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City Approves 2025 Proposed Budget & Levy

OWATONNA, Sept. 18, 2024 – On September 17, the City Council approved the City of Owatonna’s 2025 proposed budget and bevy with an eight percent increase over last year.

The City of Owatonna strives to align tax capacity with population and business growth. In recent years, Owatonna taxpayers have benefitted from increased tax capacity due to new construction and community growth. The rate at which the City has taxed properties over the past five years has been offset consistently by Owatonna’s increased tax capacity. The City’s actual tax rate in 2024 and the one proposed for 2025 have remained low over the past few years because tax capacity is growing. Owatonna’s 2024 tax capacity increased by 7.8 percent and the proposed City levy only increased eight percent. For 2025, tax capacity is projected to increase by 7.2 percent which helps offset the impact of the City’s proposed eight percent levy increase.

Two main components of the City’s budget are personnel and the Capital Improvement Program (CIP). The 2025 budget will include an annual increase in wages and steps equivalent to roughly five percent of the overall levy (roughly \$800,000). New positions are being added to help address workloads and right-size the workforce to meet the community’s needs as it grows. The proposed 2025 levy increase includes funding for various CIP projects and deferred maintenance on City-owned buildings. The \$300,000 Building Maintenance Fund Levy includes projects at the airport, carpenter shop, library, City Hall and Fire Hall. The \$520,000 CIP Fund Levy includes projects at River Springs Water Park, Social Commons, the library, airport, Brooktree Golf Course and annual technology replacements.

City staff must certify the proposed levy along with a budget summary to the Steele County Auditor before September 30. Steele County uses this information to send preliminary tax statements to property owners annually in November. During the coming months, City staff will continue to adjust the proposed budget as additional information becomes available. Adjustments can be made to lower the levy; however, it cannot be increased from the amount certified to the County. In addition to approving the 2025 proposed budget in its September 17 meeting, the City Council also set the date for the City’s annual Truth in Taxation Hearing for December 3 at 6 p.m. which will include a summary of the 2025 budget and provide an opportunity for the public to provide input on the proposed budget. The City’s interactive budget documents are available at Owatonna.gov. For additional information, please contact a City Council member or visit owatonna.gov. The City Council is expected to take action to adopt next year’s final budget and levy at its December 17 meeting.

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