

CITY OF WINDOM 2019 PROPOSED BUDGET



2019 BUDGET - TOTAL REVENUES

▶ Enterprise Fund	\$14,242,934
▶ General Fund	\$ 2,912,708
▶ Special Revenue Funds	\$ 2,648,138
▶ Debt Service	\$ 916,865
▶ Miscellaneous Projects	<u>\$ 1,338,582</u>
TOTAL	\$22,059,227

2019 BUDGET - TOTAL EXPENSES

▶ Enterprise Fund	\$14,969,831
▶ General Fund	\$ 2,912,708
▶ Special Revenue Funds	\$ 2,856,918
▶ Miscellaneous Projects	\$ 866,289
▶ Debt Service	<u>\$ 935,261</u>
TOTAL	\$22,541,007

2019 BUDGET - ENTERPRISE FUNDS

- ▶ Telecommunications
 - ▶ Water
 - ▶ Wastewater
 - ▶ Electric
 - ▶ Liquor
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TELECOM

- ▶ \$ 2,826,630 Revenue
 - ▶ (\$2,494,648) Expenses
 - ▶ (\$ 0) Capital Outlay
 - ▶ (\$ 893,306) Debt Service
 - ▶ \$ 342,050 Depreciation
- (\$219,275) Cash Flow**

Notes: Debt service up \$105,000 due to core system upgrade and revenue down due to loss of SMBS business.

WATER

- ▶ \$1,257,500 Revenue
- ▶ \$ 2,079 Special Assessments
- ▶ (\$1,046,535) Expenses
- ▶ (\$ 45,000) Capital Outlay
- ▶ (\$346,488) Debt Service
- ▶ \$ 425,000 Depreciation

\$245,556 Cash Flow

Note: 2019 and 2020 water rates to increase 2% per year.

WASTEWATER

- ▶ \$1,912,541 Revenue
 - ▶ \$ 3,038 Special Assessments
 - ▶ \$ 0 Reserve Funds Used
 - ▶ (\$1,309,418) Expenses
 - ▶ (\$ 55,000) Capital Outlay
 - ▶ (\$387,125) Debt Service
 - ▶ \$387,220 Depreciation
- \$551,256**

Note: 2019 will have a 4.25% rate increase for debt service on new WWTP. 2020-2021 also has anticipated 4.25% rate increases. The above budget does not include this 2019 rate 4.25% increase and Prime Pork contributions to buy into the system. Nor does this include the construction project or debt service due for the WWTP upgrade.

ELECTRIC

- ▶ \$6,325,396 Revenue
 - ▶ \$ 0 Use of Reserve Funds
 - ▶ (\$5,794,588) Expenses
 - ▶ (\$ 200,000) Transfer to General Fund
 - ▶ (\$ 495,000) Capital Outlay
 - ▶ \$ 525,000 Depreciation
- \$ 360,808**

Note: No general rate increase in 2019.

LIQUOR

- ▶ \$1,915,750 Revenue
 - ▶ \$ 0 Use of Reserves
 - ▶ (\$1,797,722) Expenses
 - ▶ (\$ 100,000) Transfer to General Fund
 - ▶ (\$ 5,000) Capital Outlay
 - ▶ \$ 25,000 Depreciation
- \$38,028**

GENERAL FUND

- ▶ Mayor & Council
 - ▶ Elections
 - ▶ City Office
 - ▶ Planning & Zoning
 - ▶ City Hall
 - ▶ Police
 - ▶ Fire
 - ▶ Emergency Management (a.k.a. Civil Defense)
 - ▶ Animal Control
 - ▶ Streets
 - ▶ Health & Sanitation
 - ▶ Recreation
 - ▶ Parks
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GENERAL FUND OPERATIONS

\$2,665,052 = 2019 Proposed Budget*

- ▶ \$2,595,631 = 2018 Budgeted Amount
- ▶ \$2,521,811 = 2017 Budgeted Amount
- ▶ \$2,396,165 = 2016 Budgeted Amount
- ▶ \$2,346,840 = 2015 Budgeted Amount
- ▶ \$2,305,605 = 2014 Budgeted Amount
- ▶ \$2,151,865 = 2013 Budgeted Amount

2019 Proposed General Fund Budget is up 2.67%

- ▶ 2017-2018 General Fund Budget up 2.93%
- ▶ 2016-2017 General Fund Budget up 5.2%
- ▶ 2015-2016 General Fund Budget up 2.1%
- ▶ 2014-2015 General Fund Budget up 1.79%
- ▶ 2013-2014 General Fund Budget up 7.3%

