CITY COUNCIL MEETING
March 3, 2026
City Council Chamber
6:30 p.m.

CITY OF WINDOM, MN
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AGENDA

Call to Order
Pledge of Allegiance

1. Consent Agenda
   - Minutes
     - Council Minutes – February 17, 2026
     - Planning Commission – February 24, 2026
     - Telecom Commission – January 26, 2026
     - Telecom Commission – February 23, 2026
   - Exempt Gambling Permit – BARC – April 21, 2026
   - Solicitation Permit – Jalen Green – Mad City Windows and Baths
   - Regular Bills

2. Department Heads

3. Public Comment – Diane Kruger

4. Resolution Accepting a Donation – Windom Library

5. Ordinance No 204, 2nd Series – Disposition of Real Estate (WindomNet)
   - Telecom Commission – Operational Plan
   - Second Reading
   - Title & Summary

6. Action Memo – Windom Fire Relief Association – Annual Benefit

7. Contractor Payment
   - Airport Taxilane Widening Project – Final Payment - $21,545.50

8. New Business

9. Old Business

10. Council Comments

11. Adjourn

Preliminary

Regular Council Meeting
City Hall, Council Chamber
February 17, 2026
6:30 p.m.

1. Call to Order:
   The meeting was called to order by Mayor Hilary Mathis

2. Roll Call:

Council Present:	Mayor Hilary Mathis, Dennis Esplan, Jenny Quade, James Nelson, Scott Benson and Jayesun Sherman
Council Absent:	
City Staff Present:	Steve Nasby, City Administrator; Ron Schramel, City Attorney; Devin Kopperud, Assistant Police Chief; Jeff Dahna, Windomnet General Manager; Jon Ketzenberg, Streets & Parks Superintendent; Donna Torkelson, Finance Director; Jason Sykora, Electric General Manager; Ben Derickson, Fire Chief; Kristen Porath, Ambulance Director; Jordan Bussa, Telecom; Brian Turner, Telecom; Andrew Rossow, Telecom and Sonya Wilt, EDA Director

3. Pledge of Allegiance

4. Consent Agenda:

   - Minutes
     - Council Minutes – February 3, 2026
     - Library Board – February 9, 2026
     - Community Center Commission – February 9, 2026
     - Housing & Redevelopment Authority – February 11, 2026
   - Cigarette License – Windom Vape & Tobacco
   - Regular Bills

   Motion by Benson second by Sherman approving the Consent Agenda. Motion carried 5 – 0.

5. Department Heads:
   None.

6. Public Comment – Mike Lohre & Diane Krueger:
   Mr. Lohre said that he is aware of the five-minute time limits and wants to address the citizens of Windom. Information is available for free on his sub stack account. He is a former newspaper reporter and a Mt. Lake resident (Levi) was home for the Christmas holiday on leave and he committed suicide. Demoralization of humanity is a problem and 17 veterans a day take their own life. People need to take responsibility for their sins and ask for forgiveness. Jeffery Epstein and $9 billion in Somali fraud occurred and he wondered if any of these people will do a perp walk. Lawlessness has an impact and demoralizing effect on young people. He is here the fourth time to speak about vaccine injury and he has additional information to share. Windom Area Hospital is locally owned and we have responsibility to do something as action needs to start locally. There are mountains of evidence and no one is taking responsibility for the vaccine injuries. He prays for the people of the community. He said he will end on a prayer and the Lord will honor repentance. Sanford

hurt people and we need to ban MRNA vaccine which is actually gene therapy. Mr. Lohre said a prayer for the community for wisdom, healing for the vaccine injured, courage, strength and vision for the new hospital. He encouraged people to get Ultimate Spike product to counteract MRNA.

Ms. Krueger, 605 Prospect Avenue said that she has researched the Windomnet history, financials and other information. She said Windomnet should not be sold and other companies say we should keep it. Bonds are paid off in 2032 and are at a low 1.95% interest rate. Positive cash flow since 2016 and customer service is excellent 24 x 7 x 365. Future upgrades will cost money and these are normal expenses and we can use another bond to pay for them. Enterprise funds pay their own operation costs and debt, not taxpayers. Telecom Commission voted 4-0 to keep Windomnet. A sale to Federated is a wrong decision. If the sale happens or not it should go to bidders. What is the rush to sell? Local control could be local buyers. SMBS rates are lower than Federated. Windomnet needs more public meetings. Open bidding so it can be sold for more money. She feels $5.75 million is a fire sale. The system is not valueless and there will be costs for moving to a new billing system and how long will that take. She does not believe the Council can sell Windomnet by ordinance and thinks there is State statutes that are applicable. Federated has gotten $3 million from the County to build out their system so where is their money coming from to buy Windomnet? She said Windomnet has not done revenue and marketing since 2001. Vote no.

7. <u>MN DOT – Traffic Light Project Update:</u>
Mary Loeffler, Zak Tess and Anne Wolff from MN DOT, said that they had previously presented to the City Council a cost sharing proposal for the traffic light replacement at 10th Street and Highway 60/71. Tess said the city had approved $177,000 and MN DOT had determined the local match to be higher based on costs and new standards. MN DOT has a new addition to their formula determining local match that will go into effect on July 1. MN DOT is working on permitting the Windom traffic light project to be calculated using the new formula. As such, the local match for Windom will now be $33,000 which is well below the $177,000 that had been approved. MN DOT will be coming back and asking for an agreement to move ahead with the project based on the new local contribution.

Mathis thanked MN DOT for their efforts.

Benson asked if that price includes batteries, etc. Tess said that it was for all the options MN DOT wanted and the emergency vehicle override.

Loeffler added that the traffic light project is slated for fall 2026 construction. She added that the planning for the round-about at the south junction of Highway 71 is well underway. She handed out plans and noted the 2x1 configuration with four lanes in and out. The lighting design will tie into the existing system and add lights which MN DOT will pay for but the city has to maintain and provide power. A sidewalk is also shown. Business signage will be placed on Highway 60 north and south of the construction zone. Their planned detour is Highway 60 to County 5/9 by Heron Lake on to Highway 62. They will start outreach to businesses in the next couple months and have general public meetings in the next year.

Mathis asked who plows the snow on the new sidewalk? Tess said the City has to do it or make the property owners responsible.

8. <u>First Reading - Ordinance No. 204, 2nd Series – Disposition of Real Estate (Windomnet):</u>
Mathis asked for a motion and second so the proposed ordinance can proceed to discussion.

Motion by Quade second by Benson to approve the 1st Reading of Ordinance No. 204, 2nd Series for the disposition of Windomnet.

Mathis asked Dirk Abraham, Telecom Commission Chair, if he had a statement to start the discussion. Abraham said that at their February 2nd meeting the Telecom Commission voted 4 – 0 to keep Windomnet. The one absent member indicated he would have voted to sell, but nonetheless the recommendation would have been the same.

Quade asked what is the plan to do the system improvements needed and to regain customers to become profitable. Abraham said there are no plans. It's been an interesting year; he was probably leaning to sell the system and has now changed his mind. More input and feedback were received so he changed his position. If the decision is to sell the system, then he thinks it should go out for bids. He likes Federated and they have been good to deal with in this process but feels the Commission and Council made a mistake by not taking bids. He feels the responsibility to get the best deal.

Benson noted that others have expressed interest in Windomnet, but how many have come with proposals? Abraham said SMBS, Jason Kruger and Midco have interest but none have offered a proposal as they do not want to spend money if the system is not for sale. Benson said he would have like to see someone step up with a proposal like Federated did but none did. The Council acted on what they had which was done at public meetings. He said the Council is trying to do the best they can and is trusted to do the job for the people. Abraham said there was the initial interest from others but no proposals as the "for sale" sign was not out there and believes if it were there would be offers.

Nelson said that the point in this process is pretty late. Abraham concurred that it is late, but the process can be stopped and redone. The Council makes the decision and that is where it is at.

Sherman said there have been some positive things recently from Telecom such as the move to streaming video and changes towards moving to VOIP phone. Abraham said the changes are happening but the system will still be losing money. Video and phone are losing money and internet makes money and the projections are for a loss. Last year ended in a loss of $57,000 as a preliminary, unaudited number. If all costs were to stay the same for 2026 other than the video and phone changes the system could see a projected surplus. Sherman asked about the debt service payment. Nasby replied it is currently about $821,000 a year.

Sherman continued that he is looking at the question of what is best now and in the future for the community. There has been good interaction with Federated, but this discussion should not be focused on Federated but what is best for the community. Whether this is the best deal for the city or not. Windomnet improvements could lead to profits but more changes and improvements are needed. Emotions such as fear are not good basis for decisions. Government moves slowly for processes to play out. Looking back the intent is that we can pay off the debt and get out of operating the system. With more information and thoughts, he has to look at the sale of $5.75 million and $250,000 in upgrades versus the long-term potential for profitability. Short-term debt payment and no cost for improvements plus no risk on cashflow are pros. Cons are selling the system before profitability, bonds eventually paid off, loss of local control and ability to set rates along with union employee job loss. Upgrading and improvement costs could be different depending on path. What is the long-term outcome? He sees the $7-9 million future revenues to support the community and competition in service offerings is good. If the system is sold, that is gone forever. There is a risk of higher rates if Windomnet is sold or retained. Opportunity cost of the valuation and future benefits. Everyone buys a system to make money and what is the annual payoff? He feels its up to this point with a sale and the system future potential even with upgrade costs. A lot has been invested by both parties and there has been good communication from residents. His calls were three for open bidding the system, one for selling now and most to keep the system. This has been a 20-year journey so far, decisions made in the past are past and decision now is looking ahead. Respectful conversations with all parties and can see the process error in not opening the system up to other bidders so he is voting no.

Nelson said he heard from both sides to sell and keep. Internet service is the key, but he has not heard of any plan to keep the system updated and profitable. As of now he is set in his decision. Sherman said a decision not to sell is not confining to one path as it can be an option to making a plan for telecom to become profitable or to revisit the process to bid the system to others. He feels progress has been made as to improving Windomnet and we need to continue the journey.

Schramel said that the options are to approve the sale to Federated, not approve the sale to Federated, to open up the sale process to other bidders or to keep Windomnet.

Esplan said that he takes some of the blame for being on the path taken, but we need to deal with the issue in front of the Council. He had two calls saying to sell and about 20 saying to keep. He said the people that want to sell the system can be heard too and he is listening to what he hears.

Quade said that people contacting Council members tend to call those of like mind as she has had 27 people call her to say sell and six wanting to keep the system with two of those being city employees. There is a balance of opinion in the community. Most people do not want confrontation so they contact like minded people. The additional information that was made available this week changed some people's minds. She encouraged people to read the Telecom minutes, go to meetings, look at budgets and see what is happening. She has not heard a plan from Telecom nor from the Telecom manager on how they were going to make the system profitable. Looking at the long-term the system has been losing video customers, losing phone customers and with the streaming video conversion 164 video subscribers were lost. There is much more competition in the marketplace for these services. From January 2025 to January 2026 there was a loss of 140 phone customers. People dropped services when the prices went up. Windomnet data service is $85/month and Federated is $70/month for the same speed and service. That is $15/month or $180 a year and that can mean a lot to a household. The preliminary year end loss is not counting the cost for a position that was vacant for half the year. Looking at $1.8 million in short-term upgrades as shown in the Federated information shows the need for continued investment. Federated has an expanding customer base and can spread costs over more customers to keep costs low. Other people showed interest in buying Windomnet but we only saw a number from one entity and only after the Federated offer was public and the city's valuation study posted. Other parties have not done their due diligence so offers could be lower, what happens in the future if it is for sale and the offers are lower and we cannot get the Federated offer back? Everyone acknowledges that phone and video are money losers and internet service makes money. She too wants local not a company out of the twin cities or Sioux Falls, Federated is a lot more local. Federated is planning an advisory board and considering capital credits. They have a good website, do newsletters and make donations to the communities they serve. There will also be a smooth transition with Federated as people can keep their Windomnet email addresses. She said that she takes direction from the information available, professionals and staff.

Benson said citizens voted him into office to make the best decisions he can for the public based on the information available. He continually hears about high taxes and needed street repairs. Comments about Windomnet have been both good and bad. He asks if the city can afford to do the upgrades needed for the system as it is not profitable and customer counts are going down. The public wants a pool, good streets and parks. He tries to do his best to address affordability. The Federated deal is here, others talked about a proposal but none have followed through. He does not want to lose what he sees as a good offer. The local area is not just Windom but the surrounding communities we all visit, compete against in sports and where friends live.

Mathis said she wrote a letter for her thoughts to get them straight. Conversations started this summer with the Federated offer, then negotiation decisions made and she has taken information from everyone. She has had 100 people contact her. This is a complex issue and discussion so she appreciates all the information shared. She agrees with Abraham that the process could have been better and takes some responsibility for that too. This whole discussion has added stress to the staff, Council and the public. She apologized for not fully explaining the process more completely and all involved are well-meaning. She feels the process was done wrong and the public input has been not to sell or at least take other offers. Midco emailed her today asking if the system is for sale or not. She gave Federated credit for going through all of this with the city and an option is to sell to them. She knows this is a risk, but the Federated proposal is the first offer. Not a time to place blame on anyone, but we need to move ahead. Time and energy are needed to come up with a plan. In the spirit of the Telecom Commission recommendation and public input she does not think it is time to sell. TV and phone can turn around with some changes and encouraged the Council to hold off on a decision to sell. Net profit probably not available until 2032.

Esplan said that Federated has been great to work with and has been very fair. Telephone costs up recently but his bill before Windomnet was $700 and now his business line is $75.

Sherman said no one has a crystal ball but sees trends to the positive. Federated is a good company and understands the advisory board and capital credit discussion. He feels staff has been busy with the possible sale and had no motivation to come up with a plan for Windomnet if it was going to be sold. No plan or possible increases in customers unknown. There may be changes coming down the road for Windomnet and leadership but that decision is not for tonight. We need to work to make the system healthier. He noted the decision in front of the Council tonight and wondered if it can wait. He feels we can wait and Windomnet not in dire circumstance to force a sale. There is community potential.

Mathis re-stated the motion and her request for a roll call vote.

Motion by Quade second by Benson to approve the 1st Reading of Ordinance No. 204, 2nd Series for the disposition of Windomnet. Motion passed 3 – 2 (Sherman and Esplan).

Mathis said the next steps are a second reading of the ordinance on March 3rd and then publication of the ordinance if that is passed, so the decision is not final until that March 3rd vote.

9. Engineering Services Agreement – 2026 Airport Apron Reconstruction Project:
Nasby said that the planned capital project for this year is the apron reconstruction and SEH engineering, our airport consulting engineers, have the services agreement for their work on the project. This is 90% FAA funded with the balance from State and local resources.

Benson said as Airport Manager he will abstain from the vote.

Motion by Nelson second by Quade to approve the 2026 Airport Apron Reconstruction Project engineering services agreement as presented. Motion carried 4 – 0 (Benson abstain).

10. Indemnification, Defense, Hold Harmless and Insurance Agreement – Cottonwood Co. Ag Society:
Nasby said the Cottonwood County Ag Society asked to table until their insurance carrier can review and make revisions if needed.

Motion by Sherman second by Benson to table the Cottonwood County Ag Society Indemnification, Defense, Hold Harmless and Insurance Agreement until they requested City Council action. Motion carried 5 – 0.

11. Ratification of the Fire Department Election of Officers & Fire District Agreement:
Ben Derickson, Fire Chief, said that the officers include himself as Chief, 1st Assistant Jordan Bussa; 2nd Assistant Brent Reisdorfer and 3rd Assistant Kristen Porath. Derickson said they have 32 active members at this time.

Mayor and Council thanked Derickson and the fire fighters for their work for the community.

Motion by Benson second by Sherman to approve the ratification of the 2026 Windom Fire Department election of officers. Motion carried 5 – 0.

Nasby said the city contracts to provide fire services to Bingham Lake, Wilder and surrounding townships. These parties formed the Windom Fire District in 2020. At that time a contract for fire services was drafted and it is expiring in April 2026. At the end of January the Mayor, Fire Chief and he met with the Windom Fire District representatives to work on a new 5-year deal. The agreement worked well so no language changes were made but the fee charged changed. The city requested a three percent increase per year and the Windom Fire District offered a two percent adjustment per year. The parties settled on a two and one-half percent annual increase. He thanked all parties for working to get this completed.

Motion by Benson second by Esplan to approve the 2026-2030 Windom Fire District agreement as proposed. Motion carried 5 – 0.

12. City Attorney Services:
Nasby said that City Attorney Ron Schramel had announced his resignation effective April 1st. Over the last month Nasby has been in contact with other communities in the area as to where they are utilizing legal services for City Attorney work. In Windom, we have a contract with Jackson County to do our prosecution work and all other legal work is done by the City Attorney. Variations of how communities divide their legal work ranges from in-house City Attorney (Redwood Falls) to contracting out all of the work to multiple firms (Mankato). He has talked with Kristi Meyeraan, who does the City's criminal work; Nick Anderson, Cottonwood County Attorney; Kennedy & Graven and Flaherty & Hood. He is recommending that the Council Personnel Committee be charged with interviewing some or all of these so a recommendation can be made to the Council for action in March.

Motion by Benson second by Sherman to have staff set up interviews for the Personnel Committee. Motion carried 5 – 0.

13. New Business:
None.

14. Old Business:
Nasby said the Council had agreed to do a wage study as part of the last labor negotiations. He sent out seven requests for proposals and got four responses. He asked for Council approval to form a staff committee to review the proposals with the committee to include both unions and the Department Heads and himself. Consensus of the Council to have the staff group forward a recommendation for a consultant to do the wage study.

15. Council Comments:
Benson said there was a good win for the round-about and the traffic signal. He does what he feels is best for the community as he sits on the Council.

Quade said she is very happy with the $33,000 cost of the stop light versus the higher costs given earlier. The "Be the Light" mental health gala is Saturday at the Community Center.

Mathis thanked everyone for their input to her and the Council.

Esplan said he appreciated hearing from the public.

Sherman thanked the public for the comments and encouraged them to continue reaching out. There does need to be plans made for Windomnet.

Nelson said he voted to sell, but with reservations. He is open to discussing Windomnet if good plans are presented.

16. Adjournment:
Mayor Mathis adjourned the meeting by unanimous consent at 8:22 p.m.

____________________________ Attest: ____________________________

Hilary Mathis, Mayor Steve Nasby, City Administrator

CITY OF WINDOM
PLANNING COMMISSION
MINUTES
SPECIAL MEETING
FEBRUARY 24, 2026

1. Call to Order: The meeting was called to order by Chairman Baloun at 7:01 p.m.

2. Roll Call & Guest Introductions:

Planning Commission: Jared Baloun, Carol Hartman, Ben Byam, Lorri Cole, Matt Miller, Tyler Patterson, and Tom Tegels.
Absent: Brandon Pletcher.

Also Present: B&Z Staff: Zoning Admin. Matt Fast and Admin. Asst. Mary Hensen; City Council Liaison Jayesun Sherman; Electric Utility Manager Jason Sykora; and Char Woizeschke (public).

3. Oath of Office – Reappointed Commissioners: Reappointed Commissioner Matt Miller took the oath of office. Reappointed Commissioner Tyler Patterson took the oath of office.

4. Election of Officers: Current Chairman is Jared Baloun and current Vice Chairman is Carol Hartman.

A. Chairperson: Current Chairman Jared Baloun called for nominations for the Office of Chairman.

Motion by Commissioner Hartman, seconded by Commissioner Tegels, nominating Jared Baloun as Chairman for 2026 and until his successor is duly elected and qualified; and the motion was amended, by Commissioner Tegels, to request that nominations cease and the amendment was seconded by Commissioner Hartman. Motion carried 5-0. (Commissioner Baloun abstained and Commissioner Cole arrived after the vote.)

B. Vice Chairperson: Chairman Baloun called for nominations for the Office of Vice Chairperson.

Motion by Commissioner Byam, seconded by Commissioner Cole, nominating Carol Hartman as Vice Chairperson for 2026 and until her successor is duly elected and qualified. Chairman Baloun asked for any other nominations and none were received. Motion carried 6-0. (Commissioner Hartman abstained.)

5. Approval of Minutes: December 9, 2025:

Motion by Commissioner Hartman, seconded by Commissioner Byam, to approve the Planning Commission Minutes for the Meeting held on December 9, 2025, as sent. Motion carried 7-0.

6. Discussion of Proposed New Zoning District
A. I-3 – Planned Innovation, Research & Technology District: Chairman Baloun introduced the agenda item and referred to Zoning Admin. Fast for background and further information. Zoning Admin. Fast recapped that at its meeting on December 2, 2025, the City Council approved a request to the Planning Commission that the Commissioners discuss land use considerations related to data centers. The goal was to identify potential zoning districts and conditions for these types of uses as requested by the City Council.

Starting in January 2026, Matt began contacting other cities that have or are in the process of approving new data centers (Blue Earth and Mountain Lake), etc.; researching other Minnesota cities' ordinances (Blue Earth, Cannon Falls, Monticello) and ordinances from other states (York County, Pennsylvania); information from the Urban Land Institute for Washington, D. C. ("ULI") entitled "Local Guidelines for Data Center Development"; leads that City Administrator Steve Nasby provided; and items in other sections of Windom's ordinance that could apply to data centers, etc.

The ULI's "white paper" described several "planning-related options". One of the options was to create a "Planned Innovation, Research, and Technology" ("PIRT") District. They also recommended an option to "implement a specific data center zoning district defined by ordinance". Their reasoning for this new zoning district was: "We recommend it as a best practice in many jurisdictions because it establishes clear guidance on where data centers are permitted by right and eliminates the possibility that high-stakes decisions are made by exception."

Building & Zoning Staff reviewed Windom's zoning districts in relation to areas that are served by the Windom Electric Department. Windom's zoning districts are well-established and would require either major exceptions or reworking of the language in these zoning districts to permit a data center. From this review, it appears that establishing a new zoning district is the best option. Suitable land within the city limits could be rezoned to this new zoning district. Also, land that is annexed could be assigned this zoning designation.

The Commissioners received a first draft of a potential ordinance establishing a new zoning district: I-3 "Planned Innovation, Research & Technology District" in their packets.

Commissioner Hartman said that she attended the public hearing held by the County concerning the conditional use permit application for a proposed data center to be placed on land adjacent to County Road 13. She said that noise was the biggest concern. She said that she understands if the City of Windom can provide electricity to the site, they have to provide the electricity. She further commented that the proposed site was near residential property and also a wildlife area. Commissioner Hartman said that she also visited the sites in Glencoe and Hills. She said in both cases, there were rundown buildings and it was noisy. However, she said that it wasn't as noisy in Hills because of the trees between the data center and downtown.

Commissioner Tegels thanked Staff for their work. He commented that he has a feeling that this will protect citizens as they have a right to go in and say too noisy or it uses too much water—correct? Zoning Admin. Fast responded that yes, there would be an application to rezone an area and also an application for a conditional use permit (which both require public hearings).

Commissioner Tegels said he hoped the ordinance is a device to protect citizens as there are so many steps a company would have to go through to have a data center.

Commissioner Hartman said that she is concerned about the noise level and the cost of electricity. Would a data center raise the cost of electricity for the rest of us? Electric Utility Manager Jason Sykora said that a data center won't increase our rates. Windom has sufficient power to serve a data center and the City of Windom. Windom has power agreements and the price is set. Other places in our area are getting data centers. Because of that, load is going up and your prices will go up and Windom won't have the revenue coming in to pay for these increases. If you can't grow your electrical use, you won't generate that additional revenue. The infrastructure has adequate capacity and won't be overloaded. There are two transformers and both can support the system. If one goes down, it can be switched to the other one. A data center gives you the ability to maintain the rates. A large data center (example 1,000 megawatts) would potentially be placed in the middle of a wind farm or by an existing nuclear unit. However, there are not enough transmission lines to move the transmission from the wind towers to where it needs to go. We could see rate increases in the future from other users on the transmission line.

Commissioner Byam reminded the Commissioners that many people forget that HyLife used a lot of electricity. After HyLife left, our electrical rates went up. Manager Sykora replied that when HyLife left, the City lost load and incurred price increases. He said that PM Beef used approximately 3 megawatts but HyLife was approaching 5 megawatts. HyLife's usage was basically at the same level (flat) around the clock. HyLife's load was high, flat, and constant. Windom's power costs for residential usage are kept lower by having good industrial loads. Windom had a power cost adjustment because of less load. There is roughly a $250,000 transmission cost per month, but we don't have a company with a high load factor to help offset that cost. If the company buys power from Windom in the early morning hours, the rate we are charged is cheaper and then there is a break-even period during the day. The City Council has the authority to determine the use for revenue, after expenses, that is generated by the Electric Department with input from the Utility Commission. ITC (the transmission company serving our area) has 50 megawatts of capacity. Windom is using approximately 10-12 megawatts. When HyLife was operating, Windom was using approximately 18 megawatts. The City of Mountain Lake is working on a Data Center along with other communities in Southwestern Minnesota.

Commissioner Byam asked where companies are placing these data centers. Manager Sykora said typically well-distanced from residential if possible. However, you need to situate data centers where you have a transmission line or a feeder circuit to supply the power and attempt to site them away from residential areas or where there are other existing noises. The data center in Blue Earth is just off I-90 in a building by the substation. The data center paid for the new substation that the city now owns and the city charges the data center for power.

Zoning Admin. Fast said that they are planning to place the data centers in the area near Milk Specialities in Mountain Lake which is on the south end of town. There is a new substation in that area. He said that they did a sound study and Milk Specialities makes more noise than the expected noise from the data center.

In response to a question, Manager Sykora said that the North Windom Industrial Park ("NWIP") is served by South Central Electric. Windom is currently in a standstill agreement with South Central Electric until 2029. It would be substantially expensive to attempt to acquire that property as our service territory. If you buy out the existing service territory of an electric company, you are required to pay them a percentage now and a percentage of all revenue coming in for a period of years into the future. South Central Electric does not have the capacity to serve a data center in NWIP because most of their current capacity in that area goes to POET.

Chairman Baloun commented that we should think about where to site data centers and attempt not to be near existing residential areas or future residential areas or wildlife areas.

Commissioner Hartman commented that if there is any way to make that happen, she thinks the best way to have a data center is at NWIP.

Commissioner Patterson asked Manager Sykora if he thought a data center company might be willing to help offset the costs of buying service territory. Manager Sykora responded that he doesn't know and that could be something to check. However, he feels that might be the City's obligation.

Chairman Baloun asked if it would affect the City's future land use map. The thought was probably not at this time.

Zoning Admin. Fast said that data centers can range from a conventionally-built building to a modular container that is fitted with the servers and utilities. Not knowing exactly what kind of a data center might come, we need an ordinance that blankets everything and to see if there are any suitable locations served by the Windom utilities.

Commissioner Hartman said that data centers don't employ a lot of people and we don't know whether they would live here. She thinks it's worth pursuing something in NWIP. Zoning Admin. Fast said that could be checked; however, the cost could be substantial. There could be some revenue generated in the area during construction of the data center, but most of the revenue will come from the sale of power.

Commissioner Byam asked if a company coming to Windom would be a data mining company or a cloud server. Manager Skyora said he's not sure. He said that ITC brought the question to the Windom Electric Utility's attention as ITC would like to spread out the load by selling power to some kind of a data center. Then the Electric Utility brought the question to the City Council who referred it to the Planning Commission. He said that a conventional data center is a cloud server. However those will not locate in our area because they want to be close to population in the metro areas. Any data centers that would locate in our area would probably be bitcoin, crypto, or AI. However, cryptos are more expensive now. It would probably be AI or a hybrid between data mining and AI. System-wide Windom has less than one outage a year and companies like that for AI. If a data center would be a 5-7 megawatt-size, it is just doing AI.

Admin. Asst. Hensen briefly reviewed the proposed ordinance and provided background for sources of the language, such as other cities' ordinances, etc. For example, the proposed noise level comes from the Minnesota Administrative Rules on noise for similar uses which are enforced by the MPCA.

Commissioner Hartman said that from other city's experiences, data centers deteriorate and no one takes care of them. They need to follow criteria to stay here. Zoning Admin. Fast advised that the City Council would be able to put conditions on any conditional use permit that was granted for a data center. If the property owner violates the conditions, there are procedures for the City Council to revoke the conditional use permit.

In response to a question, Manager Sykora said that the references to electrical service are sufficient in the proposed ordinance because a data center would come first to the Electric Department and the Telecom Department to discuss loads and service capability, etc. If a conditional use permit was granted by the City Council, there would be a lengthy purchasing contract between the City and the Data Center Developer/Owner.

There was a brief discussion concerning yard and lot requirements which will be coming to the Planning Commission. Zoning Admin. Fast responded that each proposed site would be analyzed for any required berms and other sound barriers, etc.

There was a brief discussion concerning cooling of the equipment and what type of cooling system could be used and whether that would also require air circulation. It was mentioned that even a water chiller uses air across the fins. Manager Sykora said that MPCA has gotten more stringent on water systems and require use of a closed system. However, to extract water from the ground is expensive. He advised that now they use large variable-speed fans at the Electric Department that are much quieter than the smaller fans that were previously used.

Commissioners commented that they liked the last paragraph in the proposed ordinance that gives the City Council authority to add to, modify or expand conditions that are set forth in the City Code for a conditional use permit for a specific site. Zoning Admin. Fast said that every piece of property is different.

Commissioner Hartman asked if the citizens would be alerted to a proposed data center site before the data center is built. Manager Sykora responded that the developer would check with the Electric Department and Telecom Department first. If it's a suitable match, the developer would come to us with a possible location and start the review process. He believes that, from prior experiences, a reputable company will do some PR and talk to people and let them know where they would like to locate the data center.

In response to a question by Admin. Asst. Hensen, it was the consensus of the Planning Commission to move forward and schedule a public hearing on the proposed ordinance. Admin. Asst. Hensen advised that the proposed ordinance is also being reviewed by the City Attorney and other department heads.

In response to a question, City Council Liaison Jayesun Sherman said that he thinks it's a good idea to get out in front of a center coming with an ordinance and that some of the concerns will turn out to be much more mitigated in that way. He also thinks that the last provision is good as the City Council can attach conditions to a conditional use permit. He thinks it's a good step forward.

7. Unfinished Business: None.

8. New Business: None.

9. Planning Commission Comments, Concerns, Suggestions: Commissioner Hartman said that the City previously approved a conditional use permit for an impound lot near DVHHS and the owner was to keep the lot screened. She said that it's wide open and the strips in the chain link fence are coming apart and it's

a disgrace for people to have to look at that site. She said that it was stipulated in the approval for the conditional use permit that they were to keep the area screened. Zoning Admin. Fast said that we will look into that matter. Commissioner Hartman also thanked Staff for all of the information provided so far.

