone County-Tax Forfeiture- Didn't sell
House has been condemned.

Auditor's response: "How I interpret is that nothing can be done until we take it to the commissioners but I haven't had time to look into it as we are busy with elections."



214 5th St SW

Owner: Peggy O'Neill—Deceased

House is condemned

Will revert to the county in 2027



803 2nd ST NW

Owner: Adrian Pottratz-Deceased

Descendants have no interest in property, no will or deed transfer.



316 West Main St.

Owner: Bethany Hummel- not local

House is condemned.

Owner did contact the city looking for assistance to demolish last year.



214 2nd Ave SE

Owner: Rosemary Gjerdingen of Chisago

Purchased this year on a tax forfeiture sale.
Violation letter has been sent to new owner,
no response.



920 West Main St.

Owner/occupant: John Rickabaugh

Violation letter was sent this year, owner told me that he is awaiting assistance from UCAP to replace the windows.



117 6th Ave SE

Owner: Gary Habben-deceased

Violation was sent last year. Son did contact me and removed junk vehicles, has not completed any construction or renovation work.



305 2nd St SE

Owner: Glenn Anderson no longer lives here.

Violation was sent this summer and some work was done to remove trees and weeds.

The back of the house is still a disaster.



419 5th ST SE

Owner: Marvel Foster

Has been sent violation letters,
with no response. Unknown who
is living in the house. We have
received numerous complaints on
this home.



CITY OF PIPESTONE
PIPESTONE COUNTY, MINNESOTA
RESOLUTION 2026-34

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>
“More than Lip Service”	\$100 –Daycare Day at the Pipestone Family Aquatic Center
Re Active Wellness	\$50- Daycare Day at the Pipestone Family Aquatic Center

WHEREAS, such donations have been contributed to assist the City Departments with current updates, expenditures, and youth programs.

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 6th day of July, 2026.

Dan Delaney
Mayor

ATTEST:

Megan DeWitte
City Clerk

RESOLUTION 2026 - 35

RESOLUTION GRANTING A CONDITIONAL USE PERMIT FOR A SECONDARY STRUCTURE AT 310 4TH AVENUE NW IN THE CITY OF PIPESTONE

WHEREAS, Gary Brady (“Applicant”) submitted an application for a conditional use permit (“CUP”) to construct an automotive repair shop structure and move a dwelling onto property located in the City of Pipestone (“City”) at 310 4th Avenue NW (PID 18.200.0840), which is legally described on the attached Exhibit A (“Property”); and

WHEREAS, the Property is owned by Gary Brady and Debra Brady (“Owners”); and

WHEREAS, the Applicant’s request for a CUP seeks to construct an automotive repair shop (“Primary Structure”) move a dwelling (“Secondary Structure”) onto the property (“Project”); and

WHEREAS, on May 13, 2026, upon proper and sufficient published notice, notice to affected properties and notice to properties in the area of the Property, the City of Pipestone Planning Commission held a public hearing regarding the requested CUP, considered the information presented, and voted to forward the application to the City Council with a recommendation that the CUP be approved, with the following conditions: (1) the approval and the issuance of a permit for the Primary Structure, (2) the construction of the Primary Structure within 90 days of the placement of the Secondary Structure and (3) removal of the Secondary Structure if the Primary Structure is not complete within the 90 days following the placement of the Secondary Structure.

WHEREAS, the City Council considered the requested CUP at its meeting on July 6, 2026 and finds as follows:

- a. The Property is currently zoned I-1, Light Industrial District;
- b. Section 153.15(C)(3) of the City Code provides that a conditional use permit may be granted for “All other uses not listed above”, which references permitted uses in the I-1, Light Industrial District;

- c. The use proposed by the Applicant is not a permitted use in Section 153(B) of the City Code.
- d. In accordance with Sections 153.26(B) of the City Code, the Planning Commission found and determined as follows:
 - (1) The proposed use is not in conflict with the City's Comprehensive Plan with the conditions imposed with this Resolution;
 - (2) The proposed use is not in conflict with the district plan for the area as with the conditions imposed with this Resolution;
 - (3) The proposed use is not in conflict with the stated intent of the zoning district in which it is to be located with the conditions imposed with this Resolution;
 - (4) The proposed use will not unreasonably harm the public health, safety, and welfare and will not create a nuisance or unreasonable congestion injurious to nearby properties;
 - (5) The proposed use does not interfere with the creation of a beneficial environment within its own property boundaries and on adjoining properties;
 - (6) The proposed use will not interfere with the provision of a reasonable economic benefit to the community; and
 - (7) The provisions for interrelationship between the proposed development and contiguous and noncontiguous adjacent properties will not adversely affect pedestrian and vehicular movement and will not adversely affect the buffering of service facilities and parking areas.
- h. The City Council additionally finds and determines that the criteria for approval of a conditional use permit set forth in Sections 153.26(B) of the City Code have been met by the proposal.