*Added PT Police Officer

2019 GENERAL FUND CAPITAL

▶ Hazardous Property Demolition	\$12,850
▶ Building and Zoning – Dilapidated Housing Demo	\$10,000
▶ Building & Zoning – Computer Replacement	\$ 1,800
▶ City Hall – Roof Replacement	\$20,000
▶ Multiple Departments – Server Maintenance	\$ 1,500
▶ Parks – Island Park Restroom	\$100,000
▶ Police – SRO Car Replacement	\$5,500
▶ Police – AED Replacement	\$4,500
▶ Fire – Wildland Turn-out Gear Replacement	\$18,000
▶ Fire – Radio Replacement Fund	\$10,000
▶ Streets – Skid Loader Replacement	\$35,000
▶ Streets – Equipment Fund Reserve	\$30,000
▶ Streets – Street Sweeper Replacement (5 year loan)	\$21,356

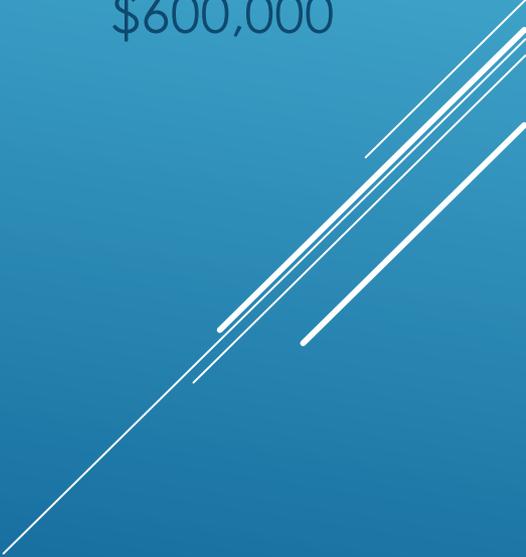
2019 SPECIAL REVENUE FUNDS – TAX LEVY FOR OPERATIONS & CIP

<u>FUND</u>	<u>TAX LEVY</u>
▶ Library	\$189,992
▶ Airport	\$ 10,000
▶ Ambulance	\$ 0
▶ Pool	\$ 72,694
▶ Arena	\$209,904
▶ Economic Dev. Authority	\$ 62,959
▶ Community Center	\$219,705

2019 BUDGET SPECIAL REVENUE FUND TOTAL

- ▶ \$2,032,776 Revenues (includes ambulance income & state\ federal grants)
 - ▶ \$ 765,254 Tax Levy
 - ▶ \$1,891,196 Expenses (without Depreciation)
 - ▶ \$ 90,422 Debt Service (Arena Ice System)
 - ▶ \$ 835,000 Capital Outlay (includes Ambulance and Airport)
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2019 SPECIAL REVENUE FUND CAPITAL

- ▶ Ambulance – Unit 29 Replacement \$235,000
 - ▶ Airport – Hanger and Taxiway Construction \$600,000
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2019 BUDGET TAX LEVY FOR DEBT SERVICE

▶ Emergency Services Facility	\$68,652
▶ Arena – Ice System Project	\$77,615
▶ 2005 Street Project	\$47,884
▶ 2007 Street Project	\$84,315
▶ 2009 Street Project	\$55,170
▶ 2013 Street Project	\$93,338
▶ 2017 Street Project	\$81,778
▶ Street Dept : Inter-fund Loan (Grader & Loader)	\$79,000
▶ 2013 Fire Equipment Bond (City share)	<u>\$29,670</u>

Total General Fund Debt Service = \$617,421

2019 BUDGET - MISCELLANEOUS PROJECTS

- ▶ Dilapidated Housing Program
- ▶ River Bluff Estates Revolving Loan
- ▶ Small Cities Development Program
- ▶ North Industrial Park Project
- ▶ River Bluff Estates
- ▶ RBEG\Remick Revolving Loan
- ▶ River Bluff Townhomes
- ▶ Downtown TIF (1-8)
- ▶ Runnings TIF (1-10)
- ▶ Prime Pork TIF (1-12)
- ▶ River Bluff TIF (1-13)
- ▶ Spec Building II TIF (1-14)
- ▶ Fulda Credit Union TIF (1-15)
- ▶ GDF Tax Abatement District (1-16)
- ▶ NWIP TIF (1-17)
- ▶ AG Builders TIF (1-18)
- ▶ NWIP II TIF (1-19)
- ▶ New Vision Coop TIF (1-20)
- ▶ Tibodeau/s Center TIF (1-21)

2019 BUDGET - MISCELLANEOUS PROJECTS

Total Miscellaneous Project Budget

\$1,338,582 Revenue

(\$866,289) Expense

\$472,139

NOTE: Surplus TIF is held for future projects. If not used then the balance is distributed to taxing jurisdictions upon expiration of the TIF district.