10. Adjourn: The meeting was adjourned by unanimous consent at 8:11 p.m.

Attest: ___________________________________ ______________________________________

Matthew Fast, Building & Zoning Official Jared Baloun, Chairman

TELECOMMUNICATIONS COMMISSION MEETING
City of Windom Council Chambers
January 26th, 2026 6:00 P.M.

I. Call Meeting to Order. The meeting was called to order by Pres. Abraham at 6:00 PM

II. Roll Call:

President:	Dirk Abraham	City Staff:	Steve Nasby
V President:	Josh Peterson	City Staff:	Jeff Dahna
Secretary:	Kegan Hofferbert	Council Liaison:	Jayesun Sherman
Commissioner:	Tim Hiley (absent)	Council Liaison:	Dennis Esplan (absent)
Commissioner:	Jake Voth	Others Present:	Jordan Bussa

III. Approval of Minutes from December 15th, 2025 meeting

Motion by Commissioner Voth, to approve minutes from the December 15th, 2025 meeting. Seconded by Commissioner Peterson. Motion approved 4 to 0.

IV. Project Updates: Dahna updated the commissioners on various projects:
- Techs working on migrating customers to the E7 system. Installing fiber splitters and grooming the Customer Serving Areas (CSA) cabinets. Migration is at 93% complete.
- Headend systems shutdown and old equipment is being returned to network broadcasters as needed.
- SFN is working on increasing bitrate and picture quality for video streaming
- Some local networks have moved to direct feeds from broadcasters instead of being relayed from the broadcaster to a tower then to the customer, improving quality.

V. Manager's Report: Dahna reports:
- The cable headend was shutdown January 2nd, 2026. Networks requesting receivers to be sent back and that is being worked on currently.
- FCC Form 324 for System Shutdown has been submitted to the FCC to be processed.
- Conversation was had on what can be done with the tower and satellite dishes in regards to resale value, such as being sold or being turned in for scrap metal.
- Data usage has gone up with the streaming video service and is approaching the limits of what our current system can handle, once limits are reached it will introduce some lag and buffering to services provided. It is recommended that we upgrade the overall system from an 10 GB bandwidth limit to a 100 GB bandwidth limit to avoid the buffering issues and allow more room for expansion. The timeframe for the parts for the upgrade would be about 12 weeks.
- At the time of the meeting, subscriber count for video is 357, which is about a 65% take rate from traditional cable to the new streaming service.

VI. New Business:

- Public meeting with Federated was held on January 14th, 2026 where the community could ask City Council or Federated questions.
- The Council could have the first reading of the Ordinance to Approve the Sale on February 3rd, 2026, which would be the first of two readings in regards of the sale of WindomNet to Federated.
- Midco, MVTV, and Woodstock Communications have also expressed interest in Windomnet.
- Windomnet proposes an update to the internet speed and pricing packages for businesses to go along with the speed and pricing changes for residential internet. Proposed speeds and pricing would be 100 Mbps for $100 a month, 250 Mbps for $135, 500 Mbps for $165, and 1000 Mbps for $200.

Motion by Commissioner Hofferbert, to approve the Windomnet Proposed Pricing for Business Internet Speeds. Seconded by Commissioner Peterson, Motion approved 4 - 0.

- Transportation LAN Services (TLS) circuit data speed and pricing are being reviewed for adjusting.
- Preliminary Year End Telecom Funds were discussed, reviewed customer counts, revenue, and debts.

VII. Old Business:

- Metaswitch support renewal $22,683 for the phone system is approaching, GM recommends transitioning to a hosted, internet-based GigTel service for the phone system as it is more cost-effective, brings back features, and it is easier to manage than the current system.

Motion by Commissioner Peterson, to transition to the hosted Gigtel phone system. Seconded by Commissioner Hofferbert, Motion approved 4 - 0.

The Telecom Commission recessed at 7:30 pm and will reconvene Monday, February 2nd, 2026 at 5:00 pm.

Ia. Telecom Commission Meeting reconvened on February 2nd, 2026 at 5:00 pm**.**

IIa. Roll Call:

President:	Dirk Abraham	City Staff:	Steve Nasby
V President:	Josh Peterson	City Staff:	Jeff Dahna
Secretary:	Kegan Hofferbert	Council Liaison:	Jayesun Sherman
Commissioner:	Tim Hiley (absent)	Council Liaison:	Dennis Esplan
Commissioner:	Jake Voth	Others Present:	Scott Benson, Hilary Mathis, Jenny Quade, Jordan Bussa, Brian Turner

VIII. Commissioner's concerns and questions:

- The Telecom Commission recessed to allow commissioners to read the Federated Purchase Proposal included in the Council packet for February 3rd to decide on a recommendation to give to the Council.
- The Telecom Commission Board discussed the amount of debt services that need to be fulfilled and when they would be fulfilled, the amount of local control that Windom would have if the sale goes through, the current changes that Windomnet has done and will continue to do, the process of how the potential sale went, as well as future profits not being realized.

Motion by Commissioner Hofferbert, to Make a Formal Recommendation to the Windom City Council that the City of Windom should Continue to Own and Operate Windomnet . Seconded by Commissioner Voth, Motion approved 4 - 0.

IX. Set Next Telecom meeting: February 23rd, 2026 at 6:00 pm at the City Council Chambers or City Hall.

X. Adjourn: Meeting adjourned by unanimous consent at 5:30 pm**.**

____
Dirk Abraham, Telecom Commission President

____
Kegan Hofferbert, Telecom Commission Secretary

Attest: ______________________________________
Jeff Dahna, Telecom General Manager

TELECOMMUNICATIONS COMMISSION MEETING
City of Windom Council Chambers or City Hall
February 23rd, 2026

I. <u>Call Meeting to Order.</u> The meeting was called to order by Pres. Abraham at 6:03PM

II. Roll Call:

President:	Dirk Abraham	City Staff:	Steve Nasby (absent)
V President:	Josh Peterson	City Staff:	Jeff Dahna
Secretary:	Kegan Hofferbert	Council Liaison:	Jayesun Sherman
Commissioner:	Tim Hiley *Zoom*	Council Liaison:	Dennis Esplan
Commissioner:	Jake Voth	Others Present:	Diane Kruger; Hilary Mathis – Mayor; Scott Benson, Jenny Quade, James Nelson - City Council; Jordan Bussa, Brian Turner, Andrew Rossow – Windomnet; Jason Sykora, Donna Torkelson – City of Windom

III. Approval of Minutes from January 26th, 2026 and reconvened February 2nd, 2026 meeting

Motion by Commissioner Voth, to approve minutes from the January 26th, 2026 meeting. Seconded by Commissioner Peterson. Motion approved 5 to 0.

Diane Kruger was present and wanted to share some information, which required a suspension of rules to allow the comments to be shared.

Motion by Commissioner Hofferbert, to Suspend the Rules and Allow Diane Kruger to Comment. Seconded by Commissioner Voth. Motion approved 5 to 0.

Diane shared with the commission that there are interested parties that would open to help Windomnet move forward if it is kept by the city.

IV. Project Updates: Dahna updated the commissioners on various projects:
- Techs working on migrating customers to the E7 system. Installing fiber splitters and grooming the Customer Serving Areas (CSA) cabinets. Migration is at 95% complete.
- SFN is still working on the changes on their side to improve picture quality.
- N
  OC Tech was working with Tantalus and the City's billing system to resolve communication errors on the Electric Department Meter Project, which is working now.

V. Manager's Report: Dahna reports:
- The cable TV headend is fully decommissioned. Working equipment has been gathered and inventory count is needed for a potential resale.
- Conversation was had about a letter from Midco in regard to their interest in Windomnet.

- The Telecom Department received the first bills for the video streaming service from SFN and SMBS, the former for the content provided and the latter for the transport services provided.
- The city attorney is reviewing the Gigtel Agreement, which is the VoIP phone service. As soon as the city attorney says that the project is good to go, the phone system migration will begin.
- Jonathan Engstrom, a consultant that Windomnet has used before, helped update critical infrastructure to improve security and prevent cyber-attacks.
- The after-hours on-call service, Golden West, has been utilized more in the past two months to help with issues regarding the streaming video service.

VI. New Business:
- Commissioners reviewed a business agreement between Windomnet and Jason Kruger for services provided by Kruger in 2018.
- Due to the knowledge and skills of Windomnet's NOC tech, GM recommends the termination of the Southwest West Central Cooperative (SWWC Co-op) Support Agreement. This would reduce monthly expenses by $997.50.

Motion by Commissioner Peterson, to Recommend the Termination of the Support Agreement with SWWC. Seconded by Commissioner Hofferbert, Motion approved 5 - 0.

- With the increase of bandwidth usage, GM provided equipment quotes to upgrade the system to surpass current bandwidth usage and negate any issues that would arise from meeting that capacity.
- GM also provided quotes for license agreements and equipment from Calix to modernize and improve the customer side of the system. These upgrades would improve technical support times, provide increased compatibility with customer equipment and Windomnet, and simplify the troubleshooting process.
- GM introduced a policy change where residential internet and WiFi would be delivered from routers provided by Windomnet.
- Commissioners decided to table any further discussions and decisions on the upgrades until the next scheduled meeting, which would be after the next City Council meeting where the second reading of the Ordinance to Approve the Sale would occur.
- GM and Windomnet employees shared a draft of a plan with the commissioners pertaining to the continued operation of Windomnet should Windomnet be kept by the city. GM asked if there are any changes that should be made, and if there are no changes to be made, that the plan be approved by the Telecom Commission Board. If approved, a final draft of the plan will be included in the City Council packet.

Motion by Commissioner Hofferbert, to Approve the Draft of the Telecom Plan as Presented. Seconded by Commissioner Voth, Motion approved 5 - 0.

VII. Old Business:

- The GigTel VoIP phone service agreement is being reviewed by the city attorney. Once the attorney has okayed the agreement, the migration shall begin.

VIII. Commissioner's concerns and questions:

- More information and discussion about the interest that Midco has in Windomnet, such as the offer they put in their letter that was included in the last council packet and price comparisons.
- Diane asked if there are services provided between city departments without costs being incurred and if Windomnet is sold, what would those costs be for the other departments. She also brought up that other parties have ideas that could bring back customers to Windomnet.

IX. Set Next Telecom meeting: March 9th, 2026 at 6:00 pm at the City Council Chambers or City Hall.

X. Adjourn: Meeting adjourned by unanimous consent at 7:50 pm**.**

____
Dirk Abraham, Telecom Commission President

____
Kegan Hofferbert , Telecom Commission Secretary

Attest: ____
Jeff Dahna, Telecom General Manager

LG220 Application for Exempt Permit

An exempt permit may be issued to a nonprofit organization that:
- conducts lawful gambling on five or fewer days, and
- awards less than $50,000 in prizes during a calendar year.

If total raffle prize value for the calendar year will be $1,500 or less, contact the Licensing Specialist assigned to your county by calling 651-539-1900.

Application Fee (non-refundable)

Applications are processed in the order received. If the application is postmarked or received 30 days or more before the event, the application fee is **$100**; otherwise the fee is **$150**.

Due to the high volume of exempt applications, payment of additional fees prior to 30 days before your event will not expedite service, nor are telephone requests for expedited service accepted.

ORGANIZATION INFORMATION

Organization Name: BUSINESS, ARTS + RECREATION CENTER, INC (BARC)

Previous Gambling Permit Number: X-[redacted]

Minnesota Tax ID Number, if any: [redacted]

Federal Employer ID Number (FEIN), if any: [redacted]

Mailing Address: PO BOX 123

City: WINDOM State: MN Zip: 56101 County: COTTONWOOD

Name of Chief Executive Officer (CEO): LOREN LIEPOLD

CEO Daytime Phone: [redacted] CEO Email: [redacted]

(permit will be emailed to this email address unless otherwise indicated below)

Email permit to (if other than the CEO): [redacted]

NONPROFIT STATUS

Type of Nonprofit Organization (check one):

☐ Fraternal ☐ Religious ☐ Veterans ☒ Other Nonprofit Organization

Attach a copy of one of the following showing proof of nonprofit status:

(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)

☐ **A current calendar year Certificate of Good Standing**
Don't have a copy? Obtain this certificate from:
MN Secretary of State, Business Services Division
60 Empire Drive, Suite 100
St. Paul, MN 55103
Secretary of State website, phone numbers:
www.sos.state.mn.us
651-296-2803, or toll free 1-877-551-6767

☒ **IRS income tax exemption (501(c)) letter in your organization's name**
Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS toll free at 1-877-829-5500.

☐ **IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)**
If your organization falls under a parent organization, attach copies of both of the following:
1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling; and
2. the charter or letter from your parent organization recognizing your organization as a subordinate.

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place): BUSINESS, ARTS + RECREATION CENTER, INC

Physical Address (do not use P.O. box): 1012 5th AVENUE

Check one:

☒ City: WINDOM Zip: 56101 County: COTTONWOOD

☐ Township: Zip: County:

Date(s) of activity (for raffles, indicate the date of the drawing): April 21, 2026

Check each type of gambling activity that your organization will conduct:

☒ Bingo ☐ Paddlewheels ☐ Pull-Tabs ☐ Tipboards ☐ Raffle

Gambling equipment for bingo paper, bingo boards, raffle boards, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo ball selection devices may be borrowed from another organization authorized to conduct bingo. To find a licensed distributor, go to ***www.mn.gov/gcb*** and click on ***Distributors*** under the ***List of Licensees*** tab, or call 651-539-1900.

LG220 Application for Exempt Permit

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)

CITY APPROVAL for a gambling premises located within city limits

☐ The application is acknowledged with no waiting period.

☐ The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).

☐ The application is denied.

Print City Name: ____________________

Signature of City Personnel: ____________________

Title: ____________________ Date: __________

The city or county must sign before submitting application to the Gambling Control Board.

COUNTY APPROVAL for a gambling premises located in a township

☐ The application is acknowledged with no waiting period.

☐ The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days.

☐ The application is denied.

Print County Name: ____________________

Signature of County Personnel: ____________________

Title: ____________________ Date: __________

TOWNSHIP (if required by the county)
On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 349.213.)

Print Township Name: ____________________

Signature of Township Officer: ____________________

Title: ____________________ Date: __________

CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer's Signature: ____________________ Date: 2-23-26
(Signature must be CEO's signature; designee may not sign)

Print Name: LOREN LIEPOLD

REQUIREMENTS

Complete a separate application for:
- all gambling conducted on two or more consecutive days; or
- all gambling conducted on one day.

Only one application is required if one or more raffle drawings are conducted on the same day.

Financial report to be completed within 30 days after the gambling activity is done:
A financial report form will be mailed with your permit. Complete and return the financial report form to the Gambling Control Board.

Your organization must keep all exempt records and reports for 3-1/2 years (Minn. Statutes, section 349.166, subd. 2(f)).

MAIL APPLICATION AND ATTACHMENTS

Mail application with:

X a copy of your proof of nonprofit status; and

____ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is **$100**; otherwise the fee is **$150**. Make check payable to **State of Minnesota**.

To: Minnesota Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, MN 55113

Questions?
Call the Licensing Section of the Gambling Control Board at 651-539-1900.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

This form will be made available in alternative format (i.e. large print, braille) upon request.

Leesa Arndt

From: donna.torkelson@windommn.com
Sent: Thursday, February 19, 2026 9:16 AM
To: Leesa Arndt
Subject: Application for Business Solicitation

First Name

Jalen

Middle name

Devon

Last Name

Green

Date of Birth

[redacted]

Federal ID # - FEIN # or SSN #

[redacted]

MN ID#

[redacted]

Driver's License Number

[redacted]

State of Issue

South Dakota

Solicitor's Address

607 n walts ave
Sioux Falls, South Dakota 57104
United States
Map It

Phone

[redacted]

Email

[redacted]

Name of Business/Organization

Mad City Windows and Baths

Contractor's License

C139279

Address of Business/Organization

710 N ebenezer Ave
Sioux Falls, South Dakota 57104

United States
Map It

Business/Organization Phone

[redacted]

Purpose of Solicitation

Free estimates for windows and baths.

If door to door solicitation, indicate area to be solicited

Residential District

If transient merchant, state location from which merchandise will be sold:

Sioux Falls

Informed Consent Form

- I have downloaded the above informed consent form and will fax it to the City of Windom or call 507-831-6129 for other options.

Acknowledgement

- I acknowledge and accept that a convenience fee will be added to the license/application fee made via this online form.

Credit Card

MasterCard
XXXXXXXXXXXX6631

Would you like a copy?

- Yes

Name

Mr Jalen Green

Order

Product	Qty	Unit Price	Price
Application Fee • License/Application Fees:: Initial Investigation Fee • License/Application Fees:: Annual License Fee	1	$60.00	$60.00
Credit Card Surcharge	1	$1.80	$1.80
		Sub Total	**$61.80**
		Total	**$61.80**

Referred to the Police Chief on 2/19/2026
Recommendation: Approved X Disapproved ___. If disapproved give reason: ___

02/19/26 — Date

Scott [illegible] #206 — Police Chief

Approved by the City Council on ____________, 20____.

Expense Approval Report

By Fund

Windom, MN

Payment Dates 2/14/2026 - 2/27/2026

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Fund: 100 - GENERAL					
MN REVENUE	JAN 2026	02/20/2026	SALES TAX	100-20202	3,612.00
MN REVENUE	JAN 2026	02/20/2026	SALES TAX	100-20202	29,194.00
MN REVENUE	JAN 2026	02/20/2026	SALES TAX	100-20202	233.00
					33,039.00
Activity: 41110 - Mayor & Council					
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-41110-326	27.51
				Activity 41110 - Mayor & Council Total:	**27.51**
Activity: 41310 - Administration					
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	100-41310-133	104.00
WEX Health Inc	0002313706-IN	02/24/2026	PARTICIPANT FEE (ADMIN)	100-41310-217	139.75
US BANK	2026 US BANK JANUARY	02/12/2026	Virtual Annual Conference: L	100-41310-308	525.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-41310-321	76.44
MANTRONICS MAILING SYSTE	57633	02/25/2026	CITY HALL-POSTAGE	100-41310-322	450.00
US BANK	2026 US BANK JANUARY	02/12/2026	zoom meeting	100-41310-326	18.16
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-41310-326	271.07
US BANK	2026 US BANK JANUARY	02/12/2026	LMC Council	100-41310-331	85.00
US BANK	2026 US BANK JANUARY	02/12/2026	MADDENS ON GULL LAKE	100-41310-331	408.06
US BANK	2026 US BANK JANUARY	02/12/2026	Authorize.Net	100-41310-433	30.00
US BANK	2026 US BANK JANUARY	02/12/2026	LMC - Mayor	100-41310-433	30.00
US BANK	2026 US BANK JANUARY	02/12/2026	SiteGround	100-41310-444	149.97
JONATHAN ENGSTROM	522	02/17/2026	CITY NETWORK	100-41310-444	326.66
JONATHAN ENGSTROM	524	02/17/2026	CITY NETWORK	100-41310-444	326.66
LUCAN COMMUNITY TV INC	2342	02/24/2026	CITY HALL- MISC	100-41310-480	15.00
				Activity 41310 - Administration Total:	**2,955.77**
Activity: 41910 - Building & Zoning					
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	100-41910-133	24.00
INDOFF, INC	3842059	02/24/2026	EDA-P&Z- SUPPLIES	100-41910-200	1.70
INDOFF, INC	3844025	02/12/2026	EDA - P& Z SUPPLIES	100-41910-200	30.47
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-41910-321	60.12
WINDOM AUTO VALUE	34329690	02/20/2026	P&Z-MAINTENANCE - VEHICL	100-41910-405	6.61
SOUTHWEST CHAPTER OF ICC	2/13/2026	02/17/2026	P&Z- LICENSE FEES	100-41910-433	75.00
US BANK	2026 US BANK JANUARY	02/12/2026	MN Dept of Labor License Fee	100-41910-443	943.97
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-021052542	01/08/2026	2014 FORD COF	100-41910-444	21.25
JONATHAN ENGSTROM	522	02/17/2026	CITY NETWORK	100-41910-480	88.57
JONATHAN ENGSTROM	524	02/17/2026	CITY NETWORK	100-41910-480	88.57
				Activity 41910 - Building & Zoning Total:	**1,340.26**
Activity: 41940 - City Hall					
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-41940-381	649.59
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-41940-382	127.18
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	100-41940-383	1,289.77
HOMETOWN SANITATION SER	0000647733	02/11/2026	CITY HALL-DISPOSAL	100-41940-384	124.98
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-41940-385	236.47
				Activity 41940 - City Hall Total:	**2,427.99**
Activity: 42120 - Crime Control					
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	100-42120-133	176.00
INDOFF, INC	3845574	02/23/2026	POLICE- SUPPLIES	100-42120-200	23.39
WINDOM AREA HEALTH	327285960	02/17/2026	POLICE- MEDICAL FEES	100-42120-305	1,352.16
US BANK	2026 US BANK JANUARY	02/12/2026	MN Juvenile Officers Assoc.	100-42120-308	316.70
ECKBERG LAMMERS, P.C.	4711	02/20/2026	POLICE-TRAINING & REGISTRA	100-42120-308	499.00
AT & T MOBILITY	287293102788X02032026	02/12/2026	POLICE- TELEPHONE	100-42120-321	875.72
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-42120-321	27.98
Midwest 911 Cars, Inc	1220-SM-1	02/20/2026	POLICE-MAINTENANCE - M &	100-42120-404	4,229.48

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Midwest 911 Cars, Inc	1220-SM-2	02/20/2026	POLICE-MAINTENANCE - M &	100-42120-404	3,899.34
Midwest 911 Cars, Inc	1220-SM-3	02/20/2026	POLICE-MAINTENANCE - M &	100-42120-404	4,734.74
ALEX HAUGLID	1575	02/17/2026	POLICE- MAINTENANCE - VEH	100-42120-405	80.00
COTTONWOOD CO AUD/TREA	MARCH 2026	02/17/2026	JAIL RENT	100-42120-412	2,152.50
FLEET SERVICES DIVISION	2026070001	02/23/2026	POLICE- VEHICLE LEASE	100-42120-419	3,340.76
ENTERPRISE FM TRUST	613153-020426	02/19/2026	POLICE-TELECOM-VEHICLE LE	100-42120-419	517.69
ENTERPRISE FM TRUST	613153-020426	02/19/2026	POLICE-TELECOM-VEHICLE LE	100-42120-419	322.34
				Activity 42120 - Crime Control Total:	**22,547.80**
Activity: 42220 - Fire Fighting					
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon	100-42220-217	10.97
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon	100-42220-217	22.99
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon	100-42220-217	43.06
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon	100-42220-217	30.36
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-42220-321	43.02
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-42220-381	434.58
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-42220-382	18.91
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	100-42220-383	1,103.85
HOMETOWN SANITATION SER	0000647775	02/11/2026	EMS- DISPOSAL	100-42220-384	50.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-42220-385	43.57
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-027098106	01/08/2026	2017 AMERICAS BEST CARGO	100-42220-405	25.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-031543291	01/08/2026	2004 TRIT	100-42220-405	21.25
PAUL MARSH	36291	02/19/2026	FIRE DEPT - MAINTENANCE -	100-42220-405	828.10
O'REILLY AUTOMOTIVE, INC	4425-460865	02/23/2026	FIRE DEPT- MAINTENANCE - V	100-42220-405	18.14
JONATHAN ENGSTROM	522	02/17/2026	CITY NETWORK	100-42220-433	36.81
JONATHAN ENGSTROM	524	02/17/2026	CITY NETWORK	100-42220-433	36.81
				Activity 42220 - Fire Fighting Total:	**2,767.67**
Activity: 42500 - Civil Defense					
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-42500-381	37.64
				Activity 42500 - Civil Defense Total:	**37.64**
Activity: 43100 - Streets					
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	100-43100-133	80.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-43100-217	70.00
MATTHEW L MASTERS	12/1/2025	02/24/2026	STREET-STREET MAINTENANC	100-43100-224	1,017.50
COUNTRY PRIDE SERVICE	9048736	02/17/2026	STREET-STREET MAINTENANC	100-43100-224	60.00
COUNTRY PRIDE SERVICE	9048873	02/24/2026	STREET-STREET MAINTENANC	100-43100-224	30.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-43100-321	20.55
US BANK	2026 US BANK JANUARY	02/12/2026	LMC Mayor	100-43100-331	85.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-43100-381	295.65
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-43100-381	2,764.29
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-43100-382	22.39
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	100-43100-383	1,211.58
HOMETOWN SANITATION SER	0000647734	02/11/2026	STREET DEPT- DISPOSAL	100-43100-384	126.98
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-43100-385	50.58
JOHNSON HARDWARE	15683	02/24/2026	STREET-MAINTENANCE - REPA	100-43100-404	65.98
WDR - DEPUTY REGISTRAR #5	2/26/2026 00-040503118	01/08/2026	2022 MSOT NTB22-BP-154	100-43100-444	21.25
WDR - DEPUTY REGISTRAR #5	2/26/2026 00-045240139	01/08/2026	2024 FORD F150	100-43100-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-015585276	01/08/2026	2009 FRHT FM2	100-43100-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-016335302	01/08/2026	2004 CHEVY SILVERADO	100-43100-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-019118036	01/08/2026	2003 CHEVY SILVERADO	100-43100-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-019634810	01/08/2026	2014 FORD COF	100-43100-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-028795497	01/08/2026	2016 KM TRL	100-43100-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-031201941	01/08/2026	2006 ALUM TRLR	100-43100-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-042814353	01/08/2026	2022 CHEVY SILVERADO	100-43100-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-046016723	01/08/2026	2024 WSTR 47X CHASSIS	100-43100-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-046017386	01/08/2026	2024 WSTR 47X CHASSIS	100-43100-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-046052659	01/08/2026	2024 WSTR 47X CHASSIS	100-43100-444	21.25
JONATHAN ENGSTROM	522	02/17/2026	CITY NETWORK	100-43100-444	52.91
JONATHAN ENGSTROM	524	02/17/2026	CITY NETWORK	100-43100-444	52.91
				Activity 43100 - Streets Total:	**6,261.32**

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Activity: 45120 - Recreation					
US BANK	2026 US BANK JANUARY	02/12/2026	Big Time Clocks	100-45120-215	562.23
				Activity 45120 - Recreation Total:	**562.23**
Activity: 45202 - Park Areas					
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	100-45202-133	16.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-45202-326	266.67
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-45202-381	528.95
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-45202-382	19.61
HOMETOWN SANITATION SER	0000647735	02/11/2026	SQUARE- DISPOSAL	100-45202-384	74.99
HOMETOWN SANITATION SER	0000647746	02/11/2026	ISLAND PARK - DISPOSAL	100-45202-384	62.98
HOMETOWN SANITATION SER	0000647747	02/11/2026	TEGELS PARK DISPOSAL	100-45202-384	236.80
HOMETOWN SANITATION SER	0000647756	02/11/2026	MAYFLOWER PARK- DISPOSAL	100-45202-384	51.98
HOMETOWN SANITATION SER	0000647781	02/11/2026	ABBY PARK- DISPOSAL	100-45202-384	24.98
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	100-45202-385	55.24
JOHNSON HARDWARE	17549	02/23/2026	PARKS-MAINTENANCE - M &	100-45202-404	22.00
WINDOM AUTO VALUE	34329767	02/20/2026	PARKS-MAINTENANCE - M &	100-45202-404	197.58
WINDOM AUTO VALUE	34329813	02/23/2026	PARKS-MAINTENANCE - REPAI	100-45202-404	74.78
WINDOM AUTO VALUE	34329836	02/23/2026	PARKS-MAINTENANCE - REPAI	100-45202-404	60.97
WINDOM AUTO VALUE	34329873	02/24/2026	PARKS-MAINTENANCE - REPAI	100-45202-404	18.09
BAUER BUILT	830181698	02/12/2026	PARKS-MAINTENANCE - OFFIC	100-45202-404	270.00
				Activity 45202 - Park Areas Total:	**1,981.62**
				Fund 100 - GENERAL Total:	**73,948.81**
Fund: 211 - LIBRARY					
Activity: 45501 - Library					
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	211-45501-133	16.00
PLUM CREEK LIBRARY	000192	02/18/2026	LIBRARY- SUPPLIES	211-45501-200	12.75
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon	211-45501-200	52.88
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon	211-45501-200	92.70
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon	211-45501-200	26.71
INDOFF, INC	3844313	02/17/2026	LIBRARY- SUPPLIES	211-45501-200	7.58
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon	211-45501-211	13.83
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon	211-45501-211	73.21
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon - Supplies	211-45501-211	49.44
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon	211-45501-211	21.59
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	211-45501-321	163.93
US BANK	2026 US BANK JANUARY	02/12/2026	USPS	211-45501-322	187.20
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	211-45501-326	95.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	211-45501-381	336.22
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	211-45501-382	20.92
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	211-45501-383	403.99
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	211-45501-385	45.73
US BANK	2026 US BANK JANUARY	02/12/2026	Jk Windows	211-45501-402	50.00
VESTIS GROUP, INC	2560466367	02/17/2026	LIBRARY-MAINTENANCE - STR	211-45501-402	44.65
US BANK	2026 US BANK JANUARY	02/12/2026	Midwest Living	211-45501-433	22.00
US BANK	2026 US BANK JANUARY	02/12/2026	Real Simple	211-45501-433	45.95
US BANK	2026 US BANK JANUARY	02/12/2026	Cottage Jo	211-45501-433	44.00
US BANK	2026 US BANK JANUARY	02/12/2026	Garden Gates	211-45501-433	36.00
JONATHAN ENGSTROM	522	02/17/2026	CITY NETWORK	211-45501-433	62.11
JONATHAN ENGSTROM	524	02/17/2026	CITY NETWORK	211-45501-433	62.11
MICROMARKETING, LLC	1000817	02/23/2026	LIBRARY-BOOKS/PAMPHLETS	211-45501-435	21.24
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon	211-45501-435	6.43
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon	211-45501-435	33.41
				Activity 45501 - Library Total:	**2,047.58**
				Fund 211 - LIBRARY Total:	**2,047.58**
Fund: 225 - AIRPORT					
Activity: 45127 - Airport					
DOOLEY'S PETROLEUM, INC	830426	02/17/2026	AIRPORT- AV GAS	225-45127-264	6,336.83
DOOLEY'S PETROLEUM, INC	830515	02/17/2026	AIRPORT-AV GAS	225-45127-264	22,385.02
US BANK	2026 US BANK JANUARY	02/12/2026	MN EPCRA	225-45127-460	25.54