NOW, THEREFORE, BE IT RESOLVED, that, based on the record of this matter, including the application, information presented at the public hearing and determinations contained herein, the City Council hereby approves and issues a conditional use permit to move an existing dwelling and construct a shop on the Property, subject to all of the following conditions, restrictions, and requirements:

- 1. Scope of Use. This CUP allows the Applicant and Owners to move an existing dwelling and to construct a shop on the Property in accordance with the plans submitted with the application and approved by the City. The Project must comply with the conditions

imposed on this CUP, the requirements of the City Code, and all other applicable regulations, including manufacturing requirements and applicable building codes.

2. Commencement of Work. Work shall not commence on the Property, and permits shall not be issued, prior to the submission, and approval by the City Building Official, of final construction plans for the Primary Structure and Secondary Structure. The construction of the Primary Structure shall be complete within 90 days of the placement of the Secondary Structure, and if the Primary Structure is not complete within the 90 days, the Primary Structure and Secondary Structure shall be removed. The Owners must comply with the recommendations of the City Building Official.
3. Setbacks. The Project shall comply with setback requirements for the I-1, Light Industrial District.
4. As-Built. At the completion of construction, the Owners shall provide as-built drawings for the Project.
5. Recording. In the event the Property is combined with adjacent parcels, the Owners shall record this Resolution against the newly created parcel.
6. Permits. The Owners shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances and shall obtain any additional permits or permissions that may be required for the Project. Construction may not begin unless all required permits are obtained and copies provided to the City.
7. Inspection. The City's Director of Community Development shall be granted access upon reasonable notification for reasons of determining compliance with all conditions of this CUP and the City Code.
8. Amended Permit. Any alteration of the use of the Property, or of any plans submitted related to those uses, including, but not limited to, expansion of the use beyond what is allowed by this permit, shall not be permitted unless an amended CUP is obtained from the City.
9. Revocation. The violation of any term or condition of this CUP, including but not limited to, any applicable federal, state, or local laws, rules, regulations, and ordinances, may result in the revocation of this CUP. The Applicant shall be given written notice of any violation, a hearing before the City Council, and reasonable time (not less than 30 days) to cure the violation before a revocation of this CUP may occur.
10. Binding Effect. This CUP and its conditions are binding on the parties, their successors and assigns, and shall run with the Property until the CUP is terminated or revoked as provided herein.

11. Legal Compliance. This CUP is subject to the requirements of the City Code and the Owners are required to comply with, and obtain all other permits or permission, as may be required by, all applicable federal, state and local laws, rules and ordinances.
12. Acceptance of Conditions. Utilization of the Property for the use allowed by this CUP shall automatically be deemed acceptance of, and agreement to, the terms and conditions of the CUP without qualification, reservation, or exception.
13. No Waiver. A failure by the City to take action with respect to any violation of any condition, covenant or term of this CUP shall not be deemed to be a waiver of such condition, covenant, or term or any subsequent violation of the same or any other condition, covenant or term.

Passed and adopted by the City Council of the City of Pipestone this 6th day of July, 2026.

Dan Delaney
Mayor

ATTEST:

Megan DeWitte
City Clerk

EXHIBIT A
Legal Description of the Property

Real property in Pipestone County, Minnesota, described as follows:

The South Fifty (50) feet of Lots One (1), Two (2) and Three (3) and the North Two-Thirds (N. 2/3) of Lots Ten (10), Eleven (11) and Twelve (12), all in Block Seven (7) of the Original Plat to the City of Pipestone, County of Pipestone, State of Minnesota.

