CITY OF WINDOM, MN
444 Ninth Street, P. O. Box 38
Windom, MN 56101
Phone: 507-831-6129
www.windom-mn.com

CITY COUNCIL MEETING
SPECIAL MEETING
Tuesday, September 24, 2024
City Council Chamber
6:30 p.m.

AGENDA

Call to Order

Pledge of Allegiance

1. Preliminary 2025 Budget Levy – Resolution
2. Budget Workshop Schedule
3. New Business
4. Old Business
5. Council Comments
6. Adjourn

CITY OF WINDOM, MINNESOTA

RESOLUTION #2024-42

INTRODUCED:

SECONDED:

VOTED: **Aye:**
Nay:
Absent:

RESOLUTION ADOPTING PROPOSED PROPERTY TAX LEVY

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WINDOM, COTTONWOOD COUNTY, MINNESOTA, AS FOLLOWS:

1. That the following sum of money is hereby proposed to be levied for the current year, collectible in 2025, upon the taxable property in the City of Windom for the following purposes:

LEVY PURPOSE	LEVY (After all Aids and Reserves)
General	
Special Revenue	
Capital Outlay	
Debt Service	
PERA Rate Increase	
LGA Recapture	
TOTAL	$2,685,000.00

BE IT FURTHER RESOLVED AS FOLLOWS:

1. The City Administrator/Clerk is hereby instructed to transmit a certified copy of this Resolution to the County Auditor of Cottonwood County, Minnesota.

ADOPTED this 24th day of September, 2024.

____
Dominic Jones, Mayor

Attest:____________________________
Steven Nasby, City Administrator

ACTION ITEM

CITY OF WINDOM
444 9th Street
Windom, MN 56101
Phone: 507-831-6129
Fax: 507-831-6127
www.windom-mn.com

TO: City Council
FROM: Steve Nasby, City Administrator and Donna Torkelson, Finance Director\Controller
DATE: September 20, 2024
RE: 2025 Budget Proposal and Preliminary Levy
DEPT: Administration and Finance
CONTACT: Steve Nasby: Steve.Nasby@windommn.com & Donna Torkelson: Donna.Torkelson@windommn.com

Recommendations/Options/Action Requested

Staff recommends that the City Council take the following action:

1. Set the 2025 Preliminary Tax Levy for a not to exceed amount of $2,685,000 which is an 4.81% increase from 2024 equaling $123,158.

2025 Budget Proposal
Attached for your reference are the preliminary budget data for 2025 (Exhibit A). The 2025 budget numbers are based upon budget adjustments in operational costs for salaries\benefits, goods & services and expectations for contracted items (e.g., property and casualty insurance, workers compensation, billing, etc.).

Key factors for the preliminary budget included the following:

- Inflationary price increases on supplies trending at 2.9% and construction costs over 5%
- Equipment price increases trending at CPI or higher
- Second year of labor agreement cost of living increase equal to 5%
- Health Insurance costs up 7.9%
- Workers Comp, Property, Liability & Auto Insurance costs projected to be up 3 – 10%
- No increase in State Aid. Local Government Aid went up by $228,000 last year.
- Small Cities Transportation Aid Funds distributed for 2025 of approximately $87,000.

Budget for Capital Improvements Plan (CIP)
Attached is the CIP Summary by Department (Exhibit B). A detailed listing will be provided for the October budget work sessions as it provides additional detail and shows the anticipated funding sources for the projects. The budgeted amount for 2025 expenditure is $350,000, which is consistent with the approved amount in 2024.

Debt Service Levy
The payments due within the 2025 Debt Service Levy total $585,250. Exhibit C shows the Debt Service Levy requirements for the next five years. No new General Obligation debt was added during 2024. Bonds issued at the end of 2023 for the Hospital, Electric Department and Liquor Store are paid through the revenues\operations of these facilities and not the General Fund tax levy.

General Fund Reserve

This fund's current position, as stated by the auditors, is at 62% which will maintain the reserve within the City's policy and should allow the City Council continued flexibility if unforeseen expenses or opportunities arise during the year. If the City Council does want to use some additional monies from the General Fund Reserve staff recommends that it be only for one-time capital purchases and not to fund on-going operational costs or on-going debt service.