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-010885676	01/08/2026	1999 FORD CVP	225-45127-480	21.25
				Activity 45127 - Airport Total:	**28,768.64**
				Fund 225 - AIRPORT Total:	**28,768.64**
Fund: 230 - POOL					
Activity: 45124 - Pool					
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	230-45124-217	133.33
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	230-45124-381	37.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	230-45124-385	55.24
				Activity 45124 - Pool Total:	**225.57**
				Fund 230 - POOL Total:	**225.57**
Fund: 235 - AMBULANCE					
Activity: 42153 - Ambulance					
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	235-42153-133	16.00
ESPENSON GROUP LLC	1771	02/18/2026	AMBO-OTHER OPERATING SU	235-42153-217	322.00
US BANK	2026 US BANK JANUARY	02/12/2026	amazon	235-42153-217	43.05
US BANK	2026 US BANK JANUARY	02/12/2026	amazon	235-42153-217	30.35
US BANK	2026 US BANK JANUARY	02/12/2026	amazon	235-42153-217	10.96
US BANK	2026 US BANK JANUARY	02/12/2026	Dura Pro Health	235-42153-217	744.40
US BANK	2026 US BANK JANUARY	02/12/2026	amazon	235-42153-217	22.99
BOUND TREE MEDICAL, LLC	86085839	02/18/2026	AMBO-OTHER OPERATING SU	235-42153-217	304.00
US BANK	2026 US BANK JANUARY	02/12/2026	HiVis Sales	235-42153-218	1,008.38
LINDE GAS & EQUIPMENT INC	54731251	02/18/2026	AMBO-OTHER MERCHANDISE	235-42153-261	1,106.67
DONNA MARCY	1/31/2026	02/17/2026	AMBO- TRAINING/REGISTRATI	235-42153-308	25.00
AT & T MOBILITY	287304392280X02032026	02/18/2026	AMBO- TELEPHONE	235-42153-321	349.30
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	235-42153-321	28.68
EMS MANAGEMENT &CONSU	EMS-023514	02/18/2026	AMBO-DATA PROCESSING	235-42153-326	3,365.18
EMS MANAGEMENT &CONSU	LQ-010599	02/18/2026	AMB0-DATA PROCESSING	235-42153-326	205.00
MEGAN BRAMSTEDT	2/12/2026	02/17/2026	AMBO- MEALS	235-42153-334	22.12
JIM AXFORD	2/13/2026-2/15/2026	02/17/2026	AMBO- MEALS	235-42153-334	54.94
LEESA ARNDT	2/4/2026-2/5/2026	02/17/2026	AMBO- MEALS	235-42153-334	71.12
JENNA VACHUSKA	2/8/2026	02/17/2026	AMBO-MEALS	235-42153-334	65.24
US BANK	2026 US BANK JANUARY	02/12/2026	God Fathers	235-42153-334	81.75
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	235-42153-381	289.72
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	235-42153-382	12.61
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	235-42153-383	735.90
HOMETOWN SANITATION SER	0000647775	02/11/2026	EMS- DISPOSAL	235-42153-384	49.99
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	235-42153-385	29.05
US BANK	2026 US BANK JANUARY	02/12/2026	Toro	235-42153-405	425.72
PAUL MARSH	36280	02/18/2026	AMBO- MAINTENANCE - VEHI	235-42153-405	90.28
PIPESTONE COUNTY AMBULA	274	02/18/2026	AMBO-BOOKS/PAMPHLETS	235-42153-435	1,100.00
JONATHAN ENGSTROM	522	02/17/2026	CITY NETWORK	235-42153-480	71.31
JONATHAN ENGSTROM	524	02/17/2026	CITY NETWORK	235-42153-480	71.31
				Activity 42153 - Ambulance Total:	**10,753.02**
				Fund 235 - AMBULANCE Total:	**10,753.02**
Fund: 250 - EDA GENERAL					
Activity: 46520 - EDA					
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	250-46520-133	24.00
INDOFF, INC	3842059	02/24/2026	EDA-P&Z- SUPPLIES	250-46520-200	1.69
INDOFF, INC	3844025	02/12/2026	EDA - P& Z SUPPLIES	250-46520-200	30.47
US BANK	2026 US BANK JANUARY	02/12/2026	EDA of MN	250-46520-308	395.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	250-46520-321	60.12
US BANK	2026 US BANK JANUARY	02/12/2026	Delivery Services/UPS	250-46520-322	8.40
US BANK	2026 US BANK JANUARY	02/12/2026	USPS	250-46520-322	33.60
SONYA WILT	1/21/2026-2/6/2026	02/12/2026	EDA-TRAVEL EXPENSE	250-46520-331	460.09
FEDERATED RURAL ELECTRIC	12/31/2025-1/31/2026	02/17/2026	EDA/WATER- ELECTRIC UTILIT	250-46520-381	50.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	250-46520-381	66.34
EDAM	2026-11328	02/17/2026	EDA-DUES & SUBSCRIPTIONS	250-46520-433	335.00
JONATHAN ENGSTROM	522	02/17/2026	CITY NETWORK	250-46520-480	88.56

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
JONATHAN ENGSTROM	524	02/17/2026	CITY NETWORK	250-46520-480	88.56
				Activity 46520 - EDA Total:	**1,641.83**
Activity: 49950 - Capital Outlay					
DELL MARKETING L.P.	10860964978	02/12/2026	EDA-CAPITAL	250-49950-500	1,162.24
				Activity 49950 - Capital Outlay Total:	**1,162.24**
				Fund 250 - EDA GENERAL Total:	**2,804.07**
Fund: 309 - 2025 STREET PROJECT					
Activity: 41000 - General Government					
DGR ENGINEERING	00281301	02/17/2026	STREET-CAPITAL	309-41000-303	157.00
				Activity 41000 - General Government Total:	**157.00**
				Fund 309 - 2025 STREET PROJECT Total:	**157.00**
Fund: 313 - 2026 1ST AVENUE PROJECT					
Activity: 41000 - General Government					
DGR ENGINEERING	00281309	02/17/2026	STREET- CAPITAL	313-41000-303	17,093.11
GEOTEK ENGINEERING & TEST	0085243	02/24/2026	STREET- CAPITAL	313-41000-303	3,400.00
BRIDGETOWER OPCO LLC	745848286	02/20/2026	2026 STREET PROJECT	313-41000-304	180.40
				Activity 41000 - General Government Total:	**20,673.51**
				Fund 313 - 2026 1ST AVENUE PROJECT Total:	**20,673.51**
Fund: 401 - GENERAL CAPITAL PROJECTS					
Activity: 49950 - Capital Outlay					
DGR ENGINEERING	00281307	02/17/2026	PARKS- CAPITAL	401-49950-508	880.50
				Activity 49950 - Capital Outlay Total:	**880.50**
				Fund 401 - GENERAL CAPITAL PROJECTS Total:	**880.50**
Fund: 601 - WATER					
Activity: 49400 - Water					
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	601-49400-133	48.00
HAWKINS, INC	7331349	02/17/2026	WATER- CHEMICALS	601-49400-216	5,322.72
HAWKINS, INC	7334987	02/17/2026	WATER- CHEMICALS	601-49400-216	20.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	601-49400-321	51.66
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	601-49400-326	65.00
FEDERATED RURAL ELECTRIC	12/31/2025-1/31/2026	02/17/2026	EDA/WATER- ELECTRIC UTILIT	601-49400-381	93.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	601-49400-381	5,046.18
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	601-49400-382	20.96
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	601-49400-383	34.39
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	601-49400-383	430.14
HOMETOWN SANITATION SER	0000647737	02/11/2026	WATER-DISPOSAL	601-49400-384	131.99
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	601-49400-385	45.86
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	601-49400-386	1,092.55
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-047235289	01/08/2026	2024 FORD F350	601-49400-444	21.25
US BANK	2026 US BANK JANUARY	02/12/2026	MN Nat Resources	601-49400-444	1,156.04
US BANK	2026 US BANK JANUARY	02/12/2026	MN Nat Resources	601-49400-444	140.00
JONATHAN ENGSTROM	522	02/17/2026	CITY NETWORK	601-49400-444	88.56
JONATHAN ENGSTROM	524	02/17/2026	CITY NETWORK	601-49400-444	88.56
				Activity 49400 - Water Total:	**13,896.86**
				Fund 601 - WATER Total:	**13,896.86**
Fund: 602 - SEWER					
Activity: 49450 - Sewer					
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	602-49450-133	32.00
US BANK	2026 US BANK JANUARY	02/12/2026	Office Depot	602-49450-200	70.73
US BANK	2026 US BANK JANUARY	02/12/2026	Office Depot	602-49450-200	102.59
HAWKINS, INC	7335271	02/17/2026	SEWER-CHEMICALS	602-49450-216	10.00
MN VALLEY TESTING	1340971	02/12/2026	SEWER- LAB TESTING	602-49450-310	13.20
MN VALLEY TESTING	1344459	02/12/2026	SEWER- LAB TESTING	602-49450-310	141.60
MN VALLEY TESTING	1344716	02/12/2026	SEWER- LAB TESTING	602-49450-310	251.20
MN VALLEY TESTING	1344884	02/12/2026	SEWER-LAB TESTING	602-49450-310	110.40
MN VALLEY TESTING	1345022	02/17/2026	SEWER- LAB TESTING	602-49450-310	155.20
MN VALLEY TESTING	1345319	02/24/2026	SEWER- LAB TESTING	602-49450-310	35.60

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
MN VALLEY TESTING	1345613	02/24/2026	SEWER- LAB TESTING	602-49450-310	251.20
MN VALLEY TESTING	1345642	02/24/2026	SEWER- LAB TESTING	602-49450-310	93.20
MN VALLEY TESTING	1345644	02/24/2026	SEWER- LAB TESTING	602-49450-310	110.40
MN VALLEY TESTING	1345910	02/24/2026	SEWER- LAB TESTING	602-49450-310	155.20
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	602-49450-321	177.85
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	602-49450-326	65.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	602-49450-381	10,673.65
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	602-49450-382	151.44
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	602-49450-383	4,145.46
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	602-49450-383	24.34
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	602-49450-383	143.37
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	602-49450-383	20.34
US BANK	2026 US BANK JANUARY	02/12/2026	Zoro Tools	602-49450-404	511.98
STAPLES OIL CO	30369530327	02/24/2026	SEWER-MAINTENANCE - REPA	602-49450-404	1,574.50
INTERSTATE POWER SYSTEMS	R024096724	02/25/2026	SEWER-MAINTENANCE - REPA	602-49450-404	3,284.65
INTERSTATE POWER SYSTEMS	R024096725	02/25/2026	SEWER-MAINTENANCE - REPA	602-49450-404	690.00
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-017587538	01/08/2026	2014 GMC SIERRA	602-49450-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-021223917	01/08/2026	2013 FORD DRW	602-49450-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-030543973	01/08/2026	2020 FORD F150	602-49450-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-039403872	01/08/2026	2021 FRHT M2	602-49450-444	21.25
JONATHAN ENGSTROM	522	02/17/2026	CITY NETWORK	602-49450-444	88.57
JONATHAN ENGSTROM	524	02/17/2026	CITY NETWORK	602-49450-444	88.57
				Activity 49450 - Sewer Total:	**23,257.24**
				Fund 602 - SEWER Total:	**23,257.24**

Fund: 604 - ELECTRIC

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
ELECTRIC FUND	# 757 RETURN	02/19/2026	ELECTRIC - INVENTORY	604-14200	241.53
					241.53

Activity: 49550 - Electric

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	604-49550-133	88.00
AMAZON CAPITAL SERVICES, I	1P9M-CDNV-1RJR	02/12/2026	ELECTRIC- SUPPLIES	604-49550-200	202.00
AMAZON CAPITAL SERVICES, I	1RT4-DRTQ-T7CM	02/12/2026	ELECTRIC- SUPPLIES	604-49550-200	374.95
INDOFF, INC	3845834	02/24/2026	ELECTRIC- SUPPLIES	604-49550-200	16.19
US BANK	2026 US BANK JANUARY	02/12/2026	Acme Tools	604-49550-217	213.74
US BANK	2026 US BANK JANUARY	02/12/2026	Acme Tools	604-49550-217	182.71
BORDER STATES	931944085	02/17/2026	ELECTRIC- OTHER OPERATING	604-49550-217	296.64
AMARIL UNIFORM COMPANY	IV292681	02/23/2026	ELECTRIC-UNIFORMS	604-49550-218	1,817.49
AMAZON CAPITAL SERVICES, I	16XF-CWGR-TDV7	02/12/2026	ELECTRIC- SMALL TOOLS	604-49550-241	46.50
US BANK	2026 US BANK JANUARY	02/12/2026	Home Depot	604-49550-241	298.18
CMP - CENTRAL MUNICIPAL P	8201	02/17/2026	ELECTRIC- ENERGY	604-49550-263	57,730.97
CMP - CENTRAL MUNICIPAL P	8201	02/17/2026	ELECTRIC-TRANSMISSION	604-49550-263	166,645.65
DEPARTMENT OF ENERGY	BFPB000800126	02/17/2026	ELECTRIC-MERCHANDISE FOR	604-49550-263	93,333.60
mPOWER TECHNOLOGIES, IN	6621	02/18/2026	ELECTRIC-ENG/SURVEYING FE	604-49550-303	3,200.00
CMP - CENTRAL MUNICIPAL P	8201	02/17/2026	ELECTRIC- ENGINEERING	604-49550-303	1,099.50
MN MUNICIPAL UTILITIES ASS	68346	02/19/2026	ELECTRIC - TRAINING & REGIS	604-49550-308	1,110.00
US BANK	2026 US BANK JANUARY	02/12/2026	Far West	604-49550-310	1,444.55
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	604-49550-321	51.63
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	604-49550-326	84.66
STEVE NASBY	2/18/2026	02/20/2026	ELECTRIC- TRAVEL EXPENSE	604-49550-331	187.05
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	604-49550-381	176.18
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	604-49550-382	47.71
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	604-49550-383	772.36
HOMETOWN SANITATION SER	0000647738	02/11/2026	ELECTRIC- DISPOSAL	604-49550-384	127.99
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	604-49550-385	101.08
MN VALLEY TESTING	1345688	02/24/2026	WATER- LANDFILL	604-49550-386	1,640.00
O'REILLY AUTOMOTIVE, INC	4425-459937	02/18/2026	ELECTRIC-MAINTENANCE - M	604-49550-404	5.29
RD OFFUTT COMPANY	P4413804	02/17/2026	ELECTRIC-MAINTENANCE - M	604-49550-404	99.85
RD OFFUTT COMPANY	P4426004	02/19/2026	ELECTRIC - MAINTENANCE -	604-49550-404	372.85
RD OFFUTT COMPANY	W2448204	02/12/2026	ELECTRIC-MAINTENANCE - OF	604-49550-404	2,083.99
MATTHEW L MASTERS	NOV 25 - JAN 26	02/19/2026	ELECTRIC - MAINTENANCE - G	604-49550-406	525.00

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
ELECTRIC FUND	# 1154	02/19/2026	ELECTRIC - MAINTENANCE - D	604-49550-408	328.49
ELECTRIC FUND	# 1155	02/24/2026	ELECTRIC- MAINTENANCE - DI	604-49550-408	532.61
ELECTRIC FUND	# 1156	02/24/2026	ELECTRIC-MAINTENANCE - DI	604-49550-408	65.14
DGR ENGINEERING	00281617	02/24/2026	ELECTRIC- MAINTENANCE - G	604-49550-410	129.00
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-011113050	01/08/2026	2012 FORD DRW	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-016724314	01/08/2026	2013 CHEVY SILVERADO	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-018056884	01/08/2026	2010 INTL TRL	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-018350278	01/08/2026	2016 FORD DRW	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-018810839	01/08/2026	2016 FRHT FM2	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-029050146	01/08/2026	2019 VACT TRLR	604-49550-444	43.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-029187731	01/08/2026	2020 MIDSOTA TRAILER	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-030280022	01/08/2026	2019 FORD F150	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-030281102	01/08/2026	1996 DTCH	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-030369318	01/08/2026	1979 DITC	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-030551668	01/08/2026	2016 TOWM TRL	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-030693191	01/08/2026	1999 HMDE TRL	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-031460619	01/08/2026	2000 REDI	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-032259024	01/08/2026	1996 FAIM	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-042529434	01/08/2026	2022 CHEVY SILVERADO	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-043491215	01/08/2026	2022 MSOT NHV14-BP-154	604-49550-444	43.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-045632121	01/08/2026	2024 RAM 3500	604-49550-444	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-048317042	01/08/2026	2026 INTL MV607	604-49550-444	21.25
JONATHAN ENGSTROM	522	02/17/2026	CITY NETWORK	604-49550-444	124.22
JONATHAN ENGSTROM	524	02/17/2026	CITY NETWORK	604-49550-444	124.22
MARLYS CHRISTENSEN	2/19/2026	02/23/2026	ELECTRIC-CONSERVATION - E	604-49550-450	92.00
CMP - CENTRAL MUNICIPAL P	8201	02/17/2026	ELECTRIC- CIP	604-49550-450	3,819.16
MN REVENUE	JAN 2026	02/20/2026	SALES TAX	604-49550-460	1,311.00
				Activity 49550 - Electric Total:	**341,328.65**
				Fund 604 - ELECTRIC Total:	**341,570.18**

Fund: 609 - LIQUOR STORE

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
MN REVENUE	JAN 2026	02/20/2026	SALES TAX	609-20202	14,724.00
					14,724.00

Activity: 49751 - Liquor Store

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	609-49751-133	32.00
VESTIS GROUP, INC	2560466369	02/17/2026	LIQUOR STORE- CLEANING SU	609-49751-211	59.94
AH HERMEL COMPANY	1105865	02/20/2026	LIQUOR STORE- OTHER OPERA	609-49751-217	57.58
SOUTHERN GLAZER'S OF MN	0117584	02/24/2026	LIQUOR STORE- LIQUOR	609-49751-251	-252.00
BELLBOY CORP	0210358000	02/03/2026	LIQUOR STORE- LIQUOR- FREI	609-49751-251	-106.04
BELLBOY CORP	0210520600	02/20/2026	LIQUOR STORE- LIQUOR-FREI	609-49751-251	1,096.50
VINOCOPIA, INC	0389702-IN	02/12/2026	LIQUOR STORE- LIQUOR-WIN	609-49751-251	243.25
VINOCOPIA, INC	0389703-IN	02/12/2026	LIQUOR STORE- LIQUOR-FREI	609-49751-251	472.50
BREAKTHRU BEVERAGE MN	125590760	02/17/2026	LIQUOR STORE- LIQUOR-WIN	609-49751-251	2,273.60
DOLL DISTRIBUTING, LLC	1967072	02/20/2026	LIQUOR STORE- LIQUOR-BEER	609-49751-251	54.00
SOUTHERN GLAZER'S OF MN	2724396	02/17/2026	LIQUOR STORE- LIQUOR- FREI	609-49751-251	7,017.15
SOUTHERN GLAZER'S OF MN	2726863	02/24/2026	LIQUOR STORE- LIQUOR-FREI	609-49751-251	4,903.99
JOHNSON BROS.	2989221	02/17/2026	LIQUOR STORE- LIQUOR-FREI	609-49751-251	6,598.14
JOHNSON BROS.	2993802	02/24/2026	LIQUOR STORE-LIQUOR-FREIG	609-49751-251	1,437.00
BEVERAGE WHOLESALERS	421647	02/17/2026	LIQUOR STORE- LIQUOR-BEER	609-49751-251	-20.80
BEVERAGE WHOLESALERS	422611	02/20/2026	LIQUOR STORE- LIQUOR-BEER	609-49751-251	73.36
PHILLIPS WINE & SPIRITS	5125929	02/17/2026	LIQUOR STORE- LIQUOR-FREI	609-49751-251	940.00
PHILLIPS WINE & SPIRITS	5125930	02/17/2026	LIQUOR STORE- LIQUOR- WIN	609-49751-251	75.50
PHILLIPS WINE & SPIRITS	5129546	02/24/2026	LIQUOR STORE- LIQUOR-FREI	609-49751-251	4,528.97
DOLL DISTRIBUTING, LLC	1961085	02/17/2026	LIQUOR STORE- BEER-WINE-	609-49751-252	2,056.00
DOLL DISTRIBUTING, LLC	1961091	02/17/2026	LIQUOR STORE- BEER	609-49751-252	349.86
DOLL DISTRIBUTING, LLC	1967072	02/20/2026	LIQUOR STORE- LIQUOR-BEER	609-49751-252	10,945.35
DOLL DISTRIBUTING, LLC	1968378	02/24/2026	LIQUOR STORE- BEER	609-49751-252	-37.80
ARTISAN BEER COMPANY	3830574	02/17/2026	LIQUOR STORE- BEER	609-49751-252	87.70
ARTISAN BEER COMPANY	3832183	02/24/2026	LIQUOR STORE- BEER	609-49751-252	30.40
BEVERAGE WHOLESALERS	421647	02/17/2026	LIQUOR STORE- LIQUOR-BEER	609-49751-252	11,143.27

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
BEVERAGE WHOLESALERS	422610	02/20/2026	LIQUOR STORE- BEER	609-49751-252	102.00
BEVERAGE WHOLESALERS	422611	02/20/2026	LIQUOR STORE- LIQUOR-BEER	609-49751-252	4,586.47
VINOCOPIA, INC	0389702-IN	02/12/2026	LIQUOR STORE- LIQUOR-WIN	609-49751-253	728.00
BREAKTHRU BEVERAGE MN	125590760	02/17/2026	LIQUOR STORE- LIQUOR-WIN	609-49751-253	312.00
JOHNSON BROS.	164055	02/12/2026	LIQUOR STORE- WINE- FREIG	609-49751-253	-120.38
DOLL DISTRIBUTING, LLC	1961085	02/17/2026	LIQUOR STORE- BEER-WINE-	609-49751-253	33.60
DOLL DISTRIBUTING, LLC	1967072	02/20/2026	LIQUOR STORE- LIQUOR-BEER	609-49751-253	33.60
SOUTHERN GLAZER'S OF MN	2724397	02/17/2026	LIQUOR STORE- WINE- FREIG	609-49751-253	160.72
SOUTHERN GLAZER'S OF MN	2726864	02/24/2026	LIQUOR STORE- WINE- FREIG	609-49751-253	280.40
PAUSTIS WINE COMPANY	287687	02/20/2026	LIQUOR STORE-WINE-FREIGH	609-49751-253	360.00
JOHNSON BROS.	2989222	02/17/2026	LIQUOR STORE- WINE- FREIG	609-49751-253	680.73
JOHNSON BROS.	2993803	02/24/2026	LIQUOR STORE-WINE-FREIGH	609-49751-253	181.44
ROUND LAKE VINEYARDS & W	4663	02/17/2026	LIQUOR STORE- WINE	609-49751-253	562.50
PHILLIPS WINE & SPIRITS	5125930	02/17/2026	LIQUOR STORE- LIQUOR- WIN	609-49751-253	327.50
PHILLIPS WINE & SPIRITS	5129547	02/24/2026	LIQUOR STORE- WINE- FREIG	609-49751-253	1,010.82
WINE MERCHANTS	7553553	02/17/2026	LIQUOR STORE- WINE- FREIG	609-49751-253	480.32
MORGAN CREEK VINEYARDS	7663	02/24/2026	LIQUOR STORE- WINE	609-49751-253	286.50
ATLANTIC COCA-COLA	1000004221	02/24/2026	LIQUOR STORE- SOFT DRINKS	609-49751-254	219.60
AH HERMEL COMPANY	1105867	02/20/2026	LIQUOR STORE- SOFT DRINKS-	609-49751-254	97.79
BELLBOY CORP	0300674400	02/03/2026	LIQUOR STORE- THC - FREIGH	609-49751-258	-90.00
JOHNSON BROS.	169837	02/24/2026	LIQUOR STORE- THC	609-49751-258	-34.20
ARTISAN BEER COMPANY	3830954	02/17/2026	LIQUOR STORE- THC	609-49751-258	300.00
ARTISAN BEER COMPANY	3832184	02/24/2026	LIQUOR STORE- THC	609-49751-258	20.00
DOLL DISTRIBUTING, LLC	1961085	02/17/2026	LIQUOR STORE- BEER-WINE-	609-49751-259	47.80
DOLL DISTRIBUTING, LLC	1967072	02/20/2026	LIQUOR STORE- LIQUOR-BEER	609-49751-259	76.70
BEVERAGE WHOLESALERS	421647	02/17/2026	LIQUOR STORE- LIQUOR-BEER	609-49751-259	32.00
BELLBOY CORP	0110849800	02/20/2026	LIQUOR STORE- OTHER MERC	609-49751-261	29.70
AH HERMEL COMPANY	1105867	02/20/2026	LIQUOR STORE- SOFT DRINKS-	609-49751-261	3.98
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	609-49751-321	226.90
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	609-49751-326	64.66
BELLBOY CORP	0110849800	02/20/2026	LIQUOR STORE- OTHER MERC	609-49751-333	2.69
BELLBOY CORP	0210358000	02/03/2026	LIQUOR STORE- LIQUOR- FREI	609-49751-333	-1.65
BELLBOY CORP	0210520600	02/20/2026	LIQUOR STORE- LIQUOR-FREI	609-49751-333	25.00
BELLBOY CORP	0300674400	02/03/2026	LIQUOR STORE- THC - FREIGH	609-49751-333	-1.65
VINOCOPIA, INC	0389702-IN	02/12/2026	LIQUOR STORE- LIQUOR-WIN	609-49751-333	18.00
VINOCOPIA, INC	0389703-IN	02/12/2026	LIQUOR STORE- LIQUOR-FREI	609-49751-333	4.00
AH HERMEL COMPANY	1105867	02/20/2026	LIQUOR STORE- SOFT DRINKS-	609-49751-333	8.95
BREAKTHRU BEVERAGE MN	125590760	02/17/2026	LIQUOR STORE- LIQUOR-WIN	609-49751-333	46.25
JOHNSON BROS.	164055	02/12/2026	LIQUOR STORE- WINE- FREIG	609-49751-333	-4.10
DOLL DISTRIBUTING, LLC	1961085	02/17/2026	LIQUOR STORE- BEER-WINE-	609-49751-333	7.00
DOLL DISTRIBUTING, LLC	1967072	02/20/2026	LIQUOR STORE- LIQUOR-BEER	609-49751-333	7.00
SOUTHERN GLAZER'S OF MN	2724396	02/17/2026	LIQUOR STORE- LIQUOR- FREI	609-49751-333	119.92
SOUTHERN GLAZER'S OF MN	2724397	02/17/2026	LIQUOR STORE- WINE- FREIG	609-49751-333	6.15
SOUTHERN GLAZER'S OF MN	2726863	02/24/2026	LIQUOR STORE- LIQUOR-FREI	609-49751-333	84.90
SOUTHERN GLAZER'S OF MN	2726864	02/24/2026	LIQUOR STORE- WINE- FREIG	609-49751-333	10.25
PAUSTIS WINE COMPANY	287687	02/20/2026	LIQUOR STORE-WINE-FREIGH	609-49751-333	10.00
JOHNSON BROS.	2989221	02/17/2026	LIQUOR STORE- LIQUOR-FREI	609-49751-333	195.95
JOHNSON BROS.	2989222	02/17/2026	LIQUOR STORE- WINE- FREIG	609-49751-333	20.50
JOHNSON BROS.	2993802	02/24/2026	LIQUOR STORE-LIQUOR-FREIG	609-49751-333	16.74
JOHNSON BROS.	2993803	02/24/2026	LIQUOR STORE-WINE-FREIGH	609-49751-333	2.56
PHILLIPS WINE & SPIRITS	5125929	02/17/2026	LIQUOR STORE- LIQUOR-FREI	609-49751-333	18.45
PHILLIPS WINE & SPIRITS	5125930	02/17/2026	LIQUOR STORE- LIQUOR- WIN	609-49751-333	16.40
PHILLIPS WINE & SPIRITS	5129546	02/24/2026	LIQUOR STORE- LIQUOR-FREI	609-49751-333	61.84
PHILLIPS WINE & SPIRITS	5129547	02/24/2026	LIQUOR STORE- WINE- FREIG	609-49751-333	27.68
WINE MERCHANTS	7553553	02/17/2026	LIQUOR STORE- WINE- FREIG	609-49751-333	7.85
CITIZEN PUBLISHING CO	JANUARY 2026	02/12/2026	LIQUOR STORE-ADVERTISING	609-49751-340	1,040.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	609-49751-381	1,111.67
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	609-49751-382	22.43
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	609-49751-383	280.57
HOMETOWN SANITATION SER	0000647736	02/11/2026	RIVERBEND LIQUOR- DISPOSA	609-49751-384	210.98

