

Pipestone, Minnesota  
November 21, 2011

Pursuant to due call and notice thereof, a special meeting of the Pipestone City Council was duly held in the Municipal Building at 5:30 p.m. on the 21st day of November 2011. Mayor Laurie Ness called the meeting to order. Roll call was taken and a quorum was declared. Members present: Laurie Ness, Barbara Heyl, Harry Hansen, Jim Stout and Fred Portz. Absent: None. Others present: Deb Fitzgerald, City Administrator/City Attorney Jeffrey Jones and City Clerk Joan Schroeder.

The purpose of the special meeting is to conduct a City Council Work Session to discuss the 2012 Budget.

### **2012 BUDGET**

City Administrator/City Attorney Jones stated that in September the Council approved the preliminary levy of \$1.6 million and the proposed budget of \$7.5 million which included a two percent salary adjustment, allocating \$100,000 to rebuild the General Fund and allocating \$50,000 to start a Main Street Development Fund.

Jones noted that the Social Security increase is 3.6 percent for 2012. In the past, as directed by the City's Personnel Policy, the cost of living increase has been based on Social Security's increase for that year. A two percent salary increase was budgeted, so if a 3.6 percent increase is adopted an additional \$17,700 would need to be found. No step increases were budgeted for. Discussion followed on what the increase should be and where funds could be acquired from.

Discussion was held on whether the money set aside to rebuild the General Fund (\$100,000) and allocating funds (\$50,000) to start a Main Street Development Fund were necessary. If those amounts were lowered the levy amount could be decreased. It was noted that the \$100,000 approved for the General Fund was recommended by Ehlers to build up the fund and the \$50,000 for Main Street Development would be set aside money for future improvement projects.

Jones relayed he had heard from MN/DOT in regards to the letter he had sent requesting assistance on improving the infrastructure under the Highway 30 underpass during their 2015 resurfacing project. MN/DOT refused to assist in any infrastructure improvement but suggested an alternative to pursue to identify some funding.

Discussion was held on the pros and cons of requesting proposals from other engineering firms.

Jones added that the Recreation Department will have enough funds set aside in 2012 to replace the gym floor at the Ewert Center if their budget is not adjusted; the Fire Department is still waiting to see if funding is available for a new truck; and costs for an air handler on the roof of City Hall to replace the boiler chiller are being looked at.

**AJOURNMENT**

Motion was made by Stout, seconded by Hansen and unanimously carried to adjourn at 6:07 p.m.

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Laurie Ness  
Mayor

ATTEST:

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Joan Schroeder  
City Clerk