Property Tax Levy

The long-standing goal of the City Council has been to maintain or reduce the City's tax rate and to remain competitive with peer communities.

The 2024 Property Tax Levy was $2,561,842 (up 5.49% from 2023). The City's tax rate continues to be slightly declining and now stands at .57626. This decline is due to the increase in property valuations which is rising faster than the tax levy. The proposed Property Tax Levy for 2025 not likely to raise or lower the tax rate very much as the property valuation is about equal to the proposed tax levy increase.

The City Council needs to set the preliminary property tax levy by September 30, 2024. **Staff's recommendation is for the City Council to set an 4.81% preliminary levy increase.** The final property tax levy can always go down, but not up, from the preliminary levy. This will permit the City Council some latitude for capital projects.

Attachments

1. 2025 Proposed Summary Budget and Worksheets

EXHIBIT A

BUDGET
CITY OF WINDOM
2025 BUDGET YEAR

GENERAL FUND

Operational Revenue and Expenses

Revenue	2025	2024	% Change
Local Govt Aid (LGA)	$ 1,838,914	$ 1,836,232	0.15%
Operational Tax Levy	$ 562,537	$ 585,049	-3.85%
Interfund Transfers	$ 245,000	$ 245,000	0.00%
Misc. Revenue	$ 796,877	$ 685,270	16.29%
TOTAL	**$ 3,443,328**	**$ 3,351,551**	**2.74%**

Expenses	2025	2024	% Change
Mayor & Council	$ 135,501	$ 134,465	0.77%
Elections	$ -	$ 9,000	0.00%
City Office	$ 168,113	$ 158,372	6.15%
Planning & Zoning	$ 164,178	$ 180,861	-9.22%
City Hall	$ 41,324	$ 40,922	0.98%
Police Department	$ 1,679,180	$ 1,657,666	1.30%
Fire Department	$ 225,230	$ 219,174	2.76%
Emergency Mgmt	$ 6,803	$ 6,941	-1.99%
Animal Control	$ 2,200	$ 2,200	0.00%
Street Department	$ 712,315	$ 641,496	11.04%
Health/Sanitation	$ 29,000	$ 29,000	0.00%
Recreation	$ 55,608	$ 53,357	4.22%
Parks	$ 223,876	$ 218,099	2.65%
TOTAL	**$ 3,443,328**	**$ 3,351,551**	**2.74%**