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	609-49751-385	46.13
US BANK	2026 US BANK JANUARY	02/12/2026	City Hive	609-49751-433	49.07
JOHN C NELSON	2/11/2026	02/17/2026	LIQUOR STORE-LICENSE FEES	609-49751-444	25.00
JONATHAN ENGSTROM	522	02/17/2026	CITY NETWORK	609-49751-444	105.82
JONATHAN ENGSTROM	524	02/17/2026	CITY NETWORK	609-49751-444	105.82
MN REVENUE	JAN 2026	02/20/2026	SALES TAX	609-49751-460	45.00
				Activity 49751 - Liquor Store Total:	**68,813.74**
				Fund 609 - LIQUOR STORE Total:	**83,537.74**
Fund: 614 - TELECOM					
US BANK	2026 US BANK JANUARY	02/12/2026	Ebay	614-16400	1,150.00
US BANK	2026 US BANK JANUARY	02/12/2026	Ebay	614-16400	564.24
CALIX	402720	02/18/2026	TELECOM-MACHINERY & EQU	614-16400	292.76
INTERNAL REVENUE SERVICE	FEB 2026	02/23/2026	EXCISE TAX POSTING	614-20201	500.00
INTERNAL REVENUE SERVICE	JAN 26 FINAL	02/23/2026	EXCISE TAX POSTING	614-20201	37.66
MN 9-1-1 PROGRAM	JAN 2026	02/23/2026	911 SERVICES	614-20206	767.57
					3,312.23
Activity: 49870 - Telecom					
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	614-49870-133	64.00
US BANK	2026 US BANK JANUARY	02/12/2026	Personalized Paper	614-49870-200	124.79
CITY LAUNDERING CO.	2207009	02/18/2026	TELECOM- CLEANING SUPPLIE	614-49870-211	28.92
US BANK	2026 US BANK JANUARY	02/12/2026	FS	614-49870-227	386.24
US BANK	2026 US BANK JANUARY	02/12/2026	FS COM	614-49870-227	408.80
INTERSTATE TRS FUND	82580760098-0226	02/17/2026	ASSESSMENT FOR 499-A FILIN	614-49870-304	718.75
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	614-49870-321	203.83
NEXT STEP BROADCASTING IN	26010165	02/12/2026	TELECOM-ADVERTISING	614-49870-340	154.00
NEXT STEP BROADCASTING IN	26010166	02/12/2026	TELECOM- ADVERTISING	614-49870-340	154.00
NEXT STEP BROADCASTING IN	26010364	02/12/2026	TELECOM-ADVERTISING	614-49870-340	79.05
NEXT STEP BROADCASTING IN	26010365	02/12/2026	TELECOM-ADVERTISNG	614-49870-340	79.05
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	614-49870-381	2,304.53
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	614-49870-382	21.87
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	614-49870-383	214.59
HOMETOWN SANITATION SER	0000647739	02/11/2026	TELECOM-DISPOSAL	614-49870-384	115.98
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	614-49870-385	44.40
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-011122140	01/08/2026	2012 GMC SIERRA	614-49870-405	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-017876072	01/08/2026	2016 GMC SIERRA	614-49870-405	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-018164169	01/08/2026	2009 CHEVY SILVERADO	614-49870-405	21.25
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-045164693	01/08/2026	2024 QLCG TRL	614-49870-405	21.25
WINDOM AUTO VALUE	34329434	02/18/2026	TELECOM- MAINTENANCE - V	614-49870-405	53.98
ENTERPRISE FM TRUST	613153-020426	02/19/2026	POLICE-TELECOM-VEHICLE LE	614-49870-419	590.41
CENTURY LINK	7242105D-D-26048	02/24/2026	CABS	614-49870-441	27.36
CENTURY LINK	LX017082026053	02/25/2026	DIRECTORY LISTINGS	614-49870-441	491.00
CINNAMON MUELLER LLC	6365	02/18/2026	TELECOM-SUBSCRIBER FEES	614-49870-442	182.50
UNIVERSAL SERVICE ADMIN C	4481145	02/24/2026	499A CONTRIBUTION	614-49870-443	2,006.34
JONATHAN ENGSTROM	522	02/17/2026	CITY NETWORK	614-49870-444	345.06
JONATHAN ENGSTROM	524	02/17/2026	CITY NETWORK	614-49870-444	345.06
FIBER MINNESOTA LLC	3863	02/18/2026	TELECOM-SWITCH FEES	614-49870-445	300.00
US BANK	2026 US BANK JANUARY	02/12/2026	Dream Host Web Hosting	614-49870-447	208.50
CENTURY LINK	2/16/26-3/15/26 831-1075	02/25/2026	507-831-1075	614-49870-451	97.53
MN REVENUE	JAN 2026	02/20/2026	SALES TAX	614-49870-460	793.00
				Activity 49870 - Telecom Total:	**10,628.54**
				Fund 614 - TELECOM Total:	**13,940.77**
Fund: 615 - ARENA					
Activity: 49850 - Arena					
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	615-49850-133	32.00
VESTIS GROUP, INC	2560468424	02/24/2026	ARENA- CLEANING SUPPLIES	615-49850-211	59.39
COUNTRY PRIDE SERVICE	9048607	02/17/2026	ARENA- MOTOR FUEL	615-49850-212	100.00
ELECTRIC FUND	# 1150	02/24/2026	ARENA-MATERIALS	615-49850-215	251.48
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	615-49850-321	127.72
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	615-49850-326	330.00

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	615-49850-381	3,828.78
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	615-49850-382	336.54
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	615-49850-383	2,947.82
HOMETOWN SANITATION SER	0000647740	02/11/2026	ARENA- DISPOSAL	615-49850-384	192.98
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	615-49850-385	122.87
MARLON RIVERA RODRIGUEZ	1-27-2026	02/19/2026	ARENA - MAINTENANCE - STR	615-49850-402	1,800.00
ELITE MECHANICAL SYSTEMS	35346	02/24/2026	ARENA-MAINTENANCE - STRU	615-49850-402	397.43
ELITE MECHANICAL SYSTEMS	35751	02/24/2026	ARENA-MAINTENANCE - STRU	615-49850-402	125.00
ELITE MECHANICAL SYSTEMS	35861	02/24/2026	ARENA- MAINTENANCE - STR	615-49850-402	724.88
ELITE MECHANICAL SYSTEMS	36543	02/24/2026	ARENA- MAINTENANCE - STR	615-49850-402	1,192.99
ELITE MECHANICAL SYSTEMS	37019	02/24/2026	ARENA-MAINTENANCE - STRU	615-49850-402	1,014.99
CARLSON & STEWART REFRIG	75321	02/24/2026	ARENA-MAINTENANCE - STRU	615-49850-402	1,371.00
MN REVENUE	JAN 2026	02/20/2026	SALES TAX	615-49850-460	120.00
JONATHAN ENGSTROM	522	02/17/2026	CITY NETWORK	615-49850-480	62.11
JONATHAN ENGSTROM	524	02/17/2026	CITY NETWORK	615-49850-480	62.11
				Activity 49850 - Arena Total:	**15,200.09**
				Fund 615 - ARENA Total:	**15,200.09**
Fund: 617 - M/P CENTER					
MN REVENUE	JAN 2026	02/20/2026	SALES TAX	617-20202	772.00
					772.00
Activity: 49860 - M/P Center					
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	617-49860-133	48.00
US BANK	2026 US BANK JANUARY	02/12/2026	sams club	617-49860-211	20.37
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon	617-49860-211	128.07
US BANK	2026 US BANK JANUARY	02/12/2026	Amazon	617-49860-217	25.98
BEVERAGE WHOLESALERS	421646	02/17/2026	WCC/ BEER/ LIQUOR/ FREIGH	617-49860-251	32.30
BEVERAGE WHOLESALERS	421646	02/17/2026	WCC/ BEER/ LIQUOR/ FREIGH	617-49860-252	120.55
US BANK	2026 US BANK JANUARY	02/12/2026	Hy-Vee	617-49860-254	14.27
US BANK	2026 US BANK JANUARY	02/12/2026	sams club	617-49860-254	27.78
US BANK	2026 US BANK JANUARY	02/12/2026	sams club	617-49860-254	30.12
US BANK	2026 US BANK JANUARY	02/12/2026	sams club	617-49860-261	203.34
US BANK	2026 US BANK JANUARY	02/12/2026	sams club	617-49860-261	44.70
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	617-49860-321	60.48
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	617-49860-326	583.33
BEVERAGE WHOLESALERS	421646	02/17/2026	WCC/ BEER/ LIQUOR/ FREIGH	617-49860-333	5.00
LIVEWIRE PRINTING CO INC	L0065101	02/17/2026	WCC/ADVERTISING	617-49860-340	135.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	617-49860-381	1,262.90
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	617-49860-382	49.48
MN ENERGY RESOURCES	5787506880	02/12/2026	MN ENERGY - GAS UTILITY	617-49860-383	1,522.77
HOMETOWN SANITATION SER	0000647741	02/11/2026	WCC/DISPOSAL	617-49860-384	91.00
ELECTRIC FUND	FEB. 2026 CITY UTILITIES	02/10/2026	MONTHLY UTILITY	617-49860-385	116.70
GAG SHEET METAL, INC	81856	02/20/2026	WCC/MAINTENANCE - STRUC	617-49860-402	105,418.36
US BANK	2026 US BANK JANUARY	02/12/2026	sams club	617-49860-433	110.00
WDR - DEPUTY REGISTRAR #5	2/28/2026 00-010863854	01/08/2026	2006 CHEVY SILVERADO	617-49860-480	21.25
JONATHAN ENGSTROM	522	02/17/2026	CITY NETWORK	617-49860-480	158.73
JONATHAN ENGSTROM	524	02/17/2026	CITY NETWORK	617-49860-480	158.73
				Activity 49860 - M/P Center Total:	**110,389.21**
				Fund 617 - M/P CENTER Total:	**111,161.21**
Fund: 700 - PAYROLL					
Internal Revenue Service-Payr	INV0002759	02/20/2026	Federal Tax Withholding	700-21701	11,973.23
MN Department of Revenue -	INV0002760	02/20/2026	State Withholding	700-21702	6,583.72
Internal Revenue Service-Payr	INV0002759	02/20/2026	Social Security	700-21703	15,190.92
MN Pera	INV0002757	02/20/2026	PERA	700-21704	10,243.94
MN Pera	INV0002757	02/20/2026	PERA	700-21704	17,693.17
MN Pera	INV0002757	02/20/2026	PERA	700-21704	793.56
MN State Deferred	INV0002758	02/20/2026	Deferred Compensation	700-21705	3,055.00
MN State Deferred	INV0002758	02/20/2026	Deferred Roth	700-21705	1,172.00
LOCAL UNION #949	FEB 2026	02/18/2026	UNION DUES	700-21707	1,842.28
Internal Revenue Service-Payr	INV0002759	02/20/2026	Medicare Withholding	700-21711	4,522.80

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
WEX Health Inc	2/10/2026	02/17/2026	FLEX SPENDING	700-21712	36.69
WEX Health Inc	2/12/2026	02/17/2026	FLEX SPENDING	700-21712	616.20
WEX Health Inc	2/13/2026	02/17/2026	FLEX SPENDING	700-21712	38.24
WEX Health Inc	2/18/2026-1	02/25/2026	FLEX SPENDING	700-21712	1,358.00
WEX Health Inc	2/18/2026-2	02/25/2026	FLEX SPENDING	700-21712	231.04
WEX Health Inc	2/18/2026-3	02/25/2026	FLEX SPENDING	700-21712	211.93
WEX Health Inc	2/18/2026-4	02/25/2026	FLEX SPENDING	700-21712	128.97
WEX Health Inc	2/23/2026	02/25/2026	FLEX SPENDING	700-21712	124.36
WEX Health Inc	2/24/2026-1	02/25/2026	FLEX SPENDING	700-21712	14.40
WEX Health Inc	2/24/2026-2	02/25/2026	FLEX SPENDING	700-21712	16.35
WEX Health Inc	2/3/2026	02/17/2026	FLEX SPENDING	700-21712	49.29
WEX Health Inc	2/4/2026	02/17/2026	FLEX SPENDING	700-21712	340.00
WEX Health Inc	2/6/2026	02/17/2026	FLEX SPENDING	700-21712	95.00
WEX Health Inc	2/9/2026	02/17/2026	FLEX SPENDING	700-21712	176.32
AFLAC	961958	02/17/2026	INSURANCE	700-21715	499.73
AFLAC	961958	02/17/2026	INSURANCE	700-21716	526.79
NCPERS MINNESOTA	MARCH 2026	02/18/2026	INSURANCE	700-21718	16.00
MN BENEFIT ASSOCIATION	2026-0375837	02/17/2026	INDIVIDUAL INSURANCE	700-21719	773.55
WEX Health Inc	INV0002756	02/20/2026	VEBA Employer Contribution	700-21720	4,623.46
WEX Health Inc	INV0002755	02/20/2026	HSA Employer Contribution	700-21722	3,250.05
WEX Health Inc	INV0002754	02/20/2026	HSA Employee Contribution	700-21723	831.17
					87,028.16
				Fund 700 - PAYROLL Total:	**87,028.16**
				Grand Total:	**829,850.95**

Report Summary

Fund Summary

Fund	Payment Amount
100 - GENERAL	73,948.81
211 - LIBRARY	2,047.58
225 - AIRPORT	28,768.64
230 - POOL	225.57
235 - AMBULANCE	10,753.02
250 - EDA GENERAL	2,804.07
309 - 2025 STREET PROJECT	157.00
313 - 2026 1ST AVENUE PROJECT	20,673.51
401 - GENERAL CAPITAL PROJECTS	880.50
601 - WATER	13,896.86
602 - SEWER	23,257.24
604 - ELECTRIC	341,570.18
609 - LIQUOR STORE	83,537.74
614 - TELECOM	13,940.77
615 - ARENA	15,200.09
617 - M/P CENTER	111,161.21
700 - PAYROLL	87,028.16
Grand Total:	**829,850.95**

Account Summary

Account Number	Account Name	Payment Amount
100-20202	Sales Tax Payable	33,039.00
100-41110-326	Data Processing	27.51
100-41310-133	Employer Paid Insurance	104.00
100-41310-217	Other Operating Supplie	139.75
100-41310-308	Training & Registrations	525.00
100-41310-321	Telephone	76.44
100-41310-322	Postage	450.00
100-41310-326	Data Processing	289.23
100-41310-331	Travel Expense	493.06
100-41310-433	Dues & Subscriptions	60.00
100-41310-444	License Fees	803.29
100-41310-480	Other Miscellaneous	15.00
100-41910-133	Employer Paid Insurance	24.00
100-41910-200	Office Supplies	32.17
100-41910-321	Telephone	60.12
100-41910-405	Repairs & Maint - Vehicl	6.61
100-41910-433	Dues & Subscriptions	75.00
100-41910-443	Intergovernmental Fees	943.97
100-41910-444	License Fees	21.25
100-41910-480	Other Miscellaneous	177.14
100-41940-381	Electric Utility	649.59
100-41940-382	Water Utility	127.18
100-41940-383	Gas Utility	1,289.77
100-41940-384	Refuse Disposal	124.98
100-41940-385	Sewer Utility	236.47
100-42120-133	Employer Paid Insurance	176.00
100-42120-200	Office Supplies	23.39
100-42120-305	Medical & Dental Fees	1,352.16
100-42120-308	Training & Registrations	815.70
100-42120-321	Telephone	903.70
100-42120-404	Repairs & Maint - M&E	12,863.56
100-42120-405	Repairs & Maint - Vehicl	80.00
100-42120-412	Rentals - Building	2,152.50
100-42120-419	Vehicle Lease	4,180.79
100-42220-217	Other Operating Supplie	107.38
100-42220-321	Telephone	43.02

Account Summary

Account Number	Account Name	Payment Amount
100-42220-381	Electric Utility	434.58
100-42220-382	Water Utility	18.91
100-42220-383	Gas Utility	1,103.85
100-42220-384	Refuse Disposal	50.00
100-42220-385	Sewer Utility	43.57
100-42220-405	Repairs & Maint - Vehicl	892.74
100-42220-433	Dues & Subscriptions	73.62
100-42500-381	Electric Utility	37.64
100-43100-133	Employer Paid Insurance	80.00
100-43100-217	Other Operating Supplie	70.00
100-43100-224	Street Maint Materials	1,107.50
100-43100-321	Telephone	20.55
100-43100-331	Travel Expense	85.00
100-43100-381	Electric Utility	3,059.94
100-43100-382	Water Utility	22.39
100-43100-383	Gas Utility	1,211.58
100-43100-384	Refuse Disposal	126.98
100-43100-385	Sewer Utility	50.58
100-43100-404	Repairs & Maint - M&E	65.98
100-43100-444	License Fees	360.82
100-45120-215	Materials & Equipment	562.23
100-45202-133	Employer Paid Insurance	16.00
100-45202-326	Data Processing	266.67
100-45202-381	Electric Utility	528.95
100-45202-382	Water Utility	19.61
100-45202-384	Refuse Disposal	451.73
100-45202-385	Sewer Utility	55.24
100-45202-404	Repairs & Maint - M&E	643.42
211-45501-133	Employer Paid Insurance	16.00
211-45501-200	Office Supplies	192.62
211-45501-211	Cleaning Supplies	158.07
211-45501-321	Telephone	163.93
211-45501-322	Postage	187.20
211-45501-326	Data Processing	95.00
211-45501-381	Electric Utility	336.22
211-45501-382	Water Utility	20.92
211-45501-383	Gas Utility	403.99
211-45501-385	Sewer Utility	45.73
211-45501-402	Repairs & Maint - Struct	94.65
211-45501-433	Dues & Subscriptions	272.17
211-45501-435	Books and Pamphlets	61.08
225-45127-264	Merchandise For Resale	28,721.85
225-45127-460	Miscellaneous Taxes	25.54
225-45127-480	Other Miscellaneous	21.25
230-45124-217	Other Operating Supplie	133.33
230-45124-381	Electric Utility	37.00
230-45124-385	Sewer Utility	55.24
235-42153-133	Employer Paid Insurance	16.00
235-42153-217	Other Operating Supplie	1,477.75
235-42153-218	Uniforms	1,008.38
235-42153-261	Other Merchandise-Med	1,106.67
235-42153-308	Training & Registrations	25.00
235-42153-321	Telephone	377.98
235-42153-326	Data Processing	3,570.18
235-42153-334	Meals/Lodging	295.17
235-42153-381	Electric Utility	289.72
235-42153-382	Water Utility	12.61
235-42153-383	Gas Utility	735.90

Account Summary

Account Number	Account Name	Payment Amount
235-42153-384	Refuse Disposal	49.99
235-42153-385	Sewer Utility	29.05
235-42153-405	Repairs & Maint - Vehicl	516.00
235-42153-435	Books and Pamphlets	1,100.00
235-42153-480	Other Miscellaneous	142.62
250-46520-133	Employer Paid Insurance	24.00
250-46520-200	Office Supplies	32.16
250-46520-308	Training & Registrations	395.00
250-46520-321	Telephone	60.12
250-46520-322	Postage	42.00
250-46520-331	Travel Expense	460.09
250-46520-381	Electric Utility	116.34
250-46520-433	Dues & Subscriptions	335.00
250-46520-480	Other Miscellaneous	177.12
250-49950-500	Capital Outlay	1,162.24
309-41000-303	Engineering and Surveyi	157.00
313-41000-303	Engineering and Surveyi	20,493.11
313-41000-304	Legal Fees	180.40
401-49950-508	Capital Outlay - Island Pa	880.50
601-49400-133	Employer Paid Insurance	48.00
601-49400-216	Chemicals and Chemical	5,342.72
601-49400-321	Telephone	51.66
601-49400-326	Data Processing	65.00
601-49400-381	Electric Utility	5,139.18
601-49400-382	Water Utility	20.96
601-49400-383	Gas Utility	464.53
601-49400-384	Refuse Disposal	131.99
601-49400-385	Sewer Utility	45.86
601-49400-386	Landfill	1,092.55
601-49400-444	License Fees	1,494.41
602-49450-133	Employer Paid Insurance	32.00
602-49450-200	Office Supplies	173.32
602-49450-216	Chemicals and Chemical	10.00
602-49450-310	Lab Testing	1,317.20
602-49450-321	Telephone	177.85
602-49450-326	Data Processing	65.00
602-49450-381	Electric Utility	10,673.65
602-49450-382	Water Utility	151.44
602-49450-383	Gas Utility	4,333.51
602-49450-404	Repairs & Maint - M&E	6,061.13
602-49450-444	License Fees	262.14
604-14200	Inventory	241.53
604-49550-133	Employer Paid Insurance	88.00
604-49550-200	Office Supplies	593.14
604-49550-217	Other Operating Supplie	693.09
604-49550-218	Uniforms	1,817.49
604-49550-241	Small Tools	344.68
604-49550-263	Merchandise for Resale -	317,710.22
604-49550-303	Engineering and Surveyi	4,299.50
604-49550-308	Training & Registrations	1,110.00
604-49550-310	Lab Testing	1,444.55
604-49550-321	Telephone	51.63
604-49550-326	Data Processing	84.66
604-49550-331	Travel Expense	187.05
604-49550-381	Electric Utility	176.18
604-49550-382	Water Utility	47.71
604-49550-383	Gas Utility	772.36
604-49550-384	Refuse Disposal	127.99

Account Summary

Account Number	Account Name	Payment Amount
604-49550-385	Sewer Utility	101.08
604-49550-386	Landfill	1,640.00
604-49550-404	Repairs & Maint - M&E	2,561.98
604-49550-406	Repairs & Maint - Groun	525.00
604-49550-408	Repairs & Maint - Distrib	926.24
604-49550-410	Repairs & Maint - Gener	129.00
604-49550-444	License Fees	674.94
604-49550-450	Conservation	3,911.16
604-49550-460	Miscellaneous Taxes	1,311.00
609-20202	Sales Tax Payable	14,724.00
609-49751-133	Employer Paid Insurance	32.00
609-49751-211	Cleaning Supplies	59.94
609-49751-217	Other Operating Supplie	57.58
609-49751-251	Liquor	29,335.12
609-49751-252	Beer	29,263.25
609-49751-253	Wine	5,317.75
609-49751-254	Soft Drinks & Mix	317.39
609-49751-258	Liquor Store THC	195.80
609-49751-259	Non- Alcholic	156.50
609-49751-261	Other Merchandise	33.68
609-49751-321	Telephone	226.90
609-49751-326	Data Processing	64.66
609-49751-333	Freight and Express	710.68
609-49751-340	Advertising & Promotion	1,040.00
609-49751-381	Electric Utility	1,111.67
609-49751-382	Water Utility	22.43
609-49751-383	Gas Utility	280.57
609-49751-384	Refuse Disposal	210.98
609-49751-385	Sewer Utility	46.13
609-49751-433	Dues & Subscriptions	49.07
609-49751-444	License Fees	236.64
609-49751-460	Miscellaneous Taxes	45.00
614-16400	Machinery & Equipment	2,007.00
614-20201	Excise Tax Payable	537.66
614-20206	911 988 TAP & TACIP Fe	767.57
614-49870-133	Employer Paid Insurance	64.00
614-49870-200	Office Supplies	124.79
614-49870-211	Cleaning Supplies	28.92
614-49870-227	Utility System Maint Sup	795.04
614-49870-304	Legal Fees	718.75
614-49870-321	Telephone	203.83
614-49870-340	Advertising & Promotion	466.10
614-49870-381	Electric Utility	2,304.53
614-49870-382	Water Utility	21.87
614-49870-383	Gas Utility	214.59
614-49870-384	Refuse Disposal	115.98
614-49870-385	Sewer Utility	44.40
614-49870-405	Repairs & Maint - Vehicl	138.98
614-49870-419	Vehicle Lease	590.41
614-49870-441	Transmission Fees	518.36
614-49870-442	Subscriber Fees	182.50
614-49870-443	Intergovernmental Fees	2,006.34
614-49870-444	License Fees	690.12
614-49870-445	Switch Fees	300.00
614-49870-447	Internet Expense	208.50
614-49870-451	Call Completion	97.53
614-49870-460	Miscellaneous Taxes	793.00
615-49850-133	Employer Paid Insurance	32.00

Account Summary

Account Number	Account Name	Payment Amount
615-49850-211	Cleaning Supplies	59.39
615-49850-212	Motor Fuels	100.00
615-49850-215	Materials & Equipment	251.48
615-49850-321	Telephone	127.72
615-49850-326	Data Processing	330.00
615-49850-381	Electric Utility	3,828.78
615-49850-382	Water Utility	336.54
615-49850-383	Gas Utility	2,947.82
615-49850-384	Refuse Disposal	192.98
615-49850-385	Sewer Utility	122.87
615-49850-402	Repairs & Maint - Struct	6,626.29
615-49850-460	Miscellaneous Taxes	120.00
615-49850-480	Other Miscellaneous	124.22
617-20202	Sales Tax Payable	772.00
617-49860-133	Employer Paid Insurance	48.00
617-49860-211	Cleaning Supplies	148.44
617-49860-217	Other Operating Supplie	25.98
617-49860-251	Liquor	32.30
617-49860-252	Beer	120.55
617-49860-254	Soft Drinks & Mix	72.17
617-49860-261	Other Merchandise	248.04
617-49860-321	Telephone	60.48
617-49860-326	Data Processing	583.33
617-49860-333	Freight and Express	5.00
617-49860-340	Advertising & Promotion	135.00
617-49860-381	Electric Utility	1,262.90
617-49860-382	Water Utility	49.48
617-49860-383	Gas Utility	1,522.77
617-49860-384	Refuse Disposal	91.00
617-49860-385	Sewer Utility	116.70
617-49860-402	Repairs & Maint - Struct	105,418.36
617-49860-433	Dues & Subscriptions	110.00
617-49860-480	Other Miscellaneous	338.71
700-21701	Federal Withholding	11,973.23
700-21702	State Withholding	6,583.72
700-21703	FICA Tax Withholding	15,190.92
700-21704	PERA Contributions	28,730.67
700-21705	Retirement	4,227.00
700-21707	Union Dues	1,842.28
700-21711	Medicare Tax Withholdi	4,522.80
700-21712	Flex Account	3,436.79
700-21715	Individual Insurance-Afla	499.73
700-21716	Individual Insurance-Afla	526.79
700-21718	Individual Insurance-NC	16.00
700-21719	Individual Insurance-MB	773.55
700-21720	VEBA Contributions	4,623.46
700-21722	HSA Contribution	3,250.05
700-21723	HSA Employee Contribu	831.17
	Grand Total:	**829,850.95**

Donna Hudson

Project Account Summary

Project Account Key		Payment Amount
None		829,850.95
	Grand Total:	**829,850.95**

MB

2·27·26

Date/Time received: 2|19|26 10:30 Am.

Agenda Request Form
(This form can be used only once a month by the same individual(s). It is not a venue to bypass policies and procedures of city commissions and committees.)

Name: Diane Kruger Telephone No: 507-831-3447

Address: 605 Prospect Ave, Windomnet

Date of Council Meeting: March 3, 2026 (Agenda item must be turned into the city office by Friday noon preceding the Tuesday meeting.)

Subject: Windomnet

Have you brought this to the attention of the appropriate department head? Yes
Committee? yes

Hand-outs, audio-visual materials (These must be simple and set up directly before you speak and taken down directly afterward): May have handouts.

This format gives citizens an opportunity to express concerns to the council without expectation of discussion or action. No more than two (2) people should speak on the same topic at one meeting. Remarks should not exceed five (5) minutes per person. They should be directed to the council as a whole and not to any individual member or department head.

Diane L Kru
Signature

2025 Minnesota Statutes

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216B.50 RESTRICTIONS ON PROPERTY TRANSFER AND MERGER.

Subdivision 1. **Commission approval required.** No public utility shall sell, acquire, lease, or rent any plant as an operating unit or system in this state for a total consideration in excess of $1,000,000, or merge or consolidate with another public utility or transmission company operating in this state, without first being authorized so to do by the commission. Upon the filing of an application for the approval and consent of the commission, the commission shall investigate, with or without public hearing. The commission shall hold a public hearing, upon such notice as the commission may require. If the commission finds that the proposed action is consistent with the public interest, it shall give its consent and approval by order in writing. In reaching its determination, the commission shall take into consideration the reasonable value of the property, plant, or securities to be acquired or disposed of, or merged and consolidated.

This section does not apply to the purchase of property to replace or add to the plant of the public utility by construction.

Subd. 2. [Repealed, 1978 c 795 s 10]

Subd. 3. **Exempt from other law.** Mergers and consolidations as enumerated in subdivision 1 hereof shall be exempt from the provisions of chapter 80B.

History: *1974 c 429 s 50; 2005 c 97 art 1 s 8; 2023 c 60 art 12 s 23*

Office of the Revisor of Statutes
Office of the Revisor of Statutes

2025 Minnesota Statutes

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471.345 UNIFORM MUNICIPAL CONTRACTING LAW.

Subdivision 1. **Municipality defined.** For purposes of this section, "municipality" means a county, town, city, school district or other municipal corporation or political subdivision of the state authorized by law to enter into contracts.

Subd. 2. **Contract defined.** A "contract" means an agreement entered into by a municipality for the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property.

Subd. 3. **Contracts over $175,000.** If the amount of the contract is estimated to exceed $175,000, sealed bids shall be solicited by public notice in the manner and subject to the requirements of the law governing contracts by the particular municipality or class thereof. With regard to repairs and maintenance of ditches, the provisions of section 103E.705, subdivisions 5, 6, and 7, apply.

Subd. 3a. **Contracts over $175,000; best value alternative.** As an alternative to the procurement method described in subdivision 3, municipalities may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Subd. 3b. **Contracts over $175,000; construction manager at risk alternative.** As an alternative to the procurement methods described in subdivisions 3 and 3a, municipalities may award a contract for construction, alteration, repair, or maintenance work to a construction manager at risk as provided in section 471.463.

Subd. 4. **Contracts exceeding $25,000 but not $175,000.** If the amount of the contract is estimated to exceed $25,000 but not to exceed $175,000, the contract may be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof.

Subd. 4a. **Contracts exceeding $25,000 but not $175,000; best value alternative.** As an alternative to the procurement method described in subdivision 4, municipalities may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Subd. 5. **Contracts $25,000 or less.** If the amount of the contract is estimated to be $25,000 or less, the contract may be made either upon quotation or in the open market, in the discretion of the governing body. If the contract is made upon quotation it shall be based, so far as practicable, on at least two quotations which shall be kept on file for a period of at least one year after their receipt. Alternatively, municipalities may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Subd. 5a. **County or town rental contracts.** If the amount of a county or town contract for the rental of equipment is estimated to be $60,000 or less, the contract may, in the discretion of the county or town board, be made by direct negotiation by obtaining two or more quotations for the rental when possible and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations shall be kept on file for a period of at least one year after their receipt.

Subd. 5b. **Water tank service contracts.** (a) A municipality may, by direct negotiation or through the solicitation of requests for proposals, enter into a multiyear professional service contract for the engineering, repair, and maintenance of a water storage tank and appurtenant facilities owned, controlled, or operated by the municipality, if the contract contains:

(1) a provision that the municipality is not required to make total payments in a single year that exceed the water utility charges received by the municipality for that year;

(2) a provision requiring that the work performed be done under the review of a professional engineer licensed in the state of Minnesota attesting that the work will be performed in compliance with all applicable codes and engineering standards; and

(3) a provision that if, at the commencement of the contract, the water tank or appurtenant facilities require engineering, repair, or service in order to bring the water tank or facilities into compliance with federal, state, or local requirements, the party contracting with the municipality is responsible for providing the engineering, repair, or service. The costs to bring the water tank or facilities into compliance must be itemized separately and charged to the municipality in payments spread over a period of not less than three years from the commencement of the contract.

(b) If the cost of a contract for the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair, or maintenance of real or personal property entered into under this subdivision is estimated to meet the costs specified under subdivisions 3 and 3a, paragraph (a) applies but the municipality must use the procurement methods specified in subdivision 3 or 3a to contract for that portion of the work.

Subd. 6. **Applicability of other laws.** The purpose of this section is to establish for all municipalities, uniform dollar limitations upon contracts which shall or may be entered into on the basis of competitive bids, quotations or purchase or sale in the open market. To the extent inconsistent with this purpose, all laws governing contracts by a particular municipality or class thereof are superseded. In all other respects such laws shall continue applicable.