2019 BUDGET SUMMARY

Proposed Tax Levy

- ▶ \$364,459 General Fund Operations = 17.93% of Tax Levy
- ▶ \$247,656 General Fund Capital = 12.18% of Tax Levy
- ▶ \$765,254 Special Revenue Funds = 37.64% of Tax Levy
- ▶ \$617,421 Debt Service Levy = 30.37% of Tax Levy
- ▶ \$ 22,850 Dilapidated Housing Program = 1.12%
- ▶ \$ 15,550 Tax Abatement Program = 0.76%

Total Proposed Tax Levy \$2,033,190

5.21% levy increase

SALES TAX SAVINGS - ESTIMATE

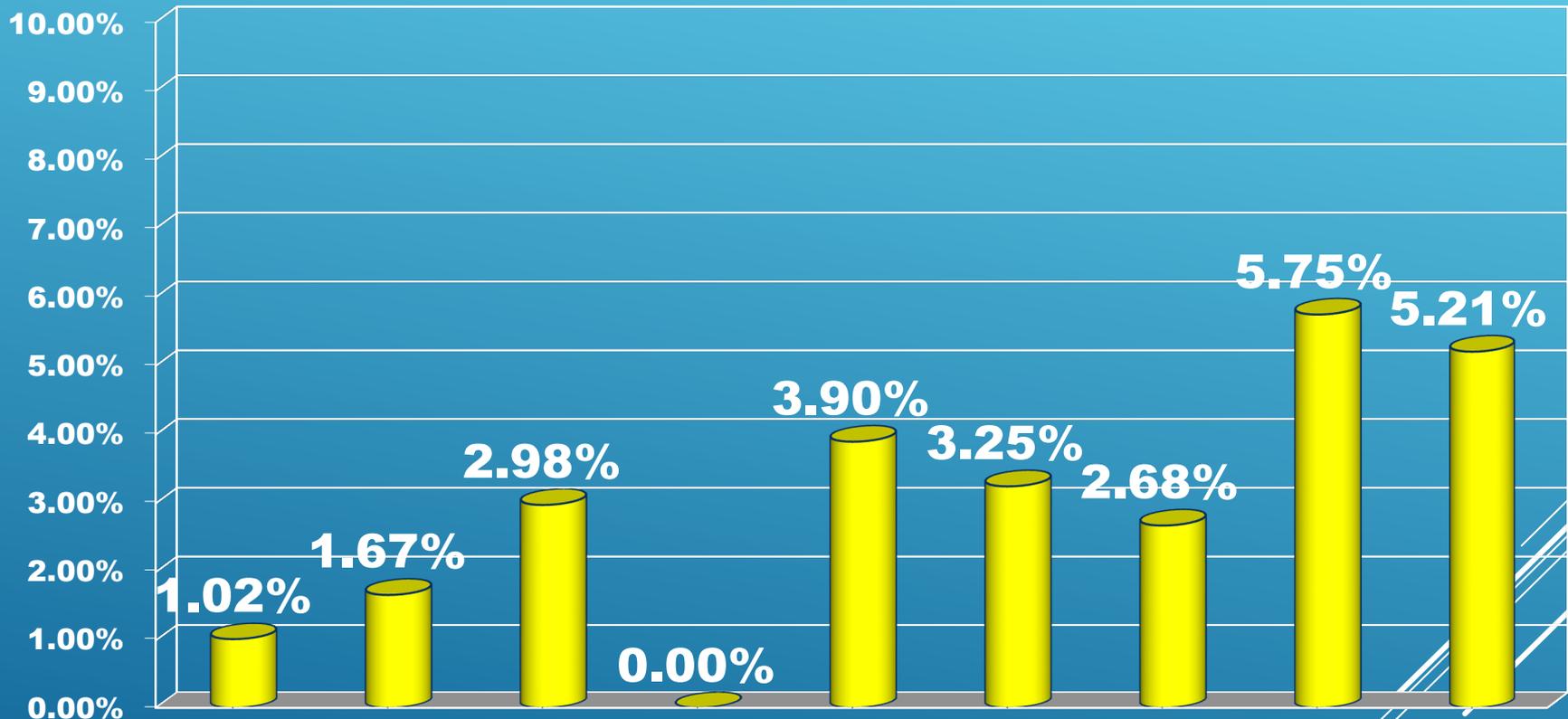
In 2013 the State Legislature passed legislation that exempted cities from paying state sales taxes on most goods and services. Cities are required to show how much this saves the City. The sales tax exemption for 2018 is estimated to save the City of Windom about \$41,000.