General Fund Capital	**$ 350,000**	**$ 303,500**	**15.32%**

BUDGET
CITY OF WINDOM
2025 BUDGET YEAR

SPECIAL REVENUE/LEVY FUNDS

		2025		2024	Change
Library					
+ Tax Levy	$	210,210	$	206,057	2.02%
+ Other Revenue	$	24,000	$	24,000	0.00%
+ Reserves	$	-	$	-	0.00%
- Expenses	$	(234,210)	$	(226,057)	3.61%
- Capital Outlay	$	-	$	(4,000)	0.00%
- Debt Service	$	-	$	-	0.00%
	$	**(0)**	**$**	**(0)**	
Airport					
+ Tax Levy	$	13,403	$	15,580	-13.97%
+ Federal State Grants/Aids	$	149,196	$	90,346	65.14%
+ Other Revenue	$	86,100	$	86,100	0.00%
- Expenses	$	(115,699)	$	(113,276)	2.14%
- Capital Outlay	$	(133,000)	$	(78,750)	68.89%
- Debt Service	$	-	$	-	0.00%
	$	**0**	**$**	**0**	
Pool					
+ Tax Levy	$	99,456	$	110,918	-10.33%
+ Other Revenue	$	243,612	$	44,700	444.99%
+ Reserves	$	-	$	-	0.00%
- Expenses	$	(144,156)	$	(142,748)	0.99%
- Capital Outlay	$	-	$	(12,870)	0.00%
- Debt Service	$	-	$	-	0.00%
	$	**198,912**	**$**	**(0)**	
Ambulance					
+ Tax Levy	$	-	$	-	0.00%
+ Other Revenue	$	810,500	$	810,500	0.00%
+ Reserves	$	-	$	-	0.00%
- Expenses	$	(704,808)	$	(693,283)	1.66%
- Capital Outlay	$	(265,000)	$	-	0.00%
- Debt Service	$	-	$	-	0.00%
	$	**(159,308)**	**$**	**117,217**	
EDA					
+ Tax Levy	$	179,826	$	171,580	4.81%
+ Other Revenue	$	62,735	$	62,735	0.00%
+ Reserves	$	-	$	-	0.00%
+ Interfund Loan Receipts	$	-	$	-	0.00%
- Expenses	$	(242,561)	$	(234,315)	3.52%
+ Non Cash Exp	$	(2,700)	$	-	0.00%
- Capital Outlay	$	(2,700)	$	-	0.00%
- Debt Service	$	-	$	-	0.00%
	$	**(5,400)**	**$**	**(0)**	
Arena					
+ Tax Levy	$	307,676	$	296,092	3.91%
+ Other Revenue	$	165,684	$	165,684	0.00%
+ Reserves	$	-	$	-	0.00%
- Expenses	$	(488,276)	$	(476,692)	2.43%
- Capital Outlay	$	-	$	-	
- Debt Service	$	(72,084)	$	(72,084)	0.00%
+ Depreciation	$	87,000	$	87,000	
	$	**0**	**$**	**0**	
Multi-Purpose					
+ Tax Levy	$	214,419	$	236,694	-9.41%
+ Other Revenue	$	147,520	$	145,520	1.37%
+ Reserves	$	-	$	-	0.00%
- Expenses	$	(421,939)	$	(439,714)	-4.04%
- Capital Outlay	$	-	$	(2,500)	0.00%
- Debt Service	$	-	$	-	0.00%
+ Depreciation	$	60,000	$	60,000	0.00%
	$	**(0)**	**$**	**(0)**	
Total Levy	$	1,024,990	$	1,036,921	-1.15%

BUDGET
CITY OF WINDOM
2025 BUDGET YEAR

ENTERPRISE FUNDS

Telecom

		2025		2024	Change
+ Revenue	$	2,803,970	$	2,818,370	-0.51%
+ Special Assessments	$	-	$	-	
+ Reserves	$	-	$	-	
- Expenses	$	(2,372,320)	$	(2,421,743)	-2.04%
- Capital Outlay	$	-	$	-	
- Debt Service	$	(841,284)	$	(841,284)	0.00%
- Transfer to General/CIP	$	(2,250)	$	(2,250)	
+ Depreciation	$	352,050	$	352,050	0.00%
Cash Flow	**$**	**(59,834)**	**$**	**(94,857)**	

Water

		2025		2024	Change
+ Revenue	$	1,259,150	$	1,259,150	0.00%
+ Special Assessments	$	1,028	$	1,028	0.00%
+ Reserves	$	-	$	-	0.00%
- Expenses	$	(1,251,325)	$	(1,212,565)	3.20%
- Capital Outlay	$	(30,000)	$	(97,500)	-69.23%
- Debt Service	$	(223,648)	$	(223,648)	0.00%
- Transfer to General/CIP	$	(750)	$	(750)	
+ Depreciation	$	440,000	$	440,000	0.00%
Cash Flow	**$**	**194,455**	**$**	**165,715**	

Sewer

		2025		2024	Change
+ Revenue	$	1,671,300	$	1,671,300	0.00%
+ Cost Sharing Funds	$	-	$	-	0.00%
+ Special Assessments	$	440	$	440	0.00%
+ Reserves	$	-	$	-	
- Expenses	$	(1,959,342)	$	(1,870,633)	4.74%
- Capital Outlay	$	(40,000)	$	(40,000)	0.00%
- Debt Service	$	(645,515)	$	(645,515)	0.00%
- Transfer to General/CIP	$	(750)	$	(750)	
+ Depreciation/Amortization	$	997,220	$	997,220	0.00%
Cash Flow	**$**	**23,353**	**$**	**112,062**	

Electric

		2025		2024	Change
+ Revenue	$	6,009,384	$	5,522,017	8.83%
+ Special Assessments	$	-	$	-	
+ Reserves	$	1,064,517 *	$	8,518,826	
- Expenses	$	(5,574,789)	$	(5,226,497)	6.66%
- Capital Outlay	$	(1,740,000)	$	(9,100,000)	-80.88%
- Transfer to Debt Service	$	(458,362)	$	(513,596)	
- Transfer to General/CIP	$	(200,750)	$	(200,750)	0.00%
+ Depreciation	$	900,000	$	1,000,000	-10.00%
Cash Flow	**$**	**(0)**	**$**	**(0)**	