Subd. 7. **Minimum labor standards.** Nothing in this section shall be construed to prohibit any municipality from adopting rules, regulations, or ordinances which establish the prevailing wage rate as defined in section 177.42, as a minimum standard for wages and which establish the hours and working conditions prevailing for the largest number of workers engaged in the same class of labor within the area as a minimum standard for a contractor's employees which must be agreed to by any contractor before the contractor may be awarded any contract for the furnishing of any labor, material, supplies, or service.

Subd. 8. **Procurement from economically disadvantaged persons.** For purposes of this subdivision, the following terms shall have the meanings herein ascribed to them:

(a) "Small targeted group business" means businesses designated under section 16C.16.

(b) "Business entity" means an entity organized for profit, including an individual, partnership, corporation, joint venture, association, or cooperative.

Nothing in this section shall be construed to prohibit any municipality from adopting a resolution, rule, regulation, or ordinance which on an annual basis designates and sets aside for awarding to small targeted group businesses a percentage of the value of its anticipated total procurement of goods and services, including construction, and which uses either a negotiated price or bid contract procedure in the awarding of a procurement contract under a set-aside program as allowed in this subdivision, provided that any award based on a negotiated price shall not exceed by more than five percent the municipality's estimated price for the goods and services if they were purchased on the open market and not under the set-aside program.

Subd. 9. MS 1988 [Repealed, 1990 c 549 s 3]

Subd. 10. **Shared hospital or ambulance service purchasing.** Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 or an ambulance service licensed under chapter 144E that are purchased or leased under a shared service purchasing arrangement whereby more than one hospital or ambulance service purchases supplies, materials, or equipment with one or more other hospitals or ambulance services either through one of the hospitals or ambulance services or through another entity, may be purchased without regard to the competitive bidding requirements of this section, if the following conditions are met:

(1) the hospital's or ambulance service's governing authority authorizes the arrangement;

(2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and

(3) the arrangement authorizes the hospital's or ambulance service's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

The shared services purchasing program may award contracts to more than one bidder if doing so does not decrease the service level or diminish the effects of competition.

Subd. 11. **Fuel contracts for generation of municipal power.** Notwithstanding the amount of the contract, any contract entered into by a municipality for the purchase of fuel required for the generation of power from municipal power plants shall be governed by subdivision 4.

Subd. 12. **Procurement from rehabilitation facilities.** Nothing in this section prohibits a municipality from adopting a resolution, rule, regulation, or ordinance that on an annual basis designates and sets aside for awarding to rehabilitation facilities as described in section 268A.06 a percentage of the value of its anticipated total procurement of goods and services, including construction, and which uses either a negotiated price or bid contract procedure in the awarding of a procurement contract under a set-aside program as allowed in this subdivision, provided that any award based on a negotiated price shall not exceed by more than five

WINDOMNET – POTENTIAL SALE

1. Windomnet should not be sold. Period!

   -at least 2 of the other parties interested in purchasing Windomnet have stated that we should keep it. They are even willing to assist us in moving forward and making it more profitable.

   - Current debt will be paid off in 2032 and we have a very low interest rate on the bond of 1.95%. It is shortsighted to use that as a reason to sell. Penny Wise, Pound Foolish!
   -
   - Based on my review of the financial data presented in the annual reports, Windomnet has had a positive cashflow since 2016. We have been able to pay down the debt through the years.
   -
   - Windomnet Customer Service to us has been EXCELLENT!!!! I cannot emphasize this enough. 24/7 If you have support staff answering the phone and dealing with issues, it is not that important to have a person sitting at a desk 5 days a week. Support is available 365 days a year.
   -
   - Future upgrades and cost is a normal part of any business. We just happen to have a tech business where costs may seem a bit higher than normal, but it is no different than electric or water utility which we have and support. If needed we could issue another bond to fund the upgrades. From what I can tell, this would not be that unusual. We have outstanding bonds/debt for Water and Sewer now as well as for Windomnet.
   -
   - Windomnet is operated as an Enterprise Fund, which means the Revenues coming in pay the expenses and the debt. It is not funded by taxpayer dollars. We have Revenue Bonds to support the build and for ongoing operations.
   -
   - Telecom Commission met on January 26 and passed a Recommendation 4-0 NOT to sell Windomnet, but to keep it!

2. In regards to passing an Ordinance regarding the sale of Windomnet to Federated Electric tonight – You are asking the WRONG question! First it should be decided straight up if Windomnet is for sale or isn't it. That's it. No other consideration should weigh in on the question. We have multiple companies interested in purchasing Windomnet if it is for sale. We MUST solicit bids from others if we decide that we should sell it, which we should not.

3. Why are some council members so eager to sell Windomnet to Federated? I sure do not understand the reasoning for your position.
   a. Local Control – we have that now. Some of the other companies interested in purchasing Windomnet are also local, not just Federated
   b. Save money for the customers using the services – SWBB has rates lower than Federated. Money spent with Windomnet locally supports local jobs and other items within the community.

4. We need to have more discussion and Open PUBLIC Meetings to discuss whether Windomnet should be sold or not.

5. If Windomnet is to be sold, the process needs to be opened to solicit bids from interested parties.
   a. From conversations I have had with people, we would be offered more money from other parties than what we are being offered from Federated.
   b. Selling Windomnet for $5,750,000 amounts to having a Fire Sale. Penny Wise, Pound Foolish
   c. What kind of value is being put on the customer list for the residents of Windom? This is not valueless! Has this been factored into any offer?
   d. What is the cost to our city if we have to decouple our IT and billing systems from Windomnet and then have to figure that out for the future? How long would that process take? What will it cost us to do that with a different provider?
   e. While the City Charter does authorize the sale of the business with an Ordinance, MN STATUTE 216B.50 requires the consent of the Commission when the total consideration of the sale is in excess of $1,000,000.
   f. MN STATUTE 471.345 Subd. 3 states that if a contract (agreement) is expected to exceed $175,000, which the sale of Windomnet would exceed that by a large amount, sealed bids must be solicited by public notice. You are not just

selling real estate, you are selling assets of a business. **BIDS MUST BE OBTAINED!** Could there be legal challenges to the process you have been following? What would be the costs of such litigation?

6. If Federated needed $3 million from Cottonwood County to expand Broadband into our area, which Federated is getting, where did Federated come up with $6 million to offer the City of Windom to purchase Windomnet?

7. No one else spent money to have valuations done or Feasability Studies done. This is because these entities did not know if Windomnet was for sale. Had the City of Windom decided that Windomnet was for sale, they would have done so. But without that commitment from City of Windom, those entities were not about to spend $40,000 or more if Windomnet was NOT for sale. I don't blame them. Federated decided to take a chance but that does not obligate the City of Windom to sell Windomnet to Federated.

8. If Windomnet has others tying in or using our facitilies, are we getting revenue from that? If not, could we be?

9. When is the last time a market study was conducted for Windomnet? 2001? 2002? Why have we not been marketing the service? We need some things done differently going forward. We missed some opportunities in the past that could have been a positive thing for Windom. We still have some opportunities that can be taken advantage of moving forward, without selling Windomnet.

10. Opportunities – Partnering with other entities, such as Federated, Southwest Broadband, Oddson Underground, or others. Let's look at the possibilities.

11. Is it possible that there was a conflict of interest with Federated hiring Finley Engineering to evaluate Windomnet since Finley Engineering was hired by the City of Windom to help establish Windomnet? Just asking the question as it was raised in my mind when I was doing the research.

12. Getting to the end of my points, I want to say that there are many more questions that should be addressed and answered before City of Windom decides to sell Windomnet. And if that decision is made, then it needs to be opened for bids. All of these meetings behind closed doors leaves a bad taste and odor. Releasing the

information mere days before a vote is not good enough. And to have that information meted out by a single Council Member that clearly states she is in favor of selling is questionable to say the least.

13. Finally, I think the makeup of the current customers should be looked at and evaluated. Who is still using phone services? Elderly with Life Alerts? others that just want to keep a landline in the home, like me? Businesses? How likely are the current users going to stay as phone subscribers for phone service? That should be looked at. Same for cable, now streaming video services. And internet – current upgrades to the system for faster speeds benefits all users. I don't pretend to know the answers to this, but there are people that can help with those answers. Have we talked to THOSE people or reached out to get expert advice?

Thank you all for your time and consideration. Please vote NO to the reading of the Ordinance to sell Windomnet to Federated.

Respectfully submitted by

Diane Kruger

RESOLUTION #2026-

INTRODUCED:

SECONDED:

VOTED: Aye:
Nay:
Absent:

AUTHORIZATION TO ACCEPT A DONATION FROM KENNETH & DEBRA HOFFMANN IN MEMORY OF ANITA WINKEL TO THE WINDOM PUBLIC LIBRARY

WHEREAS, Minnesota State Statute §465.03 requires that any city accepting a grant or gift of real or personal property shall accept such by resolution of the governing body expressing the terms prescribed by the donor; and

WHEREAS, Kenneth and Debra Hoffmann are supporters of the City of Windom and specifically the Windom Public Library; and

WHEREAS, the City of Windom has received a donation of $25.00 from Kenneth and Debra Hoffmann in memory of Anita Winkel for the Windom Public Library; and

WHEREAS, the Donor requests that the donation be used for the purchase of books.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WINDOM, MINNESOTA, that the City Council accepts the donation of $25.00 offered by Kenneth and Debra Hoffmann in memory of Anita Winkel to be used for the purchase of books.

Adopted by the Council this 3rd day of March, 2026.

____
Hilary Mathis, Mayor

Attest:______________________________
Steven Nasby, City Administrator

City of Windom

Memorandum

To: Mayor and Members of the Windom City Council
From: Jeff Dahna, General Manager; Jordan Bussa, Outside Plant Tech; Brian Turner, Install Tech; Andrew Rossow, Network Operations Center Tech– Telecom Department
Date: February 25th , 2026
Subject: Administrative Directive Response – Windomnet Operational Plan

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Background

At the direction of the City Administrator, the Telecom Department General Manager was instructed to prepare a structured operational plan outlining a path forward for Windomnet under continued municipal operation.

This request comes at a time when broader policy discussions regarding the future ownership and structure of Windomnet may be under consideration. The purpose of this plan is not to advocate for or against any particular policy outcome, but rather to ensure that the City maintains a clear, responsible, and actionable framework should continued municipal operation remain the course.

The Telecom Commission met on February 23, 2026, reviewed, approved, and directed that the plan be forwarded to the Windom City Council for review.

Preparing such a plan reflects prudent asset stewardship and responsible governance.

Summary of the Plan

The Strategic Modernization & Network Upgrade Plan provides a structured roadmap focused on operational efficiency, cost containment, and competitive positioning in today's fiber-based broadband market.

The key components include:

1. Completion of Legacy Cable Exit
The cable headend has been decommissioned, significantly reducing annual operating costs and aligning service delivery with current consumer streaming trends.

2. Fiber-First Infrastructure Strategy
Ongoing migration to the Calix E7 platform and planned XGS-PON deployment position Windomnet to deliver multi-gigabit symmetrical broadband services, including future 10Gbps capability. Core router upgrades support long-term scalability and redundancy.

3. Voice Platform Modernization
Transition from the legacy MetaSwitch platform to a hosted VoIP solution reduces third-party circuit dependency and recurring licensing expense while enhancing business service offerings.

4. Technology & Platform Consolidation
Modernization of customer premise equipment, cloud management systems, and server virtualization reduces operational complexity and recurring software licensing costs.

Financial Considerations

The plan prioritizes:

- Reduction of recurring operating expenses
- Elimination of redundant or legacy systems
- Phased capital deployment aligned with subscriber growth
- Preservation of existing infrastructure value

Additionally, it identifies potential revenue channels including enterprise fiber services, wholesale bandwidth, managed WiFi services, and competitive hosted business communications offerings.

Much of the foundational work has already been completed or is substantially underway, reducing execution risk and limiting near-term capital exposure.

Governance Perspective

Regardless of long-term policy direction, the City retains responsibility for prudent management of its telecommunications assets. This plan provides:

- Operational clarity
- Financial transparency
- Defined implementation phases
- Risk mitigation strategies

Should ownership discussions continue, the existence of a documented modernization plan ensures the City maintains a clear understanding of the asset's operational trajectory and value under municipal operation.

Conclusion

This document is submitted in response to administrative direction and Telecom Commission action. It is intended to provide the Council with a clear, responsible framework for continued operations.

It does not preclude or prejudice any policy decisions currently under consideration. Rather, it ensures that the City is prepared, informed, and positioned to act deliberately under any eventual course.

Acknowledgment of Plan Preparation

Prepared and submitted by Telecom Department staff:

Jeff Dahna
General Manager
Signature: ____________________
Date: 2-25-2026

Jordan Bussa
Outside Plant Technician
Signature: ____________________
Date: 2-25-26

Andrew Rossow
NOC Technician
Signature: ____________________
Date: 2-25-26

Brian Turner
Installation Technician
Signature: ____________________
Date: 2-25-26

Telecom Dept. Plan - G.F.

Strategic Modernization & Network Upgrade Business Plan

February 23, 2026

1. Executive Summary

This strategic modernization initiative positions Windomnet to transition from legacy cable and voice systems to a scalable, fiber-based, streaming-focused broadband provider. The plan modernizes infrastructure, reduces operating expenses, increases service capabilities (including 10Gbps fiber), and enhances competitive positioning against regional competitors.

The initiative focuses on five primary objectives:

1. Complete migration from legacy cable and telephony systems
2. Upgrade core network infrastructure for 10Gbps - 100Gbps capabilities
3. Modernize customer-premise equipment and cloud management platforms
4. Reduce recurring licensing and circuit costs
5. Enable new revenue opportunities in high-capacity enterprise and wholesale bandwidth

Most groundwork is already completed or in progress, reducing execution risk and accelerating Return On Investment (ROI). All dollar amounts/numbers are estimated to the best of our ability.

---

2. Strategic Objectives

2.1 Transition from Legacy Cable to Streaming

- Cable TV Headend shutdown has been completed. Annual expense reduction $367,010. The Headend 2025 electrical annual expense alone was $15,560.
- Full transition to internet streaming-based video delivery. Current subscriber counts for streaming video service/pkgs/add-ons estimated annual expense is $301,353.
- Reduces infrastructure complexity and ongoing maintenance costs.
- Aligns with consumer behavior trends toward internet video streaming platforms.

2.2 Competitive Rate Realignment

- New Business Data/Internet Service pricing aligned w/regional competitors effective March 1st, 2026.
- Residential Data/Internet pricing review underway.
- Evaluate a Residential Data/Internet lower tier and pricing for non-streaming customers.

- Goal: Improve retention and capture price-sensitive market segment.

---

3. Network & Infrastructure Modernization

3.1 Legacy FiberDrive System Migration to E7 System

- 95% complete.
- Full completion expected in March, 2026.
- Consolidates systems and simplifies operations.
- Reduces maintenance burden of dual-platform environments.

3.2 Voice Platform Modernization

Current State:
Legacy MetaSwitch Class 4/5 Telephone Switch with third-party circuit dependencies.

Planned Action:

- Migrate voice services to hosted GigTel VoIP platform. Annual expense $48,708
- Upgrade business PBX customers to SIP-based IP phones or SIP Based Trunks.
- Decommission Metaswitch Class 4/5 Telephone Switch annual expense $74,711.

Benefits:

- Enables advanced hosted Business Phone System PBX features.
- Competitive parity with providers like Federated Broadband and Southwest Broadband.
- Opportunity to reclaim lost business phone customers and new Business Phone System offerings as new revenue opportunity.
- Eliminate or reduce the following:
    - TDM circuits with: Sinch and CenturyLink
    - Call completion services/fees
    - Long distance fees
    - Switch Fees and Service Fees
    - NG911 SIP Circuits Cost
- Annual reduction of expenses Metaswitch migration to GigTel VoIP $26,003.

Financial Impact:

- Monthly circuit expense reductions.
- Annual Licensing and support; monthly circuits and service fee reductions.
- Improved margins on business voice products.

3.3 Core Network Upgrade

Replace current Internet Border Core Routers and Switches with:

- Two Juniper MX204 Border Routers with 3 year support.
- Two Juniper EX4650 Switches with 3 year support
- Estimated investment $100,000

Capabilities:

- 100Gbps data/internet circuit support.
- Carrier-grade scalability.
- Improved redundancy and network routing efficiency.

Strategic Opportunity:

- Sell dedicated and wholesale bandwidth to enterprise customers.
- Potential partnerships with regional providers for example: Windomnet secures a 100 Gbps WAVE connection to the 511 Data Center in Minneapolis another provider secures a 100 Gbps WAVE connection to Omaha IX Data Center in Omaha reducing the redundant 100 Gbps path cost in half.

Quotes secured and ready for review.

3.4 Calix E7-2 XGS-PON Core Deployment

- Calix – required support change - Essential Support for Intelligent Access (AXOS & XGS-PON) annual $11,416.38. Replaces current Essential Support (EXA) annual $10,95.00.
- Calix – AXOS Framework per subscriber Perpetual License (one time) $7,880.00.

Equipment needed to enter AXOS & XGS-PON services area is shown in three examples of scalable options with a maximum number of fiber Optical Network Terminals (ONT) supported:

Max number of fiber Optical Network Terminals (ONT) supported: **1024**					
Qty	Description	Price	Ext Price		
1	Calix AXOS E7 shelfs	$ 627.00	$ 627.00	**Total**	$43,787.00
2	Calix 1608 XGS-PON cards	$14,500.00	$ 29,000.00		
16	Dual Density Optic's	$ 885.00	$ 14,160.00		

Max number of fiber Optical Network Terminals (ONT) supported: **1536**

Qty	Description	Price	Ext Price		
2	Calix AXOS E7 shelfs	$ 627.00	$ 1,254.00	**Total**	$65,994.00
3	Calix 1608 XGS-PON cards	$14,500.00	$ 43,500.00		
24	Dual Density Optic's	$ 885.00	$ 21,240.00		

Max number of fiber Optical Network Terminals (ONT) supported: **2048**

Qty	Description	Price	Ext Price		
2	Calix AXOS E7 shelfs	$ 627.00	$ 1,254.00	**Total**	$87,574.00
4	Calix 1608 XGS-PON cards	$14,500.00	$ 58,000.00		
32	Dual Density Optic's	$ 885.00	$ 28,320.00		

Spare equipment

Qty	Description	Price	Ext Price		
1	Calix AXOS E7 shelfs	$ 627.00	$ 627.00	**Total**	$18,667.00
1	Calix 1608 XGS-PON cards	$14,500.00	$ 14,500.00		
4	Dual Density Optic's	$ 885.00	$ 3,540.00		

- Spare equipment will also be needed

Result:

- Ability to deliver symmetrical 10Gbps fiber services to customers.
- Positions company as premium fiber internet provider in the region.
- Scalable - Future cards / equipment can be budgeted as subscriber growth increases.

This creates:

- High-end residential tier
- Enterprise fiber offering
- Competitive differentiation from other local internet providers.

3.5 Customer Equipment Modernization

Residential Premise Router Upgrade Initiative

- Deploy Calix GigaSpire 7u6 routers 2.5Gbps $169.00 Each
- Deploy Calix GigaSpire 7u6m Mesh 2.5Gbps where needed $144.30 Each
- WiFi 6 / WiFi 7 capability.
- Fully compatible with current Calix GPON and XGS-PON ONT's for a scalable rollout.
- Quotes secured to begin phased rollout.

- The following is an initial purchase quantity example as Calix 10Gbps routers will be available at a future date.

Qty	Description	Price	Ext Price
900	Calix GigaSpire 7u6 routers 2.5Gbps	$ 169.00	$ 152,100.00
175	Calix GigaSpire 7u6m Mesh 2.5Gbps where needed	$ 144.30	$ 25,252.50
		Total	$ 177,352.50

Benefits:

- Reduced service calls.
- Increased customer satisfaction.
- Improved WiFi wireless performance.
- Enhanced upsell opportunities (managed WiFi, parental controls, etc.).

3.6 Calix Cloud & Network Management Upgrade

- Calix - Revenue EDGE Program license (needed for GigaSpire WiFi routers, etc.) $500 one-time fee, $1.50 per sub per month.
    - Revenue EDGE Program includes the following:
    - Service Cloud Support
    - Calix Service Cloud - Experience Management Edition
    - Calix Cloud Foundation
    - Revenue EDGE Systems Support
    - Service Cloud Standard Guidance
    - Revenue EDGE Program Implementation includes Cloud Base Implementation Engagement
- Migrate from Innovative Systems eLation ACS to Calix Cloud
- Enables full management of GigaSpire platform.
- Adds advanced analytics and service tools.
- Continue support for legacy routers during transition.
- Eventually decommission Innovative Systems eLation ACS platform.

Financial Impact:

- Elimination of Innovative Systems ACS licensing costs.
- Consolidation of vendor platforms.

3.7 Server Virtualization Platform Migration

Current: VMware
Planned: Microsoft Hyper-V

Benefit:

- VMware software license 3 year term cost is $23,000
- Microsoft Hyper-V license is included in Windows Server Data Center License – no additional cost.
- Significant licensing savings.
- Comparable performance and virtualization capability.
- Reduced recurring software expenses.

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4. Financial Impact Overview

Cost Reductions

- Eliminate MetaSwitch Class 4/5 Telco Switch platform
- Eliminate Sinch and CenturyLink circuits
- Eliminate eLation call completion services
- Decommission eLation ACS
- Reduce VMware licensing costs
- Retire legacy cable headend maintenance costs

Revenue Growth Opportunities

- 10Gbps enterprise fiber optic services
- Wholesale 10Gbps bandwidth sales
- Reclaim lost business phone system and PBX customers
- Improved retention with competitive residential tiers
- Upsell managed WiFi services

Utilize remaining bond funds for equipment and licenses purchases.

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5. Implementation Timeline

Phase	Initiative	Status	Completion
Phase 1	Cable Shutdown	Complete	Completed
Phase 2	FiberDrive to E7 Migration	95% completed	March, 2026
Phase 3	Voice Platform Migration	Planning / Agreement	Aug-26
Phase 4	Residential Router Rollout	Initial Budget Secured	Q4 2027
Phase 5	Core Router Upgrade	Quote Ready	Q3
Phase 6	XGS-PON Deployment	Quote Ready	Q2–Q3 2026

Phase 7	Hyper-V Migration	Planning	Q3

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6. Competitive Positioning

This plan positions Windomnet as:

- A fiber-first provider
- A streaming-first video company
- A 1Gbps, 2.5Gbps, 10Gbps, 25Gbps, 40Gbps - capable regional ISP
- A competitive hosted business phone PBX provider
- A lower-cost operator with improved margins

It closes service gaps that competitors have used to gain customers and creates new enterprise-grade revenue channels.

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7. Risk Assessment & Mitigation

Risk: Customer disruption during migration
Mitigation: Phased transitions and parallel systems until cutover.

Risk: Capital expenditure pressure
Mitigation: Phased hardware rollout aligned with subscriber growth.

Risk: Business voice churn during migration
Mitigation: Structured upgrade incentives for SIP IP phone adoption.

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8. Conclusion

This modernization initiative is not simply an upgrade—it is a strategic transformation. It reduces operating costs, simplifies infrastructure, enables 10Gbps service offerings, and positions Windomnet for long-term growth in an increasingly fiber-driven market.

With much of the foundational work already completed, the remaining phases represent high-impact, financially responsible investments that strengthen both competitive positioning and long-term profitability.

Jeff Dahna
General Manager

Jordan Bussa
Outside Plant Technician

Andrew Rossow
Network Operations Center Technician

Brian Turner
Installation Technician

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: January 30, 2026
RE: Federated Proposal to Purchase Windomnet

In late 2024 the City had been contacted by Southwest Minnesota Broadband Services (SMBS) and Federated Electric\Broadband in Jackson, MN (Federated) about possible partnerships, project coordination and shared services. The Telecom Commission formed an ad hoc committee to talk with both groups. During 2025 discussions continued with that ad hoc group and in June/July 2025 Federated made a proposal to the Telecom Commission to acquire Windomnet as they are building out a fiber system in Jackson County, Martin County and in Cottonwood County. In August 2025 the City Council heard a presentation from Federated about their interest in acquiring Windomnet. At that time the City Council voted to continue discussions with Federated about a possible acquisition and authorized staff to arrange for an independent appraisal of the Windomnet system.

November 18, 2025 the City Council held a closed session to review the independent appraisal and discuss financial parameters related to a possible sale of Windomnet. On December 1, 2025 and December 8, 2025 an ad hoc committee consisting of Telecom Commissioners, City Council and staff met with Federated to discuss the framework for a possible purchase agreement. On December 16, 2025 the City Council again held a closed session to discuss the terms of a possible sale. On January 6, 2026 the City Council set a Special Joint Meeting with the Telecom Commission to be head on January 14, 2026 for the purpose of hearing about Federated's services, rates, governance and to answer questions from the public. At the January 14th meeting the timing for next steps was established to be the City Council meeting on February 3, 2026 to consider a 1st Reading of an Ordinance for the sale of real estate (Windomnet) as required by the Charter (Section 8.02).

This Council packet includes the Asset Purchase Agreement for Windomnet, an Internet Services Agreement (which provides for a discount for the City of Windom) and a Purchase Agreement for a small parcel of land owned by the EDA that is across the alley from the Windomnet NOC Building. Consideration of the Ordinance is for the Asset Purchase Agreement. The Internet Services Agreement would follow the final approval of the sale of Windomnet if that is the decision of the City Council. The Purchase Agreement for the small EDA-owned lot will go to the EDA and follow their procedures for disposition. **The City Attorney will be present at the meeting to guide the Council through these documents.**

If the City Council approves the 1st Reading of the Ordinance to dispose of real estate (Windomnet) the next step would be a second reading at the February 17, 2026 Council meeting and publication of the ordinance.

ORDINANCE NO. ____, 2ND SERIES

AN ORDINANCE OF THE CITY OF WINDOM, MINNESOTA, APPROVING THE SALE OF CITY-OWNED REAL ESTATE

THE CITY COUNCIL OF THE CITY OF WINDOM ORDAINS:

WHEREAS, the City of Windom, Minnesota, owns the following described "Real Estate":

> **Lots 20, 21, 22 and 23; the vacated alley located between Lots 21 and 22; and the North 12 feet of the vacated alley located between Lot 1 and Lots 20 through 25, EXCEPT the West 58.00 feet thereof; all in Block 18 of the Original Townsite of the Village (now City) of Windom in Cottonwood County, Minnesota.** ("Real Estate") Parcel #25-820-1690; and

WHEREAS, the City of Windom is seeking to dispose of Windomnet, a public telecommunications utility, the real property, building, underground fiber optic lines and related infrastructure and all equipment, inventory, vehicles and other personal property contained on the Real Estate (hereinafter "Windomnet"); and

WHEREAS, the acquisition proposal from Federated Electric\Broadband ("Federated") shall also contain Federated's guarantee to operate Windomnet as part of the purchase of this Real Estate; and if approved, will result in a binding contract with the terms and conditions covering the sale of this Real Estate with the City of Windom; and

WHEREAS, Section 8.02, "Sale of Real Property" of the Charter for the City of Windom states: No real property of the City shall be disposed of except by ordinance; and

WHEREAS, the City Council of the City of Windom, after review of the proposal by Federated and recommendation of the Telecommunications Commission and public information, herein approves the terms of the sale of the Real Estate to Federated, along with the assets of Windomnet, to be in the best interests of the City of Windom and its citizens.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WINDOM, MINNESOTA, APPROVES AND ORDAINS:

> THE PROPERTY DESCRIBED AS: **Lots 20, 21, 22 and 23; the vacated alley located between Lots 21 and 22; and the North 12 feet of the vacated alley located between Lot 1 and Lots 20 through 25, EXCEPT the West 58.00 feet thereof; all in Block 18 of the Original Townsite of the Village (now City) of Windom in Cottonwood County, Minnesota.** ("Real Estate") Parcel #25-820-1690; and (the "Real Estate"), Parcel #25-820-1690, and Windomnet assets shall be sold to Federated.

THE CITY COUNCIL OF THE CITY OF WINDOM, MINNESOTA, FURTHER ORDAINS:

EFFECTIVE DATE: This ordinance, or an approved Title and Summary of this ordinance, shall be published in **the COTTONWOOD COUNTY CITIZEN; and .this ordinance shall be** in **full force and effect immediately upon publication.**

ADOPTED AND PASSED by the City Council of the City of Windom, Minnesota, this ______ day of ________.

____
Hilary Mathis, Mayor

ATTEST:

____
Steven Nasby, City Administrator

1st Reading:	February 17, 2026
2nd Reading:	March 3, 2026
Adoption:	March 3, 2026
Published:	March 18, 2026

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made as of March_____, 2026, between, the *City of Windom*, dba Windomnet (hereinafter referred to as "Windomnet") and *Federated Rural Electric Association*, a *Cooperative Association* under the laws of the State of Minnesota (hereinafter called "Federated").

RECITALS

WHEREAS, The City of Windom Minnesota owns and operates a broadband business known as Windomnet; and,

WHEREAS, Windomnet desires to sell and Federated desires to purchase the real property, structures, personal property, software programming, client lists, records, inventory, fixtures and equipment, and other miscellaneous assets required to operate Windomnet, on the terms and conditions contained set forth in this Asset Purchase Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements contained in this Asset Purchase Agreement, the parties agree as follows:

1. **ASSETS SOLD AND PURCHASE PRICE.** As of the Closing Date designated in Paragraph 3, Windomnet agrees to sell, assign and transfer to Federated and Federated agrees to purchase, accept and assume the assets and property described as follows (hereinafter collectively called "Assets") in compliance with all applicable laws, statutes and regulations:

(a) **PURCHASE PRICE.** Windomnet's assets shall will be purchased for $6,000,000.00.

(b) **PERSONAL PROPERTY.** The personal property herewith sold and purchased shall include the personal property required to operate the Windomnet business and shall include but not be limited to: the Network Operations Center (NOC); IP addresses; all of Windomnet's records including all hard copies and electronically stored copies of the customer lists and mailing lists used by Windomnet in its operations and in the possession of Windomnet through the date of closing; all account lists; Windomnet files; operating records; Windomnet supplies; Windomnet furniture; fixtures; installation equipment; other operations equipment; Windomnet computer equipment; Windomnet proprietary information and trade secrets; licenses; customer orders; contract rights; telephone numbers; goodwill; and other tangible or intangible property as may be used by Windomnet in its business. Windomnet shall furnish Federated with a copy of its 2025 audit inventory when it's completed.