Some business-like activities, such as the liquor store, telecom and electric departments are not exempt under State statute.

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2011 – 2019 TAX LEVY HISTORY

PERCENT OF CHANGE



Tax Levy change 9 year average change = +2.94%

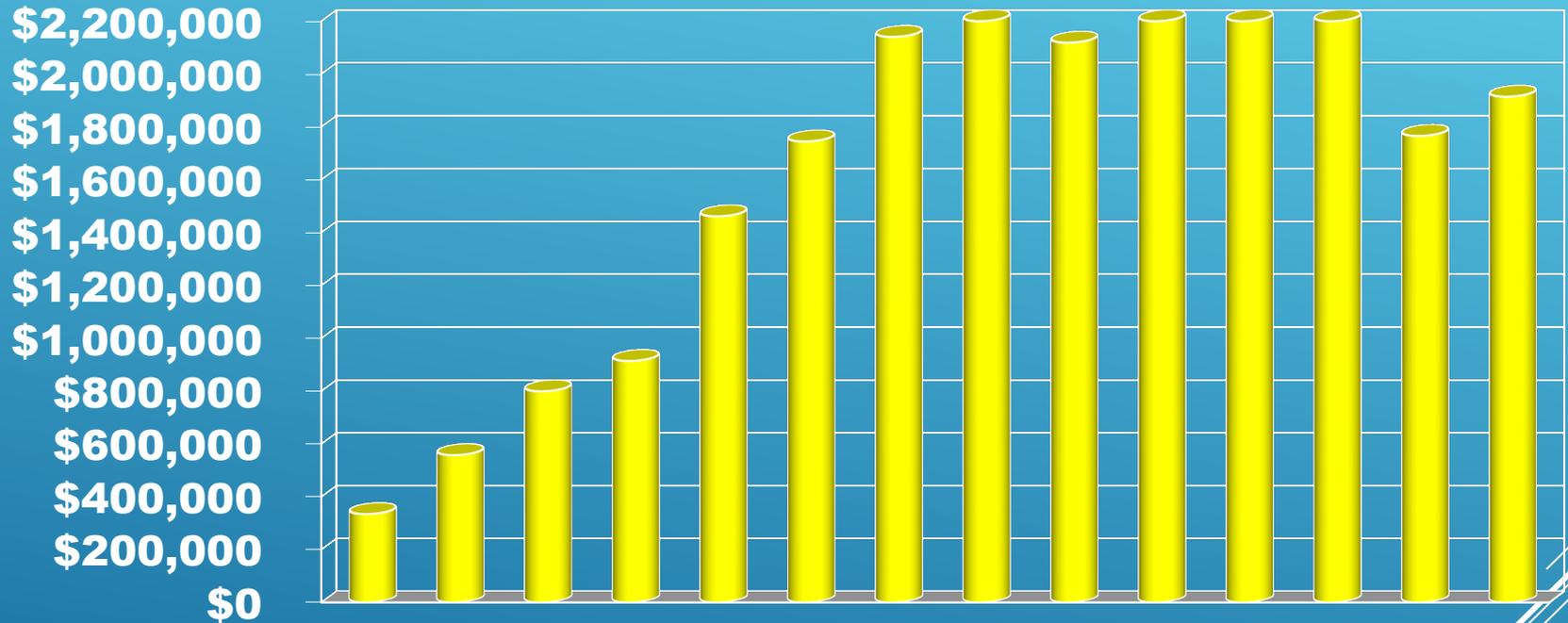
WINDOM PROPERTY TAXES 1997-2016

<u>Year</u>	<u>City Tax With State Credit</u>	<u>Inflation Adjusted City Tax</u>	
1997	\$476	\$707	
1998	\$453	\$667	
1999	\$464	\$668	
2000	\$431	\$601	
2001	\$422	\$572	
2002	\$426	\$568	
2003	\$422	\$550	(Highest State LGA distribution)
2004	\$482	\$612	
2005	\$525	\$645	
2006	\$557	\$663	
2007	\$594	\$688	
2008	\$616	\$687	
2009	\$614	\$687	
2010	\$621	\$684	
2011	\$626	\$668	
2012	\$676	\$707	
2013	\$669	\$689	
2014	\$645	\$654	
2015	\$636	\$644	
2016	\$636	\$636	

20 – year inflation adjusted average is \$650
City property tax per year (2016 dollars)

Source: City Tax Data - League of Minnesota Cities Property Tax Calculator based on a \$100,000 residential home value.