RESOLUTION 2026 - 36

RESOLUTION GRANTING A CONDITIONAL USE PERMIT FOR THE CONSTRUCTION OF AN EDUCATIONAL FACILITY AT THE INTERSECTION OF HIAWATHA AVENUE N AND 11TH STREET NW IN THE CITY OF PIPESTONE

WHEREAS, Southwestern Minnesota Opportunity Council, Inc. (“SMOC”) (“Owner”) submitted an application for a conditional use permit (“CUP”) to construct a Head Start education facility on property located in the City of Pipestone (“City”) at the intersection of Hiawatha Avenue N and 11th Street NW (PID 18.665.0100), which is legally described on the attached Exhibit A (“Property”); and

WHEREAS, the Owner’s request for a CUP seeks to construct a Head Start education facility, which will include three classrooms, and a parking lot and outdoor play space (“Project”); and

WHEREAS, on May 13, 2026, upon proper and sufficient published notice, notice to affected properties, notice to properties in the area of the Property and notice to the Minnesota Department of Natural Resources (“DNR”), the City of Pipestone Planning Commission held a public hearing regarding the requested CUP, considered the information presented, and voted to forward the application to the City Council with a recommendation that the CUP be approved, with the following conditions: (1) the installation of down pointing lights and (2) planting of tall, multi-stage trees to obstruct the sightline of the National Monument; and

WHEREAS, the City Council considered the requested CUP at its meeting on June 22, 2026 and finds as follows:

- a. The Property is currently zoned R-3, Multi-Family Residential District and is located within the FF, Flood Fringe District;
- b. Section 153.10(C)(3) of the City Code allows nursery schools upon the issuance of a conditional use permit;
- c. Conditional uses are allowed in the FF, Flood Fringe District in accordance with Section 153.21(F)(3) of the City Code, so long the use complies with the

requirements of Section 153.21(F)(4), which includes additional requirements in Sections 153.21(D), 153.21(F)(2) and 153.21(K)(2) of the City Code;

- d. Comments submitted by the DNR note that educational facilities are “Critical Facilities”, as that term is defined in Section 153.21(B) of the City Code;
- e. Section 153.21(D)(3)(c) of the City Code provides that “Critical facilities shall be located so that the lowest floor is not less than two feet above the Base Flood Elevation (BFE), or the 0.2% annual chance flood elevation, whichever is higher.” Comments submitted by the DNR note the BFE + 2 feet is 1721.6’ NAVD88, while the 500-year flood elevation is approximately 1721.3’ NAVD88. Therefore, the City would use BFE + 2 feet to determine the minimum elevation of the building’s lowest floor;
- f. The Owner’s application included plans for, and depiction of, the proposed Head Start educational facility and the proposed parking lot and play area, a copy of which is attached hereto as Exhibit B;
- g. In accordance with Sections 153.26(B) of the City Code, the Planning Commission found and determined as follows:
 - (1) The proposed use is not in conflict with the City’s Comprehensive Plan;
 - (2) The proposed use is not in conflict with the district plan for the area as this is an allowed conditional use;
 - (3) The proposed use is not in conflict with the stated intent of the zoning district in which it is to be located as this is an allowed conditional use and the conditions imposed will address any concerns with regard to floodplain issues;
 - (4) The proposed use will not unreasonably harm the public health, safety, and welfare and will not create a nuisance or unreasonable congestion injurious to nearby properties as the Project meets all setback requirements;
 - (5) The proposed use does not interfere with the creation of a beneficial environment within its own property boundaries and on adjoining properties;
 - (6) The proposed use will not interfere with the provision of a reasonable economic benefit to the community;
 - (7) The provisions for interrelationship between the proposed development and contiguous and noncontiguous adjacent properties will not adversely affect pedestrian and vehicular movement and will not adversely affect the buffering of service facilities and parking areas; and

- h. The City Council additionally finds and determines that the criteria for approval of a conditional use permit set forth in Sections 153.26(B) of the City Code have been met by the proposal.

NOW, THEREFORE, BE IT RESOLVED, that, based on the record of this matter, including the application, information presented at the public hearing, information provided by the DNR and the findings and determinations contained herein, the City Council hereby approves and issues a conditional use permit to construct a Head Start educational facility, parking lot and play area on the Property subject to all of the following conditions, restrictions, and requirements:

1. Scope of Use. This CUP allows the Owner to construct the Head Start educational facility, parking lot and play area on the Property in accordance with the plans submitted with the Owner's application and approved by the City. The Project must comply with the conditions imposed on this CUP, the requirements of the City Code, and all other applicable regulations, including manufacturing requirements and applicable building codes.
2. Setbacks. The Project shall comply with setback requirements for the R-3 Multi-Family Residential District.
3. Floodplain Regulations. The Project shall comply with the DNR notes set forth above; specifically, the construction shall be located so that the lowest floor is not less than two feet above the Base Flood Elevation (BFE), or the 0.2% annual chance flood elevation, whichever is higher. Additionally, the Project shall comply with the FF, Flood Fringe District regulations in the City Code, including Sections 153.21(F)(4), 153.21(D), 153.21(F)(2) and 153.21(K)(2).
4. As-Built. At the completion of construction, the Owner shall provide as-built drawings for the Project.
5. Lighting and Screening. Exterior lighting for the Project shall be down pointing lights, and the Owner shall plant tall, multi-state trees sufficient to obstruct the sightline of the National Monument.
6. Permits. The Owner shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinances and shall obtain any additional permits or permissions that may be required for the Project. Construction may not begin unless all required permits are obtained and copies provided to the City.
7. Inspection. The City's Director of Community Development shall be granted access upon reasonable notification for reasons of determining compliance with all conditions of this CUP and the City Code.
8. Amended Permit. Any alteration of the use of the Property, or of any plans submitted related to those uses, including, but not limited to, expansion of the use beyond what is

allowed by this permit, shall not be permitted unless an amended CUP is obtained from the City.

- 9. Revocation. The violation of any term or condition of this CUP, including but not limited to, any applicable federal, state, or local laws, rules, regulations, and ordinances, may result in the revocation of this CUP. The Applicant shall be given written notice of any violation, a hearing before the City Council, and reasonable time (not less than 30 days) to cure the violation before a revocation of this CUP may occur.
- 10. Binding Effect. This CUP and its conditions are binding on the parties, their successors and assigns, and shall run with the Property until the CUP is terminated or revoked as provided herein.
- 11. Legal Compliance. This CUP is subject to the requirements of the City Code and the Owners are required to comply with, and obtain all other permits or permission, as may be required by, all applicable federal, state and local laws, rules and ordinances.
- 12. Acceptance of Conditions. Utilization of the Property for the use allowed by this CUP shall automatically be deemed acceptance of, and agreement to, the terms and conditions of the CUP without qualification, reservation, or exception.
- 13. No Waiver. A failure by the City to take action with respect to any violation of any condition, covenant or term of this CUP shall not be deemed to be a waiver of such condition, covenant, or term or any subsequent violation of the same or any other condition, covenant or term.

Passed and adopted by the City Council of the City of Pipestone this 6th day of July, 2026.

Dan Delaney
Mayor

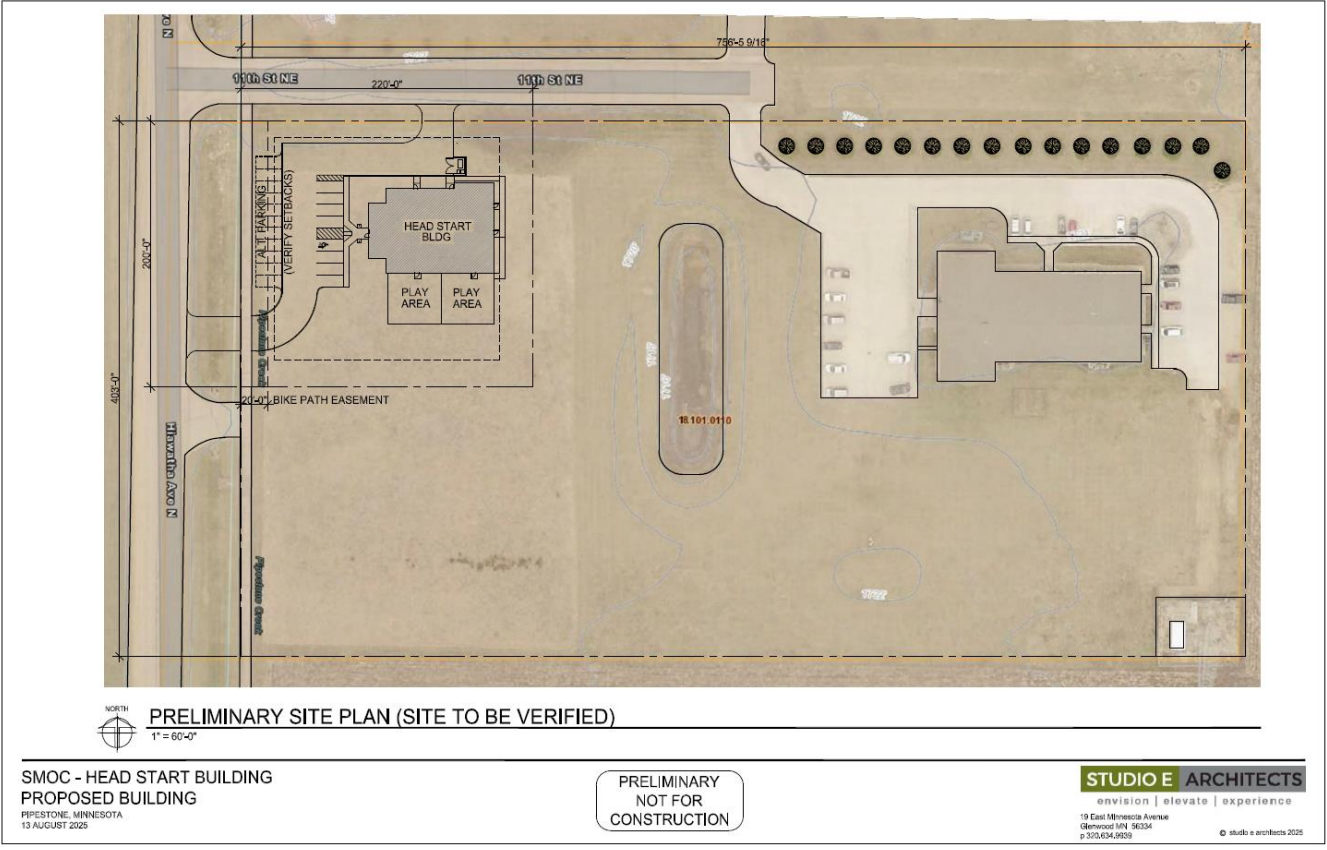
ATTEST:

Megan DeWitte
City Clerk

EXHIBIT A
Legal Description of the Property

Lot 1, Block 1, North Hiawatha Addition

EXHIBIT B
Plan and Depiction of Head Start Facility





Minnesota Department of Public Safety
Alcohol and Gambling Enforcement Division
445 Minnesota Street, Suite 1600, St. Paul, MN 55101
651-201-7507 TTY 651-282-6555

Section 13, Item H.

**APPLICATION AND PERMIT FOR A 1 DAY
TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE**

Name of organization		Date of organization		Tax exempt number	
Pipestone Jaycees		Jan. 1980		35-2588424	
Organization Address (No PO Boxes)		City	State	Zip Code	
501 8th St. SE			MN		
Name of person making application		Business phone		Home phone	
Rylee Dubbeldt				507-215-0682	
Date(s) of event		Type of organization ☐ Microdistillery ☐ Small Brewer			
Aug. 5th, 6th, 7th, 8th		☐ Club ☐ Charitable ☐ Religious ☒ Other non-profit			
Organization officer's name		City	State	Zip Code	
Nathan Dubbeldt		Pipestone	MN	56164	
Organization officer's name		City	State	Zip Code	
Mason Musch		Pipestone	MN	56164	
Organization officer's name		City	State	Zip Code	
			MN		

Location where permit will be used. If an outdoor area, describe.

Pipestone County Fair grounds, Dugout/Beer Garden (Enclosed Building)

If the applicant will contract for intoxicating liquor service give the name and address of the liquor license providing the service.

If the applicant will carry liquor liability insurance please provide the carrier's name and amount of coverage.

APPROVAL

APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL AND GAMBLING ENFORCEMENT

City of Pipestone	
City or County approving the license	
#50	
Fee Amount	
Event in conjunction with a community festival ☒ Yes ☐ No	
4,100	
Current population of city	
Megan DeWitte	
Please Print Name of City Clerk or County Official	

Date Approved
Permit Date
City or County E-mail Address
Signature City Clerk or County Official

CLERKS NOTICE: Submit this form to Alcohol and Gambling Enforcement Division 30 days prior to event
No Temp Applications faxed or mailed. Only emailed.

ONE SUBMISSION PER EMAIL, APPLICATION ONLY.

**PLEASE PROVIDE A VALID E-MAIL ADDRESS FOR THE CITY/COUNTY AS ALL TEMPORARY
PERMIT APPROVALS WILL BE SENT BACK VIA EMAIL. E-MAIL THE APPLICATION SIGNED BY
CITY/COUNTY TO AGE.TEMPORARYAPPLICATION@STATE.MN.US**