Furthermore, Windomnet covenants and agrees that it shall take such steps as may be commercially reasonable to assure Federated that the confidential information comprising these assets in this Section 1(b) will not be diverted or used by any employee of Windomnet or the City of Windom after closing to promote, start a business or compete with Federated's operation of Windomnet. Federated will permit Windomnet reasonable post-closing access to the business records for the purpose of collecting receivables.

(b) **REAL PROPERTY.** The real estate and buildings thereon to be purchased as part of this transaction are located at 443 10th Street, Windom, MN 56101 in *Cottonwood* County, Minnesota, (Property) described as follows:

> **Lots 20, 21, 22 and 23; the vacated alley located between Lots 21 and 22; and the North 12 feet of the vacated alley located between Lot 1 and Lots 20 through 25, EXCEPT the West 58.00 feet thereof; all in Block 18 of the Original Townsite of the Village (now City) of Windom in Cottonwood County, Minnesota.**

The Property shall include proper and adequate access and parking or easements shall be granted to provide for such access and use.

The following titled property (vehicles) is also included in this sale/purchase: 2016 GMC with VIN-1GTV2LEC8GZ392803; 2009 Chevrolet with VIN-1GCEK14X89Z256697; 2012 GMC with VIN-1GTR2VE71CZ266924; 2024 Trailer (splicing trailer) with VIN-50ZBE1223RR048125; and, 2022 Ford F250 with VIN-1FT7W2B68NEE92460.

(c) **REAL PROPERTY CONTRACT RIGHTS.** Windomnet shall assign and transfer to Federated all licenses, easements, leases and subleases of Windomnet as may be used by Windomnet in its business. Such assignment of licenses, easements, leases and subleases shall be in recordable form to permit recording in the Cottonwood County Recorders records or elsewhere as may be required. Windomnet, as the legal owner or holder of these assets, shall prepare the instruments of assignment and transfer and secure the necessary approvals to complete these transfers.

Federated will not accept any contracts or agreements that Windomnet has to operate its cable television service. In addition, Federated does not accept the following contracts with: Adara Technologies Inc.; AZAR Computer Software Services, Inc.; eLation; Kulseth Lawn Landscaping & Concrete; and Award Consulting.

Federated shall attempt to identify licenses, easements, leases and subleases of Windomnet that Federated will not accept prior to closing but shall have 6 months following closing to identify any additional licenses, easements, leases and subleases of Windomnet that it does not want and which the parties will use their best efforts to promptly cancel.

(d) The company name, Windomnet.

SPECIFICALLY EXCLUDED FROM THE SALE AND THE ASSETS WHICH WILL BE RETAINED BY Windomnet are: Bond reserves; account receivables due as of the closing date; cash collected as of the date of closing; and the "rack space" presently occupied (approximately 3 feet) in the "NOC".

2. **ALLOCATION OF ASSETS PURCHASE PRICE:** The purchase price of Six Million and no/100ths Dollars ($6,000,000.00) shall be allocated by the parties hereto after all assets have been inventoried and good faith reasonable market values have been assigned to the assets. The parties will in good faith work to complete the allocations within 12 months of the closing. The real estate value, for the purpose of this sale and the determination of the deed tax amount, shall be Cottonwood County's assessed tax market value of the property in the year of the sale.

3. **INVENTORY DATE AND CLOSING DATE.** The Inventory Date shall be Thursday, April 30, 2026, and the Closing Date shall be Friday, May 1, 2026. The closing shall be held on the Closing Date set forth above at the Windom Minnesota's Council Chambers. The transfer of possession and sale of all property and assets sold under this Asset Purchase Agreement shall be effective as of the commencement of the business day on the May 1, 2026, unless by mutual agreement of the parties a different date and time would be more beneficial.

At the closing, the City of Windom shall execute and deliver to Federated: a Minnesota Uniform Warranty deed, in recordable form to transfer all real estate; a proper Bill of Sale to the above assets and property warranting that the same are free and clear of all liens and encumbrances the form of which is attached to this Agreement as Exhibit C; and, any other instruments, bills of sale, assignments, or other documents necessary to properly effect the transfer of marketable title to the Assets and property. At the time the Assets and property are inventoried, Windomnet shall provide Federated with an accurate count of the Inventory. Windomnet shall complete and cooperate with Federated in complying with any and all state or federal or local laws pertaining to the transfer of the licenses held by Windomnet to Federated to operate Windomnet.

4. **PAYMENT OF PURCHASE PRICE.** $5,750,000.00 of the purchase prices specified in Section 1 above shall be paid in cash at Closing, subject to and upon conveyance and assignment of good and merchantable title of the purchased Assets. $250,000.00 of the purchase price shall be booked as a liability owed by Federated to the City of Windom for 18 months following the closing. If Federated spends in excess of $250,000.00 as upgrades and improvements to the Windomnet system by the end of the 18-month period, as demonstrated by written paid invoices, then the $250,000.00 liability will be cancelled.

The transaction contemplated herein is a conveyance of assets only, and not the purchase and sale of a business. Nothing in this Agreement should be construed to create any form of partnership or joint venture between Federated and Windomnet. Federated shall not assume any debts, liabilities, contracts, or other obligations of Windomnet, except as specifically set forth herein, and Windomnet shall make no representations to the contrary to any third party, unless specifically identified by Windomnet.

5. Among the obligations for which Windomnet shall continue to be liable are the following:

(a) All fees, costs and expenses incurred by Windomnet for legal services, accounting services, or other services related to the sale of the Assets or the negotiations leading toward this Agreement;

(b) All liabilities of Windomnet for wages, vacation pay, termination pay, employee benefits, employment taxes, severance pay, or other obligations of Windomnet with respect to Windomnet's employees;

(c) All liabilities, expenses and costs of Windomnet, including attorneys' fees, incurred as a result of any past, present or future litigation arising out of any transaction or occurrence that took place before the sale of the Assets to Federated, except for Federated's failure to pay full consideration;

(d) All costs, expenses, liabilities, or other obligations incurred by Windomnet as a result of sale and transfer of the inventory, records, and other assets under this Agreement;

(e) All costs, expenses, liabilities, or other claims arising as part of Windomnets operations prior to the closing date; and,

(f) Windomnet's accounts payable due for the period before the closing date.

(g) The City of Windom, through Windomnet, shall assist Federated for up to three (3) months after the Closing Date with the transfer of the billing procedures to Federated and for the proper accounting of the City of Windom's revenues from the billing periods prior to the Closing Date.

It is expressly understood and acknowledged by Windomnet, that Federated is under no obligation to employ any employees, agents or independent contractors related to the operation of Windomnet's business. Federated will make reasonable efforts to employ Windomnet staff at pay rates comparable to their current rate of pay. Federated will give credit to employees of Windomnet who are employed by Federated for their years of service with Windomnet as it pertains to participation in paid time off benefits. Their employment will be subject to Federated's normal and customary employment rules, regulations, and guidelines.

6. **INVENTORY IN TRANSIT.** Windomnet shall attempt to avoid ordering inventory and supplies that will not be delivered and paid for prior to closing. Inventory and supplies normally ordered in the usual course of business by Windomnet but that cannot be delivered to Windomnet on or prior to the Closing Date stated in Section 3, shall become the property of Federated, and Federated shall pay the supplier directly for such inventory and

supplies, provided that Federated is consulted and agrees to pay for said order prior to the order being made.

7. **RISK OF LOSS.** Until the Closing Date, Windomnet assumes all risk of destruction, loss or damage from fire, casualty or any other cause to the assets and property sold. Federated shall have the right to terminate this Agreement and be entitled to be promptly refunded any payments made against the purchase price. If the business operations of Windomnet are curtailed or interrupted prior to the Closing Date because of any loss, damage or destruction of the assets thereof, unless such loss, damage or destruction of assets is not of such a nature as to curtail or interrupt the said business, then Windomnet shall use its best efforts to replace, repair or restore the same prior to the Closing Date at Windomnets expense. If any such repairs, replacement or restoration shall not have been completed at the Closing Date, the purchase price shall be adjusted, after all insurance proceeds are applied, at the Closing Date to reflect such loss, destruction or damage.

8. **CONDUCT OF BUSINESS PENDING CLOSING.** The Windomnet business will be conducted by Windomnet up to the Closing Date according to and conforming to all laws, rules and regulations of the city, state and federal governments. Up to the Closing Date Windomnet will operate and maintain its business in the normal and regular manner in accordance with Windomnet's usual business practices now in force and will use its best efforts to preserve the good will of its customers.

9. **WARRANTIES AND REPRESENTATIONS OF WINDOMNET AND FEDERATED.** The parties specifically warrant and represent to each other, and agree to provide satisfactory evidence thereof at Closing as follows:

(A) WINDOMNET REPRESENTS AND WARRANTS:

(a) Windomnet is duly authorized to do business in the State of Minnesota, as it is currently being conducted;

(b) All actions and appropriate proceedings required to be part of the transaction by Windomnet for the authorization and performance of this agreement by Windomnet under the laws of the State of Minnesota;

(c) Windomnet has full and unrestricted power to sell, transfer and deliver to Federated all the Assets and property sold pursuant to this Agreement and that any Bills of Sale to the same to be delivered pursuant to this agreement are valid in accordance with their terms and effectively vest in Federated good and marketable title to the same as contemplated by this agreement free and clear of any and all liens, liabilities, obligations and encumbrances;

(d) Windomnet shall indemnify and defend Federated against any and all claims brought against Federated or the Assets purchased hereunder as a result of Windomnet's failure to convey good title to the Assets to Federated;

(e) That Windomnet is, and will be as of the Closing, the lawful owner of all Assets purchased under this agreement; that it has, and will have as of the Closing, good and marketable title to the Assets; and that the Assets are, and will be as of the closing, free and clear of any judgments, liens, security interests, encumbrances, actions, charges, claims, proceedings, liabilities and obligations;

(f) That Windomnet shall promptly pay and discharge all debts, liabilities and obligations having to do with the Assets purchased hereunder as each comes due;

(g) That Windomnet will not enter into any other contract or take any action to sell, mortgage, or encumber all or part of the Assets to be sold under this Agreement;

(h) That the sale of the Assets under this Agreement will not conflict with the terms of any agreement or lease to which Windomnet is a party or create any lien, charge, or encumbrance upon the Assets;

(i) That Windomnet will indemnify and defend Federated against all losses, liabilities, and expenses, including reasonable attorney fees, court costs, and settlement costs, incurred by Federated as a result of Windomnet's breach of any warranty contained in this Section;

(j) That the transfer of Assets under this Agreement will comply with all applicable federal, state, and local laws and regulations;

(k) That Windomnet is not, and will not, sell or convey any portion of the assets to any person other than Federated, and that after the effective date of this Agreement, Windomnet shall not disclose all or any part of the information constituting any part of this Agreement to any person other than Federated, except that the assets and their contents may be disclosed to Windomnet's employees. This provision shall not apply to demands for files or other records made pursuant to subpoena or order of a government agency or which are considered public data, subject to release pursuant to state law. Windomnet agrees that it shall not use any copies or reproduction of the information included in the Assets for purposes of operating a similar competing business;

(l) That Windomnet will be operated by Windomnet through Closing in accordance with all applicable federal, state and local laws and regulations;

(B) FEDERATED REPRESENTS AND WARRANTS:

(a) Federated is a non-profit *cooperative association* under the laws of the *State of Minnesota* and duly authorized to do business in the State of Minnesota, as it is currently being conducted;

(b) All actions and appropriate proceedings required to be taken by Federated for the authorization and performance of this Agreement by Federated under the laws of the State of Minnesota have been taken.

(c) Federated shall indemnify and defend Windomnet against all losses, liabilities and expenses, including reasonable attorney fees, court costs, and settlement costs, incurred by Windomnet as a result of Federated's breach of any term of this agreement or the need to enforce this agreement.

10. **SURVIVAL OF REPRESENTATIONS, WARRANTIES & AGREEMENTS.** All representations, warranties, covenants and agreements made in this Agreement shall survive the execution of this Purchase Agreement and the Closing Date of the sale under this Agreement.

11. **MISCELLANEOUS.**

a. This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated herein, and all prior understandings or agreements, whether written or oral, shall be deemed to have been merged into this agreement and shall have no further force or effect to the extent to which they may conflict with respect to any of the terms and conditions set forth herein.

b. There shall be no amendments to this Agreement unless mutually agreed upon between the parties in writing.

c. The terms and conditions of this Agreement shall survive the Closing and shall not be merged into the Bill of Sale, deeds, assignments or any other instrument of conveyance.

d. Time is of the essence of this Agreement.

e. This Agreement shall not be severable with respect to the Inventory, records and other assets herein described. Federated must complete the purchase of all such assets in order to perform its obligations hereunder except as noted in the risk of loss provision above.

f. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns but this Agreement shall not be assignable without the written consent of the other party.

12. **CONTINUED CUSTOMER SERVICE.** Federated shall use its best efforts to continue, and exceed if possible, the standard of services to the customers of Windomnet. Federated shall continue the level of internet service and endeavor to exceed the level of internet services at no

or minimal additional cost to the consumers of Windomnet. Federated shall employ an information notification campaign to and with Windomnet consumers to help them through the transition of operations to Federated and to address customer concerns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

Federated Rural Electric Association	City of Windom, Minnesota
By____________________________	By ____________________________
Its President	Hilary Mathis, Mayor
By____________________________	Attest: _________________________
Its Secretary/Treasurer	Steve Nasby, City Administrator

ACKNOWLEDGEMENTS

STATE OF MINNESOTA, COUNTY OF COTTONWOOD) ss.

On the ______ day of March, 2026, before me, personally appeared, *Hilary Mathis* and *Steve Nasby*, the Mayor and City Administrator respectively of the City of Windom Minnesota on behalf of *Windomnet*, a political subdivision of the City of Windom, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

____
Notary Public

STATE OF MINNESOTA, COUNTY OF JACKSON) ss.

This instrument was acknowledged before me this _______ day of *March, 2026*, by *David Meschke* and *Jon Saxen*, the *President* and *Secretary/Treasurer*, respectively, of *Federated Rural Electric Association*, a *Cooperative Association* under the laws of the State of *Minnesota*, on behalf of the *Association*, Federated.

____
Notary Public

EXHIBIT C

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

This BILL OF SALE is made this ___ day of April, 2026, by *Hilary Mathis* and *Steve Nasby*, the Mayor and City Administrator respectively of the City of Windom Minnesota on behalf of *Windomnet*, a political subdivision of the City of Windom, being authorized so to execute this Bill of Sale, (hereinafter collectively referred to as "Assignor") and *Federated Rural Electric Association*, a *cooperative association* under the laws of the *State of Minnesota*, located at 77100 US Highway 71, Jackson, MN 56143 (hereinafter called "Assignee"),

In consideration of One Dollar and other good and valuable consideration, Assignor hereby sells, bargains, grants, conveys, transfers, and assigns to Assignee, free and clear of all encumbrances, liens, restrictions, and security interests whatsoever, all personal property described in the Asset Purchase Agreement.

TO HAVE AND TO HOLD the same by Assignee, its successors and assigns, forever, and Assignor, does for itself, and its successors and assigns, covenant and agree to and with Assignee to warrant and defend the said property hereby sold unto Assignee, its successors and assigns, against all and every person and persons whatsoever.

IN WITNESS WHEREOF, Assignor, has hereunto caused this instrument to be executed at Windom, Minnesota on the year and date first above written.

WINDOMNET, ASSIGNOR:

City of Windom, Minnesota:

By ____________________________ Attest: ______________________________

Hilary Mathis, Mayor By Steve Nasby, City Administrator

ACKNOWLEDGEMENTS

STATE OF MINNESOTA, COUNTY OF COTTONWOOD) ss.

On the ______ day of April, 2026, before me, personally appeared, *Hilary Mathis* and *Steve Nasby*, the Mayor and City Administrator respectively of the City of Windom Minnesota on behalf of *Windomnet*, a political subdivision of the City of Windom, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

____

Notary Public

INTERNET SERVICE AGREEMENT

THIS INTERNET SERVICE AGREEMENT is made as of March_____, 2026, between, the *City of Windom*, (hereinafter referred to as "Windom") and *Federated Rural Electric Association*, a *Cooperative Association* under the laws of the State of Minnesota (hereinafter called "Federated") dba Federated Broadband and Windomnet.

RECITALS

WHEREAS, The City of Windom Minnesota sold its broadband business known as Windomnet to Federated; and,

WHEREAS, Federated has agreed to provide Windom with discounted internet services as consideration for the sale and cooperative transfer of Windomnet to Federated.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements contained in this Agreement, the parties agree as follows:

1. Internet Discount Agreement.

Upon closing and continuing for 5 years thereafter there will be zero-dollar charge for Federated Broadband's 100/100 business internet service to the city of Windom for 12 locations of their choosing. Beginning the sixth year Federated Broadband will begin billing 20% of Federated Broadband's 100/100 business plan at Federated's monthly advertised rate. Each consecutive year the amount of the rate charged will increase by 20% until Federated is billing 100% of Federated's monthly rate.

Discount Schedule:

Year 1	0%	Year 6	20%
Year 2	0%	Year 7	40%
Year 3	0%	Year 8	60%
Year 4	0%	Year 9	80%
Year 5	0%	Year 10	100%

The Federated Broadband's 100/100 business internet service offered to the city of Windom above shall include Windom's current AMI electric meter and security system back-haul of data to all active internet accounts.

Should Windom require any additional service greater than provided herein then the value of the discounted service, "Federated Broadband's 100/100 business internet service" for 12 locations and the current AMI backhaul shall be a credit applied to the then current cost of the additional service provided to Windom.

2. Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the internet services provided to Windom by Federated after the closing of the Windomnet sale to Federated and all prior understandings or agreements, whether written or oral, shall be deemed to have been merged into this agreement and shall have no further force or effect to the extent to which they may conflict with respect to any of the terms and conditions set forth herein.

3. Amendments. There shall be no amendments to this Agreement unless mutually agreed upon between the parties in writing.

4. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

FEDERATED:	WINDOM:
Federated Rural Electric Association	City of Windom, Minnesota
By______________________________ Its____President________________	By ____________________________ Hilary Mathis, Mayor
By______________________________ Its____Secretary/Treasurer________	Attest: ________________________ Steve Nasby, City Administrator

ACKNOWLEDGEMENTS

STATE OF MINNESOTA, COUNTY OF COTTONWOOD) ss.

On the ______ day of March, 2026, before me, personally appeared, Hilary Mathis and Steve Nasby, the Mayor and City Administrator respectively of the City of Windom Minnesota on behalf of Windomnet, a political subdivision of the City of Windom, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

____
Notary Public

STATE OF MINNESOTA, COUNTY OF JACKSON) ss.

This instrument was acknowledged before me this _______ day of March, 2026, by David Meschke and Jon Saxen, the President and Secretary/Treasurer, respectively, of Federated Rural Electric Association, a Cooperative Association under the laws of the State of Minnesota, on behalf of the Association, Federated.

____
Notary Public

PURCHASE AGREEMENT

FOR VALUABLE CONSIDERATION, IT IS HEREBY AGREED as follows by and between *Windom Economic Development Authority*, a City of Windom governmental entity, as "Seller;" and Federated Rural Electric Association a *Cooperative Association* under the laws of the State of Minnesota, with a record address of 77100 US Hwy 71 S., PO Box 69, Jackson, MN 56143, "Buyer" as follows:

1. **Property:** Seller hereby sells and agrees to convey to Buyer and Buyer hereby purchases from Seller, certain real property in *Cottonwood* County, Minnesota, described as follows ("Property"):

The West 40 feet of Lots 18 and 19 in Block 18 of the Original Townsite to the City of Windom, Cottonwood County, Minnesota

2. **Purchase price:** The total purchase price of the Property is *Two Thousand Three Hundred* and no/100ths ($2,300.00) Dollars, payable to Seller on or before May 1, 2026.

3. **Closing:** Closing shall occur at the Windom Minnesota City Hall on or before **May 1, 2026** or at such other place and time as upon which Seller and Buyer may hereafter agree. Closing may be postponed for a reasonable time for good cause. Seller shall pay the normal Seller's closing costs including: deed tax, the cost of recertification of the Abstract of Title once, title correction costs and Seller's attorney's fees to prepare Seller's closing documents. Buyer will pay their normal closing costs including recording of the deed, title opinion or title insurance expense and any financing expenses.

4. **Real estate taxes:** Seller shall pay the taxes payable in *2025* and all prior years. Buyer shall pay the real estate taxes due and payable in *2026* and all subsequent years.

5. **Possession:** Sellers shall deliver possession of the Property to Buyer on the *date of closing*.

6. **Conveyance of title:** Subject to Buyer's performance, Seller shall deliver to Buyer at closing a *Warranty Deed,* fully executed and in recordable form, conveying marketable title in and to the Property, subject to the following exceptions: **"Building and zoning laws, ordinances, State and Federal regulations; restrictions relating to the use or improvement of the Property without effective forfeiture provisions; reservation of any minerals or mineral rights to the State of Minnesota, if previously so reserved; covenants, conditions, restrictions, declarations and easements of record."**

7. **Abstract of Title and objections to title:** No abstract of title is available for the Property. Buyer shall undertake whatever title examination Buyer deems appropriate to assure itself that Buyer will have good and marketable title to the property. If any objections are made, the Seller shall be allowed *120* days to make title marketable. Pending correction of title, the payments hereunder shall be postponed; but upon correction of title, and within *10* days after written notice to Buyer, the parties shall perform this agreement according to its terms.

8. **Risk of loss:** If for any reason – including, but not limited to, fire, vandalism, flood, earthquake, or act of God – there is any loss or damage to the Property prior to closing, the risk of

loss shall be on the Sellers. If the Property is destroyed or substantially damaged before the closing, Buyer, at Buyer's option, may declare this Purchase Agreement to be null and void, and in such event Sellers and Buyer shall sign an instrument canceling and terminating this agreement.

9. Default: If a party defaults on this agreement, the defaulting party shall be liable to the non-defaulting party for attorney's fees and costs incurred as a result of the default. This provision shall not deprive either party of the right of enforcing the specific performance of this contract, provided **[a]** that the contract has not been terminated as aforesaid, and **[b]** that the action to enforce such specific performance is commenced within six months after the right of action arises.

10. General warranties: Sellers warrant [a] that there are no buildings or improvements on the Property; [b] that there is a right of access to the Property from a public right-of-way; [c] that prior to closing payment in full has been made for all labor, materials, machinery, fixtures, or tools furnished within 120 days immediately preceding the date of closing in connection with construction, alteration, or repair of any structure on or improvement to the Property; [d] that Sellers have not received notice from any person or governmental authority as to any violation of any law, ordinance, regulation, or restrictive covenant and that any such notice received by Sellers will be provided to Buyer immediately. *Sellers certify that there are no known water wells or septic systems located on the Property and these warranties shall satisfy all reporting requirements.* ***These warranties shall survive closing.***

11. Property: The parties acknowledge that the Buyers are purchasing the Property "**AS IS**" *with no warranties except as to title*.

12. Entire agreement: This contract contains the entire agreement between the parties, and neither Seller nor Buyer has relied upon any verbal or written representations, agreements, or understandings not set forth herein.

SELLER: Windom Economic Development Authority

By:________________________ and ________________________

President | Treasurer

BUYER: Federated Rural Electric Association

________________________ ________________________

Its President | Its Secretary/Treasurer

Drafted by: BRADLEY W. ANDERSON, Attorney at Law, 309 Sherman Street, Box 225, Jackson, MN 56143-0225, 507-847-2052

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: February 12, 2026
RE: Federated Proposal to Acquire Windomnet – Additional Information

The 1st Reading of the Ordinance for the potential sale of Windomnet was tabled from the February 3rd meeting to February 17, 2026. Just prior to the February 3, 2026 meeting the Council was provided with two letters and additional information related to this agenda item.

Attached are the two letters, one from Federated discussing items raised at the public meeting held on January 14, 2026, responding to local control and revenue sharing. The second letter is from Midco outlining their interest in Windomnet.

Also, included in this packet is a summary of the equipment\system upgrades that was identified as needed according to Finley Engineering for their review of Windomnet on behalf of Federated.

Last, the City Council is releasing the independent appraisal that the City of Windom had completed to determine the value of Windomnet. This information had been used by the City for negotiations. Due to the receipt of a purchase offer and to address speculation by the public as to the system's value the appraisal is being released.

To: Windomnet Telecom Commissioners
From: The Federated board of Directors, Troy Rasmussen and Scott Reimer; Federated Rural Electric and Broadband.
Date: February 2, 2026
Agenda Item(s): Follow up. Federated Proposal to Purchase Windomnet.

Federated Rural Electric • Broadband

Description/History

At the January 14, 2026, joint meeting between the City of Windom city council and the Windomnet Telecom Commission, Federated presented to the attendees, who we are, what we do, how we do it and a general vision of Federated Broadband. At that meeting several attendees spoke out for various reasons however two comments were brought up in which we would like to address here and hopefully provide some closure too.

Narrative

Item # 1 which was brought up at this meeting, and previously, was local governance and local control. The Federated board has discussed this issue firmly believes this would be something worth addressing.

Formation of an Ad-Hoc Broadband Advisory Committee
An ad-hoc broadband advisory committee would be established by the cooperative's board to provide focused guidance on broadband operations, strategy, and community needs.

The board would define the committee's scope—such as reviewing service expansion plans, evaluating subscriber feedback, or advising on technology investments.

Through rotation of participants which would provide for term limits, this structure ensures the group remains mission-driven and aligned with the cooperative's governance framework while allowing flexibility in address emerging broadband challenges.

Committee membership rotation would be drawn from a diverse cross-section of the community, to include broadband subscribers, local business owners, educators, city and county representation, and other stakeholders who rely heavily on connectivity. Members would be appointed by the board through an open nomination process to ensure transparency and broad representation. By incorporating community voices directly into the decision-making process, the cooperative gains valuable insight into local priorities and strengthens trust in its broadband initiatives. The committee's recommendations would help guide leadership as they refine policies, improve service offerings, redundancy and consultation for long-term growth.

Item #2 addresses a different topic relating to the concern of revenue leaving the community.

Since the beginning of the cooperative movement many decades earlier, the concept of patronage allocation has been used to give member and patrons a financial stake in the cooperative business operations. Benefits of extending patronage to Non-Member broadband subscribers is something the Federated board has contemplated and in fact, our bylaws were modified to create another entity called a patron who is specifically someone to receives the other services the cooperative offers but is not a voting member of the coop receiving electric service. We will be proponents of a bylaw change to allow this activity to begin once the bylaws are amended by a vote of the membership to allow it. The earliest opportunity for that would be January 1, 2027. The current Federated policy will determine the availability of retirement distribution when it becomes available.

Offering patronage to non-member broadband subscribers (patrons) can significantly strengthen the cooperative's long-term financial health. When non-members receive patronage allocations tied to their broadband usage, they gain a tangible long-term stake in the cooperative's success. This incentive encourages loyalty, reduces subscriber turnover, and positions the cooperative's broadband service as a community-minded alternative to investor-owned competitors. The result is a more stable revenue base that supports continued investment in infrastructure and service improvements. The cooperative, a 501(c)(12) organization is an IRS-designated tax-exempt entity using a cost-based rate strategy as a way of ensuring affordability of our services.

Extending patronage also reinforces the cooperative principle of operating for the benefit of the community as a whole. Broadband has become an essential service, and many rural residents rely on their electric cooperative to bridge the digital divide. By sharing margins with non-member subscribers (patrons) as the business grows and succeeds financially, a retirement of patronage may become available for distribution. The cooperative demonstrates that it values everyone it serves—not just those who receive electric service. This approach builds goodwill, strengthens the cooperative's reputation, and aligns with the mission of improving quality of life across the service territory.

Finally, offering patronage to non-members helps create a unified subscriber base across electric and broadband operations. As broadband becomes a larger part of the cooperative's portfolio, treating all subscribers equitably fosters a sense of shared ownership and community investment. This can lead to increased participation in cooperative programs, higher adoption rates for new services, and stronger support for future capital projects. In the long run, the cooperative benefits from a more engaged, more satisfied, and more supportive community.

Summary

In summary, we want the Windom community to know, we have your back. Our goal of exemplary service, providing a local voice, and giving you a stake in the operations goes hand in hand with the cooperative principals that we live by.

We want you to feel confident that by allowing Windomnet into the Federated family through this acquisition, you will maintain and grow the great legacy you've started so many years ago. The staff and directors here at Federated are poised and ready to show you how we can act on our commitment to the Windom Community.

In closing, we encourage you to share this message with the Mayor and Council in support of the 1st reading of the ordinance to dispose of real estate (Windomnet) as noted in the complete memo dated January 30, 2026, from City Administrator Steve Nasby.

We look forward to your support as this matter moves ahead with confidence.

Cooperatively,

The entire Federated family

MIDCO®

February 3, 2026

VIA EMAIL

City of Windom
444 9th Street
PO Box 38
Windom, MN 56101-0038

Greetings to the Mayor, City Council Members, and City Administrator:

Midcontinent Communications ("Midco") writes this letter to reaffirm our interest in engaging with the City of Windom ("City") regarding the potential purchase of the City's fiber internet system and its associated voice and video service offerings, collectively known as Windomnet.

We are grateful for the recent opportunity to meet with members of the Telecom Commission and City staff to discuss Windomnet and to share our initial interest. At that time, we expressed our willingness to provide a formal, confidential, and non-binding indication of interest for the purchase of the assets. To respect the City's process, we have waited to present any confidential offer until the City is ready to engage with Midco more formally.

We understand the City is now formally reviewing Federated Rural Electric Association's proposed Asset Purchase Agreement. Based on the publicly available terms, we are confident Midco can provide the City with an indication of interest containing a more favorable overall proposal, addressing both economic and non-economic considerations that affect the City and Windomnet customers, subject to the opportunity to complete our due diligence and meet with the appropriate stakeholders.

Upon execution of a standard non-disclosure and confidentiality agreement, Midco is prepared to immediately provide the City with a formal, non-binding indication of interest, including the underlying purchase price assumptions. Midco anticipates a purchase price range of seven to eight million dollars ($7,000,000-$8,000,000), subject to Midco's completion of customary due diligence and the negotiation and execution of a mutually agreeable asset purchase agreement. These assumptions were substantially developed prior to learning the terms of Federated's offer and are ready to be presented should the City wish to proceed.