Liquor

		2025		2024	Change
+ Revenue	$	2,512,250	$	2,467,700	1.81%
+ Special Assessments	$	-	$	-	
+ Reserves	$	- **	$	802,697	
- Expenses	$	(2,343,422)	$	(2,352,372)	-0.38%
- Capital Outlay	$	(7,000)	$	(826,000)	-99.15%
- Transfer to Debt Service	$	(40,300)	$	(45,025)	
- Transfer to General	$	(100,000)	$	(100,000)	0.00%
+ Depreciation	$	40,000	$	53,000	-24.53%
Cash Flow	**$**	**61,528**	**$**	**(0)**	

2025 BUDGET YEAR
SPECIAL PROJECTS
(Tax Increment Finance, Revolving Loan Funds and Other)

	Name	Revenue	Expense
407	Dilipidated Housing Program	$ -	$ -
252	Small Cities Development Program	$ 12	$ -
253	RiverBluff Estates	$ -	$ -
254	North Industrial Park Project	$ 4,618	$ 15,650
255	EDA General RLF	$ -	$ 8,425
1-10	Runnings TIF (266)	$ 46,674	$ 44,507
1-12	Prime Pork, LLC. TIF (268)	$ 320,623	$ 302,711
1-13	River Bluff TIF (260)	$ 38,000	$ 6,000
1-18	AG Builders TIF (271)	$ 14,000	$ 13,070
1-19	NWIP II TIF (274)	$ 247,626	$ 174,198
1-20	New Vision TIF (276)	$ 28,000	$ 26,491
1-21	Tibodeau's Center (261)	$ 90,000	$ 85,000
1-22	Cemstone (277)	$ 74,000	$ 69,580
	TOTAL	**$ 863,553**	**$ 745,632**

EXHIBIT B

City of Windom, Minnesota

City of Windom -- Capital Improvement Plan

2025 thru 2029

PROJECTS BY DEPARTMENT

Department	Project #	Priority	2025	2026	2027	2028	2029	Total
Administration								
Computer Replacement	ADMIN 002	1	2,000	3,000		3,000		8,000
Finance Director Desk	ADMIN 007	2	2,000					2,000
Administration Total			**4,000**	**3,000**		**3,000**		**10,000**
Airport								
Instrument Landing Equipment	AIRPORT 005	1		150,000				150,000
Runway Environmental Review & Extension Design	AIRPORT 006	1				100,000	150,000	250,000
Crosswind Runway Design	AIRPORT 007	2	150,000					150,000
Crosswind Runway Land Acquisition	AIRPORT 008	2			600,000			600,000
Crosswind Runway Construction	AIRPORT 012	1				2,000,000		2,000,000
New 4 Bay Hanger & Site Prep	AIRPORT 014	2			525,000			525,000
Unit 46A Replacement - Snow Plow	AIRPORT 015	1			130,000			130,000
Airport Total			**150,000**	**150,000**	**1,255,000**	**2,100,000**	**150,000**	**3,805,000**
Ambulance								
Defibulators	AMB 002	1	135,000					135,000
Radio & Pager Equipment	AMB 006	1	150,000					150,000
Unit 28 - Ambulance Replacement	AMB 007	1	250,000					250,000
Unit 29 - Ambulance Replacement	AMB 010	1		235,000				235,000
Unit 30 - Ambulance Replacement	AMB 011	1			235,000			235,000
Ambulance Total			**535,000**	**235,000**	**235,000**			**1,005,000**
Arena								
Livestock Building\Riding Rink	ARENA 011	3	200,000					200,000
Arena Total			**200,000**					**200,000**
Building\Zoning								
Blighted Homes Incentive Program	BUILD 005	2	20,000	20,000	20,000	20,000	20,000	100,000
Building\Zoning Total			**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**100,000**
City Hall								
Window Replacement	CH 001	2	25,000					25,000
Tuckpointing and Foundation Repair	CH 008	2	75,000	50,000				125,000
EDA\Building Office Windows	CH 010	2	10,000					10,000
City Hall Total			**110,000**	**50,000**				**160,000**
Community Center								
Dance Floor Replacement	COMM 002	3	20,000					20,000
Sound System	COMM 003	3		60,000				60,000
Stage	COMM 006	3	8,500					8,500