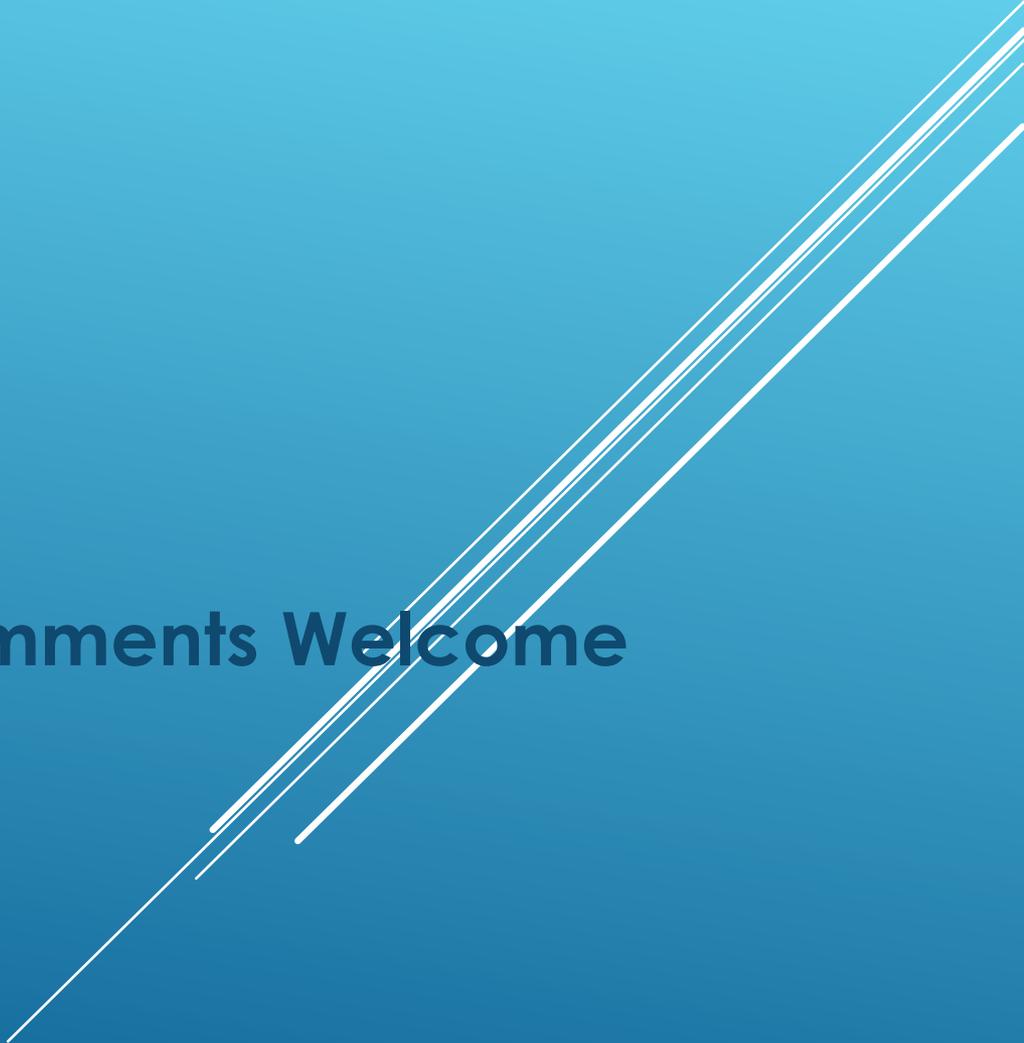
2005 – 2018 (EST.) GENERAL FUND YEAR END RESERVE BALANCE



Council Policy is to maintain 35 - 60% for General Fund Reserve. Due to use of reserves in 2018 the General Fund Reserve is estimated to be currently about 47%.

THANK YOU

Questions and Comments Welcome

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