Our team stands ready to engage at your convenience. For ease of reference, contact information for Midco's internal team is provided below:

- **Ben Dold, President & Chief Operations Officer**
  - (605) 274-3012 – benjamin.dold@midco.com

- **Patrick McCann, SVP of Legal & General Counsel**
  - (605) 271-4144 – patrick.mccann@midco.com
- **Andrew Curley, Sr. Director of Government Relations**
  - (605) 357-5835 – andrew.curley@midco.com
- **Riley McAdaragh, Director of Strategic Finance**
  - riley.mcadaragh@midco.com

We appreciate the City's thoughtful consideration of its options and welcome the opportunity for further discussion should you determine it would be beneficial.

Regards,

MIDCONTINENT COMMUNICATIONS
By: MIDCONTINENT COMMUNICATIONS
INVESTOR, LLC, Its Managing General Partner

By:____________________________
Ben Dold, President & Chief Operations Officer

Core Network

The Windomnet core network is located at their co-location facility. The core network consists of carrier grade redundant Juniper routers and switches connecting to the Internet over two 10G links running BGP to Hurricane Electric. The Juniper MX80 routers are edge routers and will only accept default BGP routes, as they cannot handle full tables. They are limited to 10G connections and have a throughput of only 80Gbps. Finley recommends a future replacement of these routers with carrier grade core routers and suggests a budget of $100,000. Windomnet (ASN=46692) peers at Midwest Internet Cooperative Exchange with interconnection at Cologix (511 11th Ave) in Minneapolis, MN and at Omaha Internet Exchange in Omaha, NE. Windomnet owns a /20 and a /22 of IPV4 space along with IPV6 space.

The addition of two wholly owned core locations (Jackson HQ and Windomnet) would provide Federated with redundant BGP connectivity to the Internet adding carrier grade resiliency and redundancy to the Federated ISP offering.

All Windomnet systems are managed on virtualized servers shared between Windomnet and the City of Windom. This includes BSS/OSS, NMS, utilities (dhcp, NTP, etc). Finley recommends new servers for these functions. This cost is estimated at $65,000. Customer service records should migrate with ease as both Federated and Windomnet use Elations. This would be an immediate expense required for the operation and management of this network.

Access Network

All active equipment in the Windomnet network resides at the co-location facility. Triple-play services are currently provided over a Calix GPON access system and an Optical Solutions (OSI) BPON system. Video is integrated with the PON systems via CWDM at 1550nm. There are 269 subscribers that remain on the OSI BPON system which are actively being moved to the Calix GPON system. Windomnet stated that they have already purchased the required inventory to move these customers to GPON, but Finley was unable to confirm through requested warehouse inventory reports.

The Calix GPON system consists of E7 shelves located in the CO delivering GPON via GPON-8 cards in E7 shelves at revision level 3.4.0.131. Aggregation is achieved through E7 shelves equipped with 10GE-12 cards, which have an end of sale date of 9/30/22 and end of support 12/31/2027. The system hardware is utilizing the EXA software platform, which Calix has replaced with AXOS in all newer cards. The system is monitored and configured via CMS software, which has no end of life notice, but Calix SMx is the platform used for management of AXOS based systems. In the Windomnet access system, some services are delivered to the end user with P-series outdoor ONTs, which reached end of sale dates in 2020 and will reach end of support 8/30/25. Newer services are delivered to the end user with indoor 800 series GigaCenters ONTs, which have also reached end of sale and end of support.

Since Federated provides services over XGS-PON with the Calix AXOS system and Windom currently provides services over BPON and GPON with an EXA platform using CMS, Finley recommends a complete replacement of the Calix system to upgrade all customers to XGS-PON. The E7 shelves may be re-purposed for this, but all other components will need replacement. There are three options available for the access system upgrade:

The first option is to continue with the planned migration of the 269 OSI customers to the Calix GPON system using the inventory in the Windomnet warehouse. This option requires hosting CMS on a server to manage and configure the GPON system. No capital investment would be required if the server hosting CMS was made part of the acquisition, but there would be a labor component to complete this activity that is estimated at $107,600. This first option would require Federated to work closely with the City of Windom to move the City software off of the servers. Federated could also install new servers for CMS and utility services. Finley estimates this cost at $65,000. A method for remote management of the network must be determined either way. The cost of this option ranges from $0 to $172,600 depending on the approach Federated chooses to take.

The second option would be to migrate the 269 OSI customers to XGS-PON. Finley estimates this cost at $65,000 for the servers, $40,893 for the CO equipment (E7 shelves cards, and optics), and $201,336 for CPE Equipment upgrades for a total of $307,229.

The third option would be a complete migration of all 2082 customers to the XGS-PON & AXOS platform. If this option is chosen, Finley recommends the CO equipment be purchased within the first year and the customers migrating to the AXOS platform over the next five years. Finley estimates this cost at $65,000 for the servers, $169,306 for the CO equipment and $1,558,293 for CPE Equipment upgrades. This option requires a minimum capital expenditure of $234,306 to establish the Calix nodes and servers at the core and a total expense of $1,792,600 to move all Windomnet customers to the Calix XS-PON platform.
Finley recommends either option 2 or 3, as these will allow for full network integration between existing Federated and Windomnet transport and access systems with a single NMS for management. It will also provide transport for the existing Federated network to reach the core at Windom. More research needs to be done to determine the best path to align the two networks, however, these options highlight some of the major pros and cons and give a range of expected capital expenditure required.

Voice services are provisioned from a Class4/5 Metaswitch. The Integrated Softswitch is on the CH6010 hardware at version 9.5.40. The system includes a Metaview Server with SAS and a Perimeta Session Border Controller (SBC) on Dell hardware. Call Feature Server functions are provided with an Innova Systems APMax. TDM timing is achieved with a Symmetricom BITS clock with Stratum 3E Quartz holdover. Windom has a 10000 block assigned by NANPA (706-832) and is currently utilizing two blocks of 1000 (507-832-2xxx & 507-832-2xxx). Metaswitch was acquired by Microsoft in May of 2024 and swiftly announced end of life for this product as Dec 2029. It was recently acquired by Allianza on March 3, 2025. They have announced that end of life has been retracted, pledged to stabilize support, and announced a roadmap for development will be available in Q3 2025. Given the volatility surrounding the life of this product, Finley has assigned no value, however, there appear to be two viable options. The first would be to migrate all of Windomnet's voice customers to GigTel to align with Federated's voice offering. The second would be to move Federation's voice traffic to the Metaswitch. We do not have enough information at this time to provide a recommendation. The factors to be considered include the roadmap of each offering, the number of subscribers to be migrated from one platform to the other, and the intricacies and challenges of the conversion. The cost and complexities must be weighed in a more detailed review.

CCG CONSULTING

October 30, 2025

Steve Nasby
City Administrator
City of Windom, MN

Re: Valuation of the Broadband Business

Steve:

Following is my opinion of the fair market valuation of the Windomnet broadband business owned by the City of Windom. This valuation is based upon the financial results of Windomnet up through September 2025.

Below you will find the valuation summary of the company. I set the value of the business between \$5.5 million and \$6.2 million. Any sale within that range would be a fairly valued market transaction.

But in your case, it would not be unusual for a buyer to take a different view of the adjustments I have suggested for the cable TV and telephone lines of business, which could theoretically swing the values as much as \$1 million in both directions. As you'll see in the memo, dealing with valuing the two product lines is not straightforward.

Please contact me if you have any questions..

Doug Dawson
President
CCG Consulting
Blackbean2@ccgcomm.com

Valuation Basics

Standard and Definition of Value: The appropriate standard of value for this type of business is fair market value, defined as: the price at which a property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell, both having reasonable knowledge of relevant facts.

My valuation analysis considered the following factors:

- The nature of the business and the history of the enterprise.
- The economic outlook in general and the conditions and outlook specific to the telecom industry.
- The earnings capacity of the business.
- The market value of corporations engaged in the same or similar lines of business.

In creating the valuation, I used the industry standard practice of applying valuation multiples times adjusted cash flows. Multiples for the industry come from looking at recent transactions where similar companies have been sold.

Summary Description of the Company

Windomnet is owned by the City of Windom, MN, that has been established as a separate utility with its own set of books. The city also owned the electric and water utilities.

Windomnet became operational in 2005 as a cable and voice provider, and over time added broadband. The business began with a network using technology provided by Optical Solutions and is now operating a second generation of fiber-to-the-premise technology provided by Calix.

In 2007, Windomnet collaborated with eight small nearby communities that together formed the Southwest Minnesota Broadband Services. While Windomnet still provides some small amount of service to SMBS, that company has taken over its own operations.

Because Windomnet has its own separate books, the valuation is specifically based on Windomnet and does not look at the remainder of the city. However, I did examine the charges between Windomnet and other parts of the city to understand intra-government charging.

Sources of Information

I used the following information in creating this valuation:

- Books ending December 31, 2024, including income statements, balance sheets, and cash flow statements for Windomnet.
- Financial summaries from previous years.
- A current count of customers by month starting with November 2024.
- Discussions with City staff about the operations of the business.

Analysis of the Telecom Industry

The company operates in three distinctive market segments of the communications industry: as a CATV company, as a broadband ISP, and as a telephone provider. I will look at the trends in each of those areas.

Trends in Cable TV

Traditional Cable TV is Dying. The nationwide cable penetration rate has dropped by 75% since its peak. Cable companies are continuing to lose millions of customers every quarter as customers change to streaming video options. There is a huge change in the method of programming delivery underway, as programming won't come from satellites but will be delivered terrestrially over broadband. This will increase the costs for rural providers who have to pay for a lot of dedicated broadband connections. It's becoming harder to find traditional cable headend hardware as vendors ease out of the business.

Increasing Programming Prices. Programmers don't seem to get it and keep increasing the price of buying programming.

Trends in Voice

Copper Networks are Dying. At the end of August, the FCC issued a Notice of Proposed Rulemaking (NPRM) that would make it easy for telephone companies to tear down copper networks. The Rulemaking proposes to change the disclosure laws, meaning that there won't be a lot of required notice to the public or other carriers when copper is retired. This Docket would formalize the temporary process instituted in July, where the FCC exempted telcos from many of the notice procedures for two years.

PSTN to be Dismantled. This same FCC Docket is the first FCC document in many years that hints at dismantling the vestiges of the Public Switched Telephone Network (PSTN) that is in place to interconnect telephone companies. As copper networks are torn down, this is going to be accompanied by eliminating traditional trunks between carriers, tandem switches, EAS arrangements, etc. There is a high chance that the PSTN will be dismantled by 2030.

This shift has been coming for decades as the number of telephones nationwide has dropped from 98% penetration to less than 15% penetration. Many of the remaining phones are provisioned by VoIP, not by the traditional PSTN.

VOIP Will Replace Traditional Voice. The shift to VOIP will continue to the point where there may be no remaining traditional telephone service. That would eliminate a lot of the traditional telephone revenue streams like features, long-distance, 800-service, etc. It would mean the end of billing by the call or even looking at call detail records. It means the end of access charges and access billing.

End of Telephone Regulation. All of this presages the end of traditional telephone regulations. Regulators decided a long time ago that VoIP is not the same as traditional voice from a regulatory perspective.

Trends in Broadband

Broadband Demand Continues to Grow. The firm OpenVault measures total usage using software deployed in Internet hubs by the biggest ISPs around the country and around the world. The following statistics are the average nationwide monthly broadband usage per customer, which includes both residential and small businesses. These numbers combine download and upload usage.

1st Quarter 2018	215 Gigabytes
4th Quarter 2018	270 Gigabytes
4th Quarter 2019	344 Gigabytes
4th Quarter 2020	483 Gigabytes
4th Quarter 2021	536 Gigabytes
4th Quarter 2022	587 Gigabytes
4th Quarter 2023	641 Gigabytes
4th Quarter 2024	698 Gigabytes

Customers Willing to Pay for Speed. OpenVault also reported that over 40% of all U.S. households are paying for a download speed of 1 Gbps or faster.

Trends in Competition.

FWA Cellular is Dominating the Industry. FWA is home broadband sold by cellular companies using spectrum from cell towers. Today, this mostly shares the same frequencies used for 5G, but the carriers have been so successful that they are all considering dedicating spectrum just for FWA. Unlike fixed wireless, which requires an external dish to receive the signal, the FWA signal is delivered to a receiver placed anywhere indoors.

The three biggest cellular carriers have been incredibly successful with this new product. At the end of the second quarter of 2025, AT&T had 1 million customers, T-Mobile had 7.3 million, and Verizon had 5.1 million. The FWA product has accounted for the overall growth of broadband in the country for the past several years. Consider the following table that shows the net quarterly change in customers for FWA compared to all of the publicly-traded telephone and cable companies:

	Net Additions				
	1Q 2024	2Q 2024	3Q 2024	4Q 2024	1Q 2025
AT&T	110,000	139,000	135,000	158,000	181,000
T-Mobile	405,000	406,000	415,000	428,000	424,000
Verizon	354,000	378,000	363,000	373,000	308,000
	869,000	923,000	913,000	959,000	913,000
Telco	(23,562)	78,649	74,854	166,779	199,200
Cable	(159,900)	(336,279)	(265,400)	(376,126)	(316,737)

The New Bundle is Broadband and Cellular. Windomnet and many other companies succeeded in the past by assembling a bundle of telephone, cable TV, and broadband. However, as described above, the telephone and cable TV product lines are quickly dying. FWA bundles cellular with cellular broadband. The cable companies have also been highly successful in offering cell service. Consider new net sales of cell service from the first two quarters of this year:

	Q1 2025	Q2 2025
Boost Mobile	150,000	212,000
AT&T	401,000	419,000
T-Mobile	830,000	777,000
Verizon	278,000	128,000
Charter	500,000	539,000
Comcast	378,000	322,000
Total	2,537,000	2,397,000

This trend is not beneficial to smaller ISPs like Windomnet that don't have access to a cellular product (or at least one that makes any profit).

Fiber Race. There is a frenzied race for fiber overbuilders to overbuild towns and cities that don't have fiber. The most aggressive overbuilder is AT&T, which plans to build fiber past almost 20 million additional passings by 2030. Towns and cities the size of Windom that don't have fiber likely will in the next few years.

Technology is Improving

Practically every broadband technology is seeing major improvements.

- Fiber. XGS-PON has supplanted GPON, meaning an upgrade from 2.4 Gbps to 10 Gbps per cluster of customers. The vendors are starting to introduce 20 Gbps PON, and several have trials 50 Gbps PON. CableLabs has a version of PON in the labs at 100 Gbps.
- Cable HFC. Cable companies can now buy DOCSS 4.0 technology that can provide 5 Gbps download and 2 Gbps upload speeds. There are intermediate technologies called mid-splits that can improve upload speeds to over 200 Mbps on DOCSIS 3.1 networks.

- Fixed Wireless. The latest Tarana radios, and similar brands, can deliver download speeds of 500 Mbps, or even more, using unlicensed 6 GHz spectrum.
- FWA Cellular Broadband. Verizon has launched some trials of FWA in Michigan and California that show some speed tests as fast as one gigabit.
- Satellite. The new generation of Starlink satellite, which is supposed to start launching in the first quarter of 2026, provides 10 times more total bandwidth capacity for communicating with the ground than current satellites. Since satellites only last about five years, the introduction of the new satellites and a gradual replacement of the old ones should result in a significant increase in speed.

Valuation Multiples

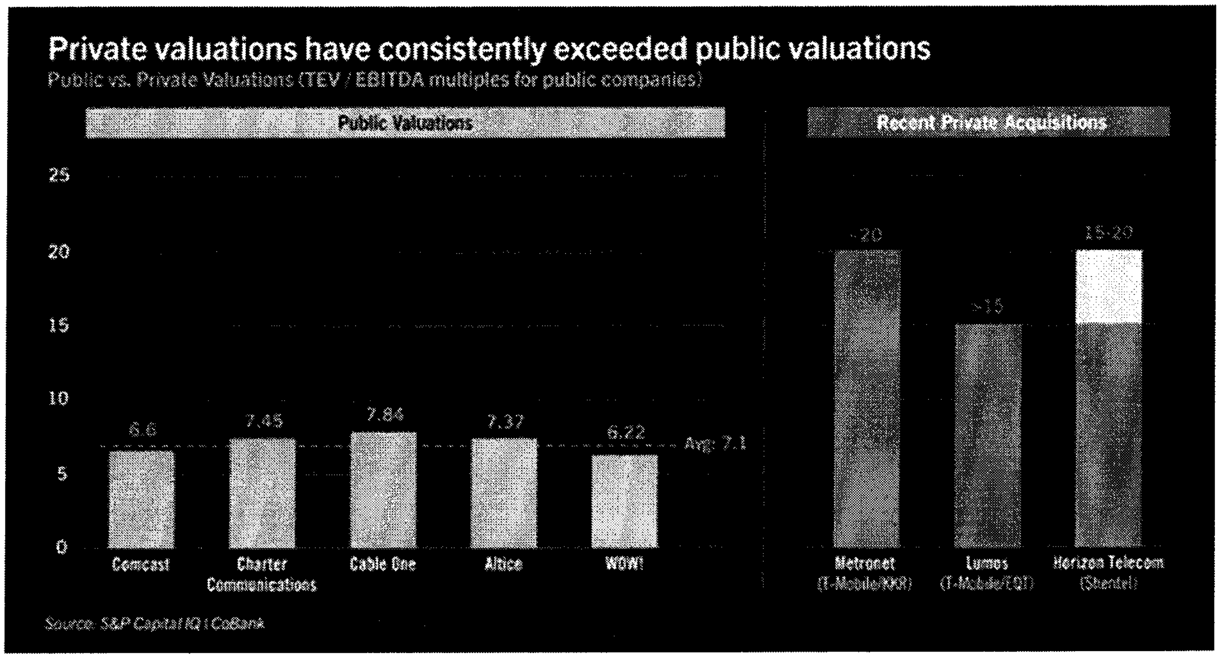
In creating the valuation, I used the industry standard practice of applying valuation multiples times adjusted cash flow. Typically, adjusted cash flow is measured by looking at adjusted EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization). Buyers look at EBITDA since it is a good measure of the net effect of revenues and expenses before considering debt or tax rates. Post-EBITDA expenses vary widely by company, and the debt or the tax rate of the seller has nothing to do with how the buyer will operate the company.

Multiples, in general, are based upon recent transactions where similar companies have been sold. However, there have not been a lot of sales of similar businesses, and even where there have been sales, the details are not public. This is not unusual over the last decade. The next discussion looks at valuation in general.

Valuations of Public Companies

The first place to look at industry valuations is at the trends impacting the valuation of publicly traded ISPs.

The following chart, which was published by CoBank in November 2024, shows the valuations of the large cable companies and also the estimated valuations of some of the largest transactions of fiber ISPs in 2024. CoBank is a bank that lends mostly to cooperatives for broadband and electric utility projects.



On the left are the valuation multiples of the five largest publicly traded cable companies. Since this chart was created, WOW! was taken private and no longer issues public financial statements.

This shows some surprisingly low valuation multiples for these companies that range from 6.22 to 7.84 times the EBITDA of each company. Valuations of public companies are set by the market instead of by a valuation process, and the total value of a company at any given time is calculated by the price of a share of stock times the number of outstanding shares. It's actually not quite that simple since these large companies typically have several different kinds of shares of stock other than the publicly-traded ones.

To some degree, these low valuations are an anomaly. For most of the last twenty-five years, the big publicly-traded companies had a higher valuation than smaller companies – a trend which is common in most industries. However, cable company stock prices (and valuations) have taken a real hit over the last few years when the companies started losing customers every quarter after a decade of non-stop customer growth.

But compare the multiples that CoBank estimates for the sale of Metronet, Lumos, and Horizon Telecom, three of the largest sales of broadband ISPs in 2024. The valuations are double the valuations of the publicly traded companies. There are a number of reasons for the higher valuations:

- The three companies own fiber networks, which in the current industry environment have more cachet than the hybrid-fiber coaxial networks owned by the cable companies.
- The three companies mostly sell broadband, with maybe some voice, while the cable companies are saddled with the cable TV business, which is becoming an albatross.

- All three companies were in high-growth mode before the sale, and were awarded a lot of value for passings they have built, which still haven't reached a mature market penetration.
- Probably the most important of all was that the announcements of these sales included statements that the buyers expected the sellers to double fiber passing in the next three or four years. One reason that CoBank can't understand the real value of the transactions is that the valuation likely includes an earn-out, which only compensates a seller for meeting goals after the sale. There is no way to know how much of the announced sales price is for the existing business, and how much is to compensate the sellers for doubling the business in the future.

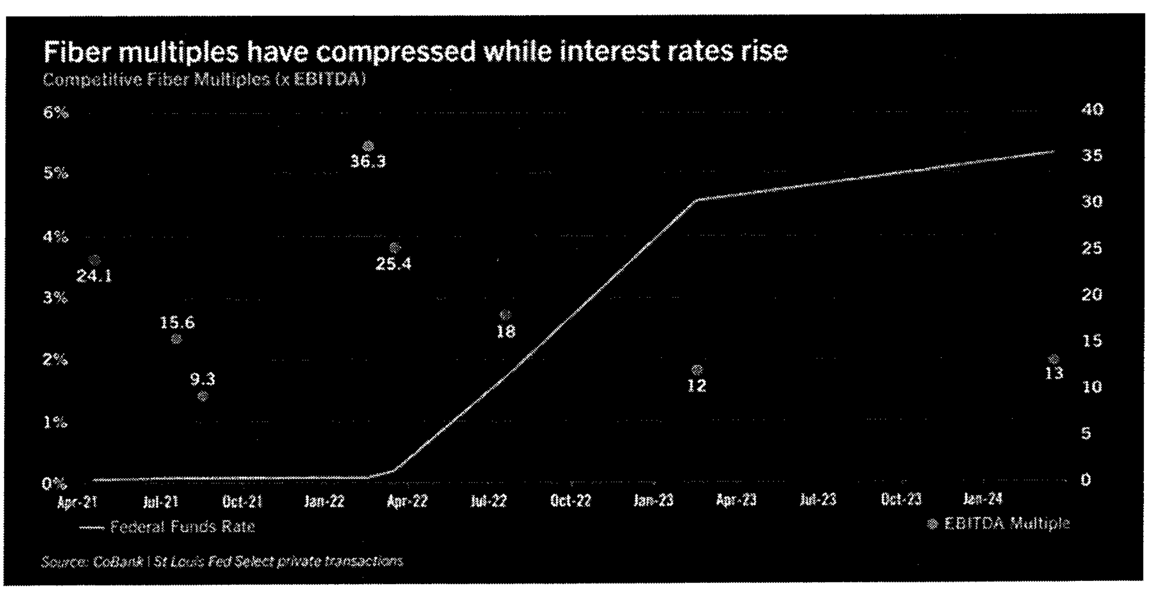
But there are still a few interesting takeaways from these figures for Windomnet:

- In the current market, smaller companies are valued higher, in general, than the publicly-traded ones.
- Fiber networks are generally valued higher than HFC networks.
- Having a cable business would depress the Windomnet valuation, but since you are ditching the product line, we can account for that.

<u>General Market Valuations</u>

The way that the telecom industry is perceived changes over time. In 2000, cable multiples were much higher than today, and cable properties at that time were the darlings of Wall Street. Valuations crashed when the tech bubble burst and still have not come back up to the values of the 90s. Cable values spiked a little five years ago when interest rates were incredibly low, just above zero. The low interest rates made it easy to justify borrowing to buy businesses. But as interest rates have risen, starting in 2022, valuations have generally returned to historical levels.

CoBank also published the following table that shows a correlation between interest rates and valuation multiples.



Interest rates started climbing in March 2022. According to the valuations shown in this table, valuations since March 2022 are lower than in the period when interest rates hovered just above zero.

That makes sense, and it raises an interesting point that every seller should understand. The amount of money any particular seller is going to give you is going to vary depending on the source of the funding used to buy you. Companies can pay for a purchase in multiple ways: cash from equity, cash from debt, cash from external venture capital, or stock (for public traded buyers).

The prices offered to buy a company is different depending on the sales is funded. Companies typically value retained earnings and equity cash much higher than cash that is borrowed, and someone paying from existing cash would typically want to pay less. Companies think about the cost of venture capital equity in such a wide variety of ways that it's impossible to understand the motivation of the buyer using VC money.

Let's look at the above graph a little more carefully. First, CoBank doesn't tell us who any of these sellers are, just that they are "competitive fiber" companies. In the period when interest rates were low, there were sales with multiples that ranged between 9.3 and 36.3. That's an extraordinary range, and there is obviously a giant difference between the operating and financial characteristics of the companies at the low and high end of that range.

Consider what a valuation multiple means in plain English. If a buyer is willing to pay 36 times EBITDA, they are giving the seller the EBITDA they would earn for the next 36 years (if the company didn't grow). A company getting a multiple that high must have some extraordinary potential for future revenue that the buyer is willing to pay for. But consider the low multiple range. Paying a company a multiple of 9 is paying them the margin they would generate for the next nine years.

This raised the interesting question of why any buyer is willing to pay for multiple years of earnings to buy a business. Valuations for retail businesses are much lower than valuations for fiber ISPs. For example, a valuation for an ice cream store might only be two times EBITDA. What makes a fiber business worth more?

- One factor that makes an ISP more valuable is that revenues are generally more reliable. Some economists argue that broadband is countercyclical to the economy, meaning that when the economy gets tight, more people buy broadband, and people with broadband try hard to keep it. By contrast, in a bad economy, the ice cream store might lose so much business that it folds.
- Broadband businesses tend to have predictable expenses. The industry is not affected too much at the operating expense level by external costs like the impact of tariffs on some businesses. One of the biggest expenses is labor, which is typically quite predictable. Broadband businesses aren't immune from normal inflation, but many of their expenses increase more slowly than the overall rate of inflation.

- Buyers are willing to pay a premium for expected growth. If an ISP has been growing revenues by 10% per year, and the seller can convince the buyer that the growth is sustainable, a buyer might pay more for that growth. Growth is the only way to justify the highest valuations on the CoBank graph.

How do these issues impact Windomnet? Your broadband business has been steady and predictable. There is no reason to suspect a collapse of revenues unless a new fiber overbuilder came to the City. That would be a rare event in a market of your size, since the new overbuilder is going to understand that you already effectively have all of the broadband customers.

Windom has some broadband competition today:

- The most significant competition comes from FWA cellular wireless sold by AT&T, Verizon, and T-Mobile. These companies have been successful for the last five years by bunding home broadband at an affordable price with cell service.
- There is fixed wireless competition from Midco, MVTV, Rise Broadband, and GigFire. These providers have undoubtedly gotten a few customers in the City, but Windomnet speeds are much faster and your network is reliable, while these companies are not.
- There are probably a few folks who are buying Starlink satellite broadband. Their big marketing advantage is mobility. There may be some residents who use their campers a lot and buy Starlink to use in the camper when they travel and for home when they don't travel. But Starlink is not competitive for residents who don't need that mobility.
- Windomnet's big advantage is that you are not competing against an incumbent cable company.

One last issue that doesn't affect the valuation, but that can directly influence the offer, is the banking arrangement for a buyer that uses debt financing to buy you. Every lender and a bank have specific expected metrics that are expected of a borrower. Every company has a natural borrowing limit that is set by the bank, which equates to the maximum amount of debt that a bank thinks a lender can afford. Where this comes into play in the purchase of a business is that the bank can set a cap on the amount of the purchase it is willing to finance. A buyer might think a business is worth $10 million, but if the most the bank is willing to lend is $8 million, then that's the highest possible offer from that buyer. We can't account for these kinds of specific issues in a valuation, but they are a real issue for any specific buyer.

<u>Windomnet Specific Valuation Multiple</u>

The above discussion is interesting, but doesn't talk about the specific range of valuation for Windomnet. Following is a summary of the issues that have the most impact on the Windomnet valuation.

- Your business is tiny when compared with the scale of all ISPs. This means you bring no economies of scale to most buyers, and in fact, incorporating your small business into an existing ISP might require more effort than the benefit.

- Being fiber-based gives you a higher valuation than a cable company, a telco that still has copper networks, or a fixed wireless provider.
- From a broadband growth perspective, the company is static. You gained less than 1% broadband customer growth over the last year. This puts Windomnet at the opposite end of the scale of companies like Metronet, which got a high valuation that assumed the company could double in size within five years of a sale.
- A huge downside that must be considered is that the traditional telephone service business line is dying. Windomnet lost almost 8% of telephone customers over the last year. On top of that, the traditional telephone business is starting to collapse nationwide, and I find it likely that it won't exist as we know it in another five years.
- Luckily, you have decided to abandon the cable business, and doing so greatly increases your valuation. If you tried to sell the business with the cable business intact, you'd be worth less.
- You are considered to be rural, which is a positive in terms of the likelihood of seeing any serious competition in the market. A buyer would offer a lower multiple if you were in a more heavily competitive market. But you don't face zero competition in that all facility-based ISPs are seeing some serious inroads from cellular FWA competition.
- The GPON network is operating well, but we must recognize that GPON technology will be phased out over the next 5-7 years. A buyer might ding your valuation a bit to recognize that they will have to pay for upgrades to XGS-PON. It also would not be unusual to see a buyer lower an offer if they are wedded to a different brand of electronics. But I would not suggest any adjustments for technology.
- As CoBank has shown, there is a definite relationship between valuations of all businesses and interest rates. Interest rates have come down somewhat in the past quarter, but there is already some concerns that they might need to be increased again next year.

When I consider all of these factors, I set the valuation multiple for Windomnet at a current market multiple of 8 to 9 times EBITDA. This puts your value a little higher than the big cable companies, but not nearly as high as the big public sales you've heard about over the last few years. Those big sales were companies that were very different than Windomnet, with the biggest factor being the ability to execute on fast growth and expansion into new markets.

Valuation Analysis

I based the valuation on the annualized 2025 financial statements. Annualized means that I took revenues and expenses as of the end of September 2025 and multiplied by 1.33 to estimate what the revenue and expenses would be for the whole year of 2025. I could have used the end-of-year 2024, but I felt comfortable with annualized numbers because the results were close to the 2024 numbers. Total revenues dropped less than 1% from 2024 to annualized 2025, while revenues grew by less than 1%.

I then made adjustments for known and measurable changes that affect earnings.

The first set of adjustments was to calculate EBITDA. From ledger revenues, I subtracted interest income. From ledger expenses, I subtracted depreciation, interest expense, and bond principal payments.

I then looked at what can be referred to as normalization adjustments. This would be an adjustment to remove revenues or expenses that a buyer is likely to ignore in setting a valuation (or that you might convince them to ignore). These adjustments are forward-looking and try to anticipate how a normal buyer might operate the business.

The Adjustments

I made two adjustments that need to be explained.