Department	Project #	Priority	2025	2026	2027	2028	2029	Total
Equipment Replacement\Upgrades	*COMM 007*	1	10,000	10,000	10,000	10,000	10,000	*50,000*
Mechanical Systems	*COMM 009*	1	12,500					*12,500*
Garage Doors w\ Openers	*COMM 011*	2		9,800				*9,800*
Gym Renovation	*COMM 012*	2		85,000				*85,000*
Community Center Total			**51,000**	**164,800**	**10,000**	**10,000**	**10,000**	***245,800***
EDA								
NWIP South 80 Addition of Utilities	*EDA 003*	2	425,000					*425,000*
EDA Total			**425,000**					***425,000***
Electric								
Distribution System Upgrades	*ELE 001*	1	350,000	350,000	350,000	350,000	350,000	*1,750,000*
Misc Equipment - Unidentified	*ELE 004*	3	40,000	40,000	40,000	40,000	40,000	*200,000*
Meter Replacement Program	*ELE 011*	1	650,000					*650,000*
55' Bucket Truck - Unit #320	*ELE 030*	1	250,000					*250,000*
New\Refurbished 28MVA Sub-station Transformer	*ELE 035*	1			625,000			*625,000*
35' Bucket Truck - Unit #350	*ELE 036*	1			200,000			*200,000*
Switchgear Improvements	*ELE 037*	1	450,000					*450,000*
Electric Total			**1,740,000**	**390,000**	**1,215,000**	**390,000**	**390,000**	***4,125,000***
Fire								
First Response Truck - Unit 24	*FIRE 005*	3		240,000				*240,000*
Engine\Pumper - Unit 23	*FIRE 006*	1		400,000				*400,000*
Tanker Truck - Unit 26	*FIRE 016*	1	320,000					*320,000*
Fire Total			**320,000**	**640,000**				***960,000***
Library								
Computer Replacement	*LIB 007*	1	2,000	2,000	2,000			*6,000*
Roof Repair & Sidewalk Maintenance	*LIB 011*	1	35,464					*35,464*
Library Total			**37,464**	**2,000**	**2,000**			***41,464***
Liquor								
Computer Replacement	*LIQUOR 015*	1	1,200	3,500				*4,700*
Equipment Replacement Fund	*LIQUOR 016*	2	5,000	5,000	5,000			*15,000*
Liquor Total			**6,200**	**8,500**	**5,000**			***19,700***
Multiple Depts								
City-wide Network & Server Upgrades	*MULTI 003*	1	6,850	6,650	6,650	6,650	6,650	*33,450*
New City Website	*MULTI 004*	2	40,000					*40,000*
Citizen Notification & Alert System	*MULTI 005*	2	3,900	3,900	3,900	3,900	3,900	*19,500*
Multiple Depts Total			**50,750**	**10,550**	**10,550**	**10,550**	**10,550**	***92,950***
Parks								
Buildings CIP	*PARK 021*	1	5,000	5,000	5,000	5,000	5,000	*25,000*
Tractor	*PARK 024*	2		60,000				*60,000*
Parks Total			**5,000**	**65,000**	**5,000**	**5,000**	**5,000**	***85,000***
Police								
Taser Replacement	*POLICE 003*	1	22,800					*22,800*