Cable TV

Windomnet has made the decision to exit the traditional cable business. This is becoming commonplace in the industry, and CCG knows a dozen companies that exited the business in just the last year. The traditional structure of the business is crumbling. Programming costs continue to climb at rates far higher than inflation. The vendors that make the electronics for headends are easing out of or exiting the business. The method of delivery is changing from getting TV programming from satellite links to getting programming from terrestrial broadband links, which increases the cost.

The most beneficial adjustment in your favor is to fully exclude cable TV from your financials. It's clear that you are losing money on cable TV since expenses exceed revenues. The situation worsens monthly as customers drop cable service. The adjustment that is most in your favor excises cable from your books and pretends it doesn't exist.

I've made an adjustment that removed the obvious cable TV revenues and expenses, which would show that you are losing just under $200,000 per year on cable TV when looking at annualized revenues and costs. You may have cable-related expenses buried in other parts of the ledger that would support a higher savings from exiting the cable business line.

One of the most interesting things about valuations is that they can't predict how a potential buyer will view large adjustments like this. A buyer might not adjust your book earnings at all for exiting cable, and you might need to convince them to do so.

Depending on the buyer, there is a possible middle-ground since there are ISPs that sell a slimmed-down version of cable that offers far fewer channels and that is completely delivered to them over backhaul without the ISP having to own headend electronics. An ISP with this product might hope to maintain some of your cable customers on their product, meaning they would not want to fully credit you with eliminating cable. A valuation can't easily consider all possible reactions from all buyers, and I've chosen adjustments that are easiest to defend.

Traditional Telephone

It's going to be a lot harder to adjust for the changes taking place in the traditional telephone business. Consider the following changes that a buyer might want to make to your books:

- In 2025, it looks like you are going to lose about 8% of traditional telephone customers, and an even greater percentage of telephone revenues. Windomnet is not unique, and the same thing is happening to everybody selling traditional voice.
- There is a big migration to VoIP underway. We even know traditional regulated telephone companies that are abandoning telephone switches and changing to VoIP to improve or maintain margins.
- It's getting more expensive to maintain and operate a traditional voice switch. Costs for things like SS7 have shot through the roof, and the companies that offer the service are obviously preparing to either exit or profit from those willing to pay to keep the dying technology.
- Telephone companies are tearing down or decommissioning copper networks at a frantic pace. It seems likely that, as this starts to reach a conclusion in 3-4 years, the traditional PSTN will not be far behind. My personal prediction is that the PSTN will be dismantled, or be in that process, by 2030. That means tandem switches will disappear. That means the end of intercarrier trunks for long-distance and local calling. It means the end of access billing, and probably the end of long-distance billing.

Windomnet also must realize that any buyer that is not a traditional voice provider is going to find your existing voice business to be a mystery. They will be unfamiliar with almost every aspect of it, such as:

- Operating the voice switch and the network consisting of segregating telephone traffic into different trunks.
- Having to buy SS7 and maintain trunks to 911 centers.
- Recording calls and billing long distance by the minute.
- Billing for CABs (this will astound them).
- Buying wholesale long-distance minutes to resell.
- Offering what they will consider as esoteric products like features, PBX trunks, and 800 numbers.

The percentage of ISPs that offer traditional voice is quickly dwindling, and there will be few outside of traditional regulated telcos that still offer the full traditional service. The chances are very high that any potential buyer is not in the business.

If a potential buyer fully recognizes that these changes are pending in the reasonably near future, they are going to want to disregard some of your telephone revenues as unsustainable. This adjustment has the opposite impact of eliminating cable TV and lowering traditional voice revenues is not in your favor.

With these issues in mind, what is a reasonable adjustment? I can think of several ways that a buyer might consider making an adjustment:

- Every buyer, including one that is already in the voice business, will discount your revenues to account for your continuing loss of customers. A practical way to adjust for this is to only assume the net present value of voice revenues that include an ongoing 8% annual loss. That math would adjust downward about 40% of all telephone revenues, which for 2025 would be $165,000. I would not be surprised to see a buyer making a smaller adjustment, perhaps half of that. Thus, this adjustment might vary between $80,000 and $165,000 – but not in your favor.
- Most likely buyers will be selling VoIP. Most ISPS sell only one VoIP product – a telephone line with full features and unlimited long distance. They don't sell PBX trunks or 800 numbers or anything that is not a line with long distance. This kind of buyer might assume that they can convert many of your current customers to VoIP. If so, they would likely reduce your current revenue stream to be only that single VoIP product priced at their rate. We've seen ISPs that price VoIP between $15 and $30 per month, but the most common charge is $20 per month. If we assume that your current customers would be priced at $20 per month, a buyer would adjust your telephone revenues downward by $153,000. If the buyer currently has a VoIP rate of $25, the downward adjustment would be $88,000. This adjustment eliminates every current revenue that is not direct lines. It eliminates long-distance, trunks, CABs, and every revenue that is not lines.
- Realistically, a buyer might combine the two adjustments. They might assume that the only ongoing revenue stream is their traditional VoIP product and eliminate everything else. They likely would also still want to account for the continued loss of customers. For an ISP that has a $20 VoIP product, this would equate to an overall adjustment of $257,000. If VoIP is priced at $25, this adjustment would be $218,000.
- Finally, a sophisticated buyer who believes that traditional voice will die in five years might want to drastically reduce your telephone revenue before making an offer. They might be willing to babysit the revenue stream using your current switch, but also realize that it's probably going to cost a lot of money to exit the business. I would not be surprised by a buyer with this perspective discounting your telephone revenues by 75% to 80%. You are hopefully not going to encounter a buyer with this perspective, but it would be hard to argue with their logic.

I expect that Windomnet is surprised by this adjustment because it says that your current telephone revenue stream is a liability and is worth a lot less to a buyer than your ledger numbers. You clearly understand the continuing loss of customers, which has been happening for years. You've started to see the crumbling of the PSTN as costs like SS7 have skyrocketed. But it's likely that you haven't concluded that traditional voice is a dying product line, much like what already happened to traditional cable TV.

Real Estate

The only other adjustment that might be considered would be the value of transferring land and buildings to a buyer. In your case, that sounds like a single building.

Most valuations don't make any adjustment for real assets unless the asset has a high valuation on its own. I've seen sales of municipal networks where one of the conditions of the sale is that the buyer either leaves 2-3 years after the sale or pays a market rate for a property over and above a normal valuation.

But for most markets like yours, real estate goes along for the ride with the sales price, as do the other assets. As you'll see below, a buyer is essentially buying a profitability stream, and the assets used to drive those revenues are secondary to the transaction. A large majority of the sales I've been involved in would not put a separate value on a property that comes from a sale. Doing so would likely just motivate a buyer to lower the offer for the business to offset the real estate transaction. I've not made any adjustment for the building and land, but as the seller, you are certainly free to ask for it to be valued separately.

Base Valuation

	2025 Annualized
Revenue	$2,758,810
Expenses	$2,098,062
EBITDA	$ 660,749
Adjustments	
Eliminate Cable TV	$ 194,816
Recognize Drop in Voice	($ 165,000)
Total Adjustments	$ 29,816
Adjusted EBITDA	$ 690,565
Valuation Multiple	Low 8 X Adjusted EBITDA High 9 X Adjusted EBITDA
Valuation	Low $5,524,520 High $6,215,085

As described above, this assumes the most beneficial adjustment from Windomnet's perspective. A buyer might consider something smaller. The voice adjustment is not conservative, but a buyer might also make a much larger adjustment.

As you can see, the valuation is a range, and I would expect a neutral buyer to offer to buy the company at a price somewhere in this range. However, in your case, a buyer might make a far harsher adjustments for cable TV or voice and use such adjustments to offer even less. The adjustments above are reasonable adjustments, but they are not the only way to look at cable TV and voice.

Another way to look at a valuation is to look at the valuation in terms of potential sales price per customer. I estimate that as of the end of this year, Windomnet will likely have around 2,293 broadband customers. Using the above valuation range produces a potential sales price of $2,409 per customer for the low valuation and $2,580 for the high valuation.

How do these customer values compare to other sales in the sector? Tiny rural cable systems have been selling for as low as $500 per customer. Valuations for suburban fiber providers might sell for prices in the same range of $4,000 to $5,000 per customer. Large urban fiber systems have been going for as much as $8,000 per customer. Some of the current public sales, like the T-Mobile purchase of Metronet, are showing huge values per purchased customer, but it's clear that T-Mobile is paying for more than just the existing customer base.

What to Do With This Valuation

You must always recognize that the motivations of a buyer might drive them to offer a purchase price outside of the range I am suggesting. If a buyer thinks that purchasing you is key to their long-term strategy, they might offer a premium price. A buyer who is intrigued, but not highly motivated might make as offer at a substantial discount. Some buyers are only looking for bargains.

Buyers don't always go through the same process as this valuation, which considers market multiples and adjustments to EBITDA. It's common for a buyer to rely on an evaluation of their banker, who gives them a top number the bank is willing to finance. That number might have less to do with Windomnet and more to do with the existing debt structure of the buyer. Nobody who uses debt financing is ever going to offer more than their banker is willing to fund.

Even buyers who look at the evaluation traditionally can come to a very different conclusion. They might assume a higher or lower market multiples. There is a lot of room to look at the adjustments for cable TV and voice in very different ways. I would not be shocked to see a buyer who makes only minor adjustments for voice.

I've done a lot of evaluations related to the sale of a business. I did a valuation for a municipal fiber network where the offer was within $100,000 of the mid-range of my valuation. But I've also done valuations where offers came in substantially higher or lower than my valuation. Recall at the beginning of the report I said that the valuation was based on what a neutral buyer should offer for the business. There are no neutral buyers. Everybody thinking of buying your business has their own motivations, which you will likely never understand. Buyers have their own issues with cash flow and borrowing limits, which are unrelated to the purchase.

What happens if you get an offer far below what I am suggesting? You might think about showing a buyer this evaluation, but that could just as easily drive them to offer even less since they might increase the adjustments they make to cable and telephone.

Believe it or not, when buyers and sellers are far apart, closing the gap often comes down to old-fashioned horse-trading. Buyer and sellers often go through multiple rounds of making counteroffers until they hit a number that satisfies both parties. Don’t feel constrained from making counteroffers – it’s part of the sales process.

MIDCO

February 20, 2026

Greetings City Administrator Nasby,

This letter is intended to clearly and respectfully articulate Midcontinent Communications' (Midco) strong interest in Windomnet, respond to questions raised during the February 17 ordinance reading, and outline why providing the City of Windom additional time and flexibility to fully evaluate its options would be in the community's best long-term interest.

We appreciate the thoughtful dialogue from City Council members and residents. The decision before you is significant, and we believe it warrants a process that fully considers value, risk, community impact, and long-term outcomes – not just speed.

Midco's Interest and Readiness

Midco has followed Windomnet's development with professional interest for several years. In 2023, using only publicly available information, we conducted a high-level internal review to better understand the system should the City ever choose to explore a sale. At that time, Windomnet was not for sale, and out of respect for the City's ownership, Midco took no further action.

Midco first learned that the City was actively considering a sale during the week of January 5, 2026. We immediately engaged, traveling to Windom for an in-person meeting and following up with City leadership and staff to understand priorities, constraints, and community concerns.

Importantly, Midco developed its preliminary valuation independently and before Federated's offer was made public. Based on that analysis, Midco was prepared to offer \$1–\$2 million more than Federated without having seen their proposal. After reviewing Federated's \$5.75 million offer (with \$250,000 of the stated \$6 million purchase price becoming a City liability at closing), Midco waived confidentiality and formally submitted its letter of interest on February 3, followed by direct communication with City Council on February 17. This sequence matters. It demonstrates that Midco's interest is serious, well-considered, and value-driven, not reactive.

MIDCO®

Timing and Process

If the City determines that selling Windomnet is the right path, how that decision is made is just as important as whether it is made.

Should Federated withdraw its offer following a vote not to approve the ordinance, Midco is prepared to proceed immediately on the same commercial terms, even without completing due diligence. This ensures the City is not disadvantaged by allowing time for further evaluation.

If permitted to conduct our own due diligence, at our expense and using internal personnel, there is meaningful upside potential for the City. This review could be completed within a 90-day period and would include audited financials, network and facility inspections, and customary business records. Midco would undertake this diligence with the clear intent to close, not delay, renegotiate, or withdraw.

Allowing time for a competitive process does not weaken the City's position. It strengthens it. The City risks nothing by ensuring all viable options are fully evaluated, and it gains leverage that could result in improved terms, enhanced offers, or additional interested parties.

Flexible Deal Structures to Serve the Community

We understand the City may face constraints on accessing sale proceeds until bonds are retired in 2032. While we are not yet aware of the specific limitations on early repayment, Midco is open to creative, community-focused structures that could provide near-term benefit.

These could include combinations of purchase price, partial sale, or partial gift arrangements, allowing any amount exceeding bond obligations to be directed toward:

- The City's general fund
- A community development fund
- Direct investment in priority facilities or projects, such as a pool, gymnasium, or other civic needs

Our goal is not just to acquire infrastructure, but to help the City convert an asset into long-term community value.

MIDCO®

Pricing, Products, and Excellent Customer Service

Questions raised at the February 17 hearing regarding rates, competition, and customer retention are valid and critical.

As outlined in the attached pricing comparison, Midco's offerings are highly competitive with both Windomnet and Federated across product lines. In addition, Midco is preparing to launch a mobile service this summer through a partnership with a nationwide network, enabling bundled home and mobile connectivity that increasingly reflects customer expectations.

Midco continues to invest heavily in its video platform, MidcoTV, with features including:

- Streaming across TVs and mobile devices
- Multichannel viewing
- Cloud DVR
- A wireless-based TV platform
- 4K content, including major national broadcasts

Equally important, Midco has twice been recognized by J.D. Power for highest customer satisfaction among residential internet providers in our region, including customer service satisfaction. We offer 24/7 support and 15-minute appointment windows—standards that reduce frustration and increase trust.

Ongoing Revenue and Reduced Risk for the City

Under Minnesota law, any third-party video provider would be required to obtain a video franchise from the City, generating up to a 5% franchise fee on gross video revenue. Based on 2024 unaudited financials, this equates to approximately $37,500 annually, with no operating risk or capital burden to the City.

This structure ensures the City remains cash-flow positive, while aligning both parties around rebuilding and sustaining the video customer base.

Local Roots, Regional Scale

Windomnet's local ownership is a point of pride, and Midco respects that deeply. Our Minnesota roots date back to 1931, and today we employ more than 375 people who live or work in the state, serving more than 200 communities. Our nearest Technical Operations Center in Fairmont supports service across southwest Minnesota. Through the Midco Foundation and local sponsorships, we invest consistently in the communities we serve because long-term success depends on strong local partnerships, not short-term transactions.

The City of Windom has an opportunity to make an important decision, and it deserves a process that is deliberate, informed, and aligned with the community's long-term interests.

We respectfully ask that you allow Midco the opportunity to engage further, complete our evaluation, and present a fully developed proposal. Doing so preserves your options, strengthens your negotiating position, and ensures that if a sale occurs, it is truly the best outcome for Windom and its residents.

We appreciate your consideration and welcome continued dialogue.

Sincerely,

Ben Dold
Midco President & COO

Enclosure: Pricing Comparison

Price and Service Comparison

MIDCO

	Windomnet	Federated	Midco
Data/Internet	$85 (100/100 Mbps)	$70 (100/100 Mbps)	$30 (100/100 Mbps)
	X	X	$49 (125/125 Mbps)
	$100 (250/250 Mbps)	$85 (250/250 Mbps)	$69 (250/250 Mbps)
	X	X	$79 (500/500 Mbps)
	$125 (1 Gig/1 Gig)	$100 (1 Gig/1 Gig)	$89 (1 Gig/1 Gig)
	X	X	$99 (2 Gig/2 Gig)
	X	X	$199 (5 Gig/5 Gig)
Video/TV	X	X	Free (200+ ad-supported channels)
	X	X	$34 (78 channels)
	$85 (96 channels)	$85 (95+ channels)	$54 (96 channels)
	$95 (124 channels)	$95 (125+ channels)	$89 (135 channels)
	X	X	$99 (182 channels)
	*$80 internet package required to stream.	*$70 internet package required to stream.	*$30 internet package required to stream. Note: All MidcoTV packages include 200+ ad-supported channels.
Voice/Home Phone	$30 (Basic)	$25 (Basic)	$14.99 (Basic)
	X	X	$29.99 (Upgraded)
Mobile (Full-market launch Jan. 2027)	X	X	$15 (per line, by-the-gig)
	X	X	$30 (per line, unlimited)

<u>TITLE AND SUMMARY</u>
OF
ORDINANCE NO. 204, 2^{ND} SERIES

AN ORDINANCE OF THE CITY OF WINDOM, MINNESOTA,
APPROVING THE SALE OF CITY-OWNED REAL ESTATE

THE CITY COUNCIL OF THE CITY OF WINDOM ORDAINS:

WHEREAS, the City of Windom is seeking to dispose of Windomnet, a public telecommunications utility, the real property, building, underground fiber optic lines and related infrastructure and all equipment, inventory, vehicles and other personal property contained on the Real Estate (hereinafter "Windomnet"); and

WHEREAS, the City of Windom received an acquisition proposal from Federated Electric/Broadband ("Federated") to purchase the following real estate and operate Windomnet as part of the purchase of the Real Estate; and

WHEREAS, the City Council of the City of Windom determined said sale to be in the best interests of the City of Windom and its citizens, and approved the terms of the sale of the Real Estate to Federated, along with the assets of Windomnet.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WINDOM, MINNESOTA, APPROVES AND ORDAINS:

The property described as: **Lots 20, 21, 22 and 23; the vacated alley located between Lots 21 and 22; and the North 12 feet of the vacated alley located between Lot 1 and Lots 20 through 25, EXCEPT the West 58.00 feet thereof; all in Block 18 of the Original Townsite of the Village (now City) of Windom in Cottonwood County, Minnesota.** ("Real Estate") Parcel #25-820-1690; and Windomnet assets shall be sold to Federated.

The following is a brief summary of the terms of this sale as set forth in the "Assets Purchase Agreement" ("Agreement") between the City of Windom, dba Windomnet, and Federated Rural Electric Association, a Cooperative Association, which Agreement accompanied the Ordinance.

1. The purchase price for the real property, structures, personal property, software programming, client lists, records, inventory, fixtures, equipment, vehicles and other miscellaneous assets required to operate Windomnet is $6,000,000.

2. Payment terms include payment of $5,750,000 on May 1, 2026, and deferral of payment of $250,000 for 18 months. If upgrades and improvements to the system made by Federated exceed $250,000, then payment of this amount shall be cancelled. Property shall be inventoried and values assigned to the various assets.

3. The real estate shall be transferred by warranty deed and the other property by bill of sale.

4. The Agreement lists the personal property and assets, such as existing accounts receivable, and liabilities to be retained by Windomnet and procedures to be followed.

THE CITY COUNCIL OF THE CITY OF WINDOM, MINNESOTA, FURTHER ORDAINS:

EFFECTIVE DATE: This ordinance, or an approved Title and Summary of this ordinance, shall be published in the COTTONWOOD COUNTY CITIZEN; and this ordinance shall be in full force and effect immediately upon publication.

ORDINANCE ADOPTED AND PASSED and Title and Summary approved for publication by the City Council of the City of Windom, Minnesota, this 3rd day of March, 2026.

NOTICE: A COPY OF THE ENTIRE TEXT OF ORDINANCE NO. 204, 2ND SERIES IS AVAILABLE ON THE CITY'S WEBSITE AT www.windom-mn.com OR PRINTED COPIES ARE AVAILABLE FOR INSPECTION BY ANY PERSON AT:

Windom City Hall
444 9th Street, Windom, MN 56101

During regular office hours (Monday thru Friday – 8:00 a.m. to 4:30 p.m.)

AND AT: Windom Public Library
904 4th Avenue, Windom, MN 56101

During regular library hours: Monday – 9:00 a.m. to 7:00 p.m.
Tuesday thru Friday – 9:00 a.m. to 5:30 p.m.
Saturday – 9:00 a.m. to 12:00 p.m.

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ORDINANCE NO. 204, 2ND SERIES:

1st Reading: City Council Meeting – February 17, 2026
2nd Reading & Adoption: City Council Meeting – March 3, 2026
Publication of Title and Summary & Effective Date: March 18, 2026

CITY OF WINDOM, MINNESOTA
By Hilary Mathis, 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: Kjell Turner, Windom Fire Relief Association
DATE: February 27, 2026
RE: Benefit Increase Request
DEPT: Fire
CONTACT: Ben Derickson, Fire Chief

Recommendations/Options/Action Requested

The Windom Fire Relief Association requests that the City Council take the following action:

1. Authorization to increase the annual benefit from $3,300 to $4,000 per firefighter per year of service.

Issue Summary/Background

The Windom Fire Department Relief Association wishes to raise the retirement benefit from $3,300 per year of service to $4,000 per year of service. The last change for the Windom Relief Association was in 2024. Our investments have done well and presently have more than enough to cover the increase. The Windom Fire Relief Association will review their investment portfolio quarterly and make necessary benefit adjustments to remain self-funded.

The City Administrator provided some communities that have previously been used for labor study comparisons. These communities' Firefighter pension amounts are as follows plus three other communities the Relief Association included.

City	Active Members	Municipal Contributions	Annual Benefit
Luverne	33	$15,000	$2,750
Morris	33	$0	$2,400
Cannon Falls	30	$0	$2,700
Sauk Center	29	$9,500	$2,900
St. James	28	$0	$2,700
Montevideo	34	$10,584	$3,800
Litchfield	30	$0	$2,400
Marshall	42	$5,977	$6,200
Redwood Falls	31	$16,008	$3,450
Cass Lake	22	$10,850	$4,000

Fiscal Impact

Also, even with this proposed change from $3,300 to $4,000 we would still be under the amount need to fund all needs without having a shortfall.

Attachments

1. None.

STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR

(651)296-2551 | State.Auditor@osa.state.mn.us | www.osa.state.mn.us

Statement of Position
Considerations When Making Benefit Changes

Date Reviewed: 12/23/2025
Date Revised: 12/23/2025

This Statement of Position is not legal advice and is subject to revision.

Benefit level changes can be made at any time during the year and can be changed more than once during a year. However, benefit level changes can only be made for future benefit payments because relief associations do not have authority to make benefit changes retroactive. For example, a relief association could adopt a benefit level change in November and specify that it becomes effective on January 1 of the upcoming year. A relief association cannot adopt a benefit level change in March, and specify that the change became effective retroactively, back on January 1.

Step 1: Determine the Maximum Allowable Benefit Level

When establishing an annual benefit level, relief associations must choose an amount that does not exceed the maximum benefit level amount authorized under State law. Currently, the maximum allowable benefit level is $20,000 per year of service or $100 per month for each year of service.[1] A relief association cannot increase its benefit level to an amount above the applicable maximum, even if municipal approval of the increase is obtained. The penalties for paying a service pension at a rate higher than the applicable maximum level are severe and include disqualification from receiving fire state aid.[2]

Step 2: Run Financial Projections

Relief associations should understand the long-term impact a potential benefit level change could have on the association's funded status and financial requirements before adopting the change.

<u>Defined-Benefit Lump-Sum Pensions</u>

Relief associations that pay defined-benefit lump-sum pensions can use the OSA's Schedule Form to run projections. Enter a benefit level on page one of the Schedule Form, and the Form automatically calculates the accrued liabilities and projected asset amounts, and the amount of any city or town contributions that would be required during the upcoming year to support the potential benefit level change.

[1] *See* Minn. Stat. § 424A.02, subd. 3.
[2] *See* Minn. Stat. § 424A.02, subd. 3a.

A “Benefit Level Projections Tools” is a tab contained within the Schedule Form that a relief association may use as a resource to estimate the impact that benefit level changes or investment rate of return changes could have on the relief association's funded status and financial requirements. Relief associations may also seek assistance from their accountants or actuaries to project the effect that proposed benefit levels could have on an association’s finances for several years into the future. Performing these calculations will help relief associations and their affiliated municipalities understand the potential costs of a proposed benefit level.

Defined-Benefit Monthly Pensions

Relief associations that pay or offer defined-benefit monthly pensions should work with their actuary to project the effect that proposed benefit levels would have on an association’s finances. The financial requirements for relief associations that offer or pay monthly pensions are calculated differently than the financial requirements for associations that pay only lump-sum pensions. Consequently, using the Schedule Form to run projections will result in inaccurate results for monthly plans.

Step 3: Relief Association Board Approval

If a relief association’s board of trustees (Board) determines that a benefit change is appropriate after reviewing the association’s maximum allowable benefit level and running financial projections, the change needs to be officially approved during a meeting of the Board. Relief associations should follow the amendment procedures set forth in their bylaws and Open Meeting Law requirements when making a benefit level change.

Step 4: Municipal Ratification

The next step in making a pension benefit level change is to seek municipal ratification of that change.[3] Municipal ratification of a benefit level change is usually required before the new benefit level becomes effective.[4] Relief associations should provide a bylaw amendment containing the benefit level change approved by the relief association Board to the city council or town board for ratification. The city council or town board can choose to ratify the benefit level change or choose not to ratify the change. Once the bylaws containing the benefit level change are ratified by the municipality, the benefit level is guaranteed by the municipality and the municipality assumes responsibility for ensuring the special fund has sufficient assets to cover approved benefit levels.[5]

Step 5: Submit Amended Bylaws and Approvals

Copies of the amended bylaws, relief association Board approval, and municipal ratification should be maintained for the relief association’s records. In addition, the amended bylaws and copies of the Board and municipal ratification should be submitted to the OSA.

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[3] A relief association affiliated with an independent nonprofit firefighting corporation should seek ratification of any bylaw changes from the corporation. If the corporation ratifies the change, the corporation assumes responsibility for fully funding the approved benefit levels.

[4] *See* Minn. Stat. § 424A.02, subd. 10.

[5] For more information about municipal ratification of benefit levels and required municipal contributions, see the Office of the State Auditor’s Statement of Position titled “Required Municipal Contributions to Volunteer Fire Relief Associations.”

SEH

Application for Payment
(Unit Price Contract)
No. 2

Eng. Project No.: WINDM 184614 | Location: Windom Municipal Airport

Contractor	Svoboda Excavating Inc.	Contract Date	9.11.25
	315 Peterburg Dr	**Pay This Amount**	**$ 21,545.50**
	Jackson, MN 56187	Contract Amount	$ 172,875.00
Contract for	2025 Taxilane Widening		
Application Date	2.12.26	For Period Ending	12.31.25

Item No.	Item	Unit	Est. Quantity	Quantity to Date	Unit Price	Total Price
C-105	MOBILIZATION	LS	1	1	$16,000.00	$16,000.00
50-12	MAINTENANCE AND RESTORATION	LS	1	1	12,000.00	$12,000.00
50-07	CONSTRUCTION LAYOUT AND	LS	1	1	11,000.00	$11,000.00
70-08	TRAFFIC PROVISIONS/AIRPORT	LS	1	1	15,000.00	$15,000.00
C-102	SEDIMENT CONTROL LOG, TYPE	LF	625	417	7.00	$2,919.00
P-101	SAWING CONCRETE PAVEMENT	LF	255	255	20.00	$5,100.00
P-152	COMMON EXCAVATION (EV)	CY	230	266	50.00	$13,300.00
P-152	SUBGRADE EXCAVATION (EV)	CY	50	0	20.00	$0.00
P-152	SUBGRADE PREPARATION	SY	320	383	30.00	$11,490.00
P-152	GRANULAR BORROW (CV)	CY	250	150	10.00	$1,500.00
P-154	SELECT GRANULAR BORROW (CV)	CY	110	141	100.00	$14,100.00
32 11 22	AGGREGATE BASE COURSE (CV)	CY	75	92	100.00	$9,200.00
32 13 10	CONCRETE PAVEMENT - 5"	SY	290	265	200.00	$53,000.00
T-901	TURF ESTABLISHMENT	LS	1	1	7,300.00	$7,300.00
T-905	SELECT TOPSOIL BORROW (CV)	CY	50	50	20.00	$1,000.00

Total Contract Amount **$172,909.00**

Application for Payment (continued)

Total Contract Amount	$ 172,875.00		Total Amount Earned	$	172,909.00
			Material Suitably Stored on Site, Not Incorporated into Work		
Contract Change Order No.			Percent Complete		
Contract Change Order No.			Percent Complete		
Contract Change Order No.			Percent Complete		
Less Previous Applications:			GROSS AMOUNT DUE	$	172,909.00
AFP No. 1: 151,363.50	AFP No. 6:		LESS 0 % RETAINAGE	$	
AFP No. 2:	AFP No. 7:		AMOUNT DUE TO DATE	$	172,909.00
AFP No. 3:	AFP No. 8:		LESS PREVIOUS APPLICATIONS	$	151,363.50
AFP No. 4:	AFP No. 9:		AMOUNT DUE THIS APPLICATION	$	21,545.50
AFP No. 5:					

CONTRACTOR'S AFFIDAVIT

The undersigned Contractor hereby swears under penalty of perjury that (1) all previous progress payments received from the Owner on account of work performed under the Contract referred to above have been applied by the undersigned to discharge in full all obligations of the undersigned incurred in connection with work covered by prior Applications for Payment under said contract, 2025 Taxilane Widening, Windom Municipal Airport, and (2) all material and equipment incorporated in said Project or otherwise listed in or covered by this Application for Payment and free and clear of all liens, claims, security interests and encumbrances.

Date 2/12, 2026 — Svoboda Excavating Inc. (Contractor)

COUNTY OF Jackson)
STATE OF minnesota) SS

By Paul Fishel V.P. (Name and Title)

Before me on this 12 day of February, 2026, personally appeared Paul Fishel known to be, who being duly sworn did depose and say that he is the V.P. (office) of the Contractor above mentioned that he executed the above Application for Payment and Affidavit on behalf of said Contractor; and that all of the statements contained therein

TAMARA J. FISHEL
Notary Public-Minnesota
My Commission Expires Jan. 31, 2029

My Commission expires 1/31/29 — Tamara Fishel (Notary Public)

The undersigned has checked the Contractor's Application for Payment shown above. A part of this Application is the Contractor's Affidavit stating that all previous payments to him under this contract have been applied by him to discharge in full all of his obligations in connecting with the work by all prior Applications for Payment.

In accordance with the Contract, the undersigned recommends approval of payment to the Contractor for the Amount due.

Short Elliott Hendrickson Inc.

By Lindsay Reidt

Date 2/12/26

City of Windom

By

Date