Department	Project #	Priority	2025	2026	2027	2028	2029	Total
Computer Replacement - Mobile Units	*POLICE 006*	2	5,000					*5,000*
Bolo Wraps	*POLICE 020*	3		10,000				*10,000*
Lidar Unit	*POLICE 026*	1	3,000					*3,000*
Police Total			**30,800**	**10,000**				***40,800***
Pool								
New or Renovated Pool	*POOL 003*	2			7,000,000			*7,000,000*
Equipment\Furnishing Replacement	*POOL 006*	1	5,000					*5,000*
Pool Total			**5,000**		**7,000,000**			***7,005,000***
Recreation								
Storage Shed	*REC 004*	2	12,000					*12,000*
Recreation Total			**12,000**					***12,000***
Streets								
Equipment Fund Reserve	*STR 005*	2	25,000	25,000	25,000	25,000	25,000	*125,000*
Pick-up Replacement (Unit 41)	*STR 009*	1					47,500	*47,500*
Sno-Go Snow Blower Replacement	*STR 013*	1	220,000					*220,000*
2025 Street Project	*STR 019*	1	4,000,000					*4,000,000*
Traffic Signal Lights	*STR 025*	2	177,000					*177,000*
Front-end Loader	*STR 029*	2	250,000					*250,000*
2028 Street Project	*STR 031*	2				4,000,000		*4,000,000*
Highway Radar Signs	*STR 032*	2	9,100					*9,100*
Streets Total			**4,681,100**	**25,000**	**25,000**	**4,025,000**	**72,500**	***8,828,600***
Telecom								
Transport Project - CO Fiber Trunk South	*TEL 029*	2	35,000					*35,000*
Transport Project - CO Fiber Trunk North	*TEL 030*	3	38,000					*38,000*
Telecom Total			**73,000**					***73,000***
Wastewater								
General Plant Improvement\Maintence	*SEWER 001*	2	5,000	5,000	5,000	5,000	5,000	*25,000*
General Equipment	*SEWER 006*	3	20,000	20,000	20,000	20,000	20,000	*100,000*
Interceptor\Collection System Improvements	*SEWER 007*	1	10,000	10,000	10,000	10,000	10,000	*50,000*
Lift Station Improvements	*SEWER 010*	1	5,000	5,000	5,000	5,000	5,000	*25,000*
Wastewater Total			**40,000**	**40,000**	**40,000**	**40,000**	**40,000**	***200,000***
Water								
Wells and Well Site	*WATER 001*	1	5,000	5,000	5,000	5,000	5,000	*25,000*
Pumping Equipment	*WATER 002*	1	5,000	5,000	5,000	5,000	5,000	*25,000*
Filter Plant Improvements	*WATER 004*	1	10,000	10,000	10,000	10,000	10,000	*50,000*
Water Main Improvements	*WATER 005*	1	5,000	5,000	5,000	5,000	5,000	*25,000*
Hydrants	*WATER 008*	2	5,000	5,000	5,000	5,000	5,000	*25,000*
Water Total			**30,000**	**30,000**	**30,000**	**30,000**	**30,000**	***150,000***
GRAND TOTAL			**8,526,314**	**1,843,850**	**9,852,550**	**6,633,550**	**728,050**	***27,584,314***

BUDGET
CITY OF WINDOM
2025 BUDGET YEAR

Debt Service Levy	2025 Levy	2026 Levy	2027 Levy	2028 Levy	2029 Levy
402 Capital ESF Loan	56,290.00	59,340.00	57,340.00	60,290.00	55,190.00
401 Ice System Replacement Project (2	75,659.00	74,159.00	72,659.00	80,754.00	79,021.00
305 2009 Street Project (2017C Refinai	87,825.00	-	-	-	-
306 2013 Street Project (2020D Refinai	111,415.00	110,522.00	114,510.00	118,528.00	98,149.00
307 2017A Street Project	92,344.00	95,663.00	93,875.00	96,982.00	85,085.87
308 2020 B & C Street Project	161,717.00	161,612.00	161,349.00	160,929.00	160,352.00
310 2023B Electric Generation Project					
311 2023B Liquor Remodel Project					
TOTAL	**585,250.00**	**501,296.00**	**499,733.00**	**517,483.00**	**477,797.87**

EXHIBIT C

MEMORANDUM

CITY OF WINDOM
444 9th Street
Windom, MN 56101
Phone: 507-831-6129
Fax: 507-831-6127
www.windom-mn.com

TO: City Council
FROM: City Administrator
DATE: September 20, 2024
RE: Budget Workshops

Last year the Council held three budget workshops: Enterprise Funds, Non-Enterprise Funds (tax supported) and General Funds. If the Council wishes to replicate this format the meeting dates for the 2025 Budget Workshop meetings are as follows:

- The "off-Tuesdays" are October 8th and October 22nd and October 29th. These meetings would start at 5 pm and last approximately three to four hours each.

If Council wants to do two meetings or meet on different dates staff can certainly adjust this option.