



**Truth-in-
Taxation 2026
Budget Meeting
December 2, 2025**



CITY OF
OWATONNA

Agenda

- Understanding Property Tax System
- Foundation for Budget
- Review of Budget Process
- Tax Levy and Budget Highlights
- Impact to Property Owners

Property Taxes

Sometimes difficult to understand

Each November, all property owners receive a statement showing preliminary taxes for next year

STEELE COUNTY ADMINISTRATOR
630 FLORENCE AVE
OWATONNA, MN 55060
WWW.STEELECOUNTYMN.GOV
(507) 444-7406

CITY OF OWATONNA
540 WEST HILLS CIRCLE
OWATONNA, MN 55060

Legal Description:
ORIGINAL TOWN
BLK.3 LOT 20 ORIGINAL TOWN

Property Address: 129 VINE ST W

Your Proposed Property Tax for 2025

- THIS IS NOT A BILL - DO NOT PAY -

IMPORTANT INFORMATION IS PRINTED ON THE BACK OF THIS FORM

Property ID: 17-100-0319 Taxpayer# 00489

VALUES AND CLASSIFICATION

| Step | Taxes Payable Year | 2024 | 2025 |
|------|-----------------------------|---------------|---------------|
| 1 | Estimated Market Value: | 111,700 | 111,700 |
| | Homestead Exclusion: | | |
| | Other exclusions/deferrals: | | |
| | Table Market Value: | 111,700 | 111,700 |
| | Property Classification: | COMM NON-HSTD | COMM NON-HSTD |

PROPOSED TAX

| | | | |
|---|-----------------------------------|--|----------|
| 2 | Property Taxes before credits: | | 3,722.00 |
| | School building bond credit: | | .00 |
| | Agricultural market value credit: | | .00 |
| | Other credits: | | .00 |
| | Property Taxes after credit: | | 3,722.00 |

PROPERTY TAX STATEMENT

Will be mailed to you in Spring of 2025

| Proposed Property Taxes and Meetings by Jurisdiction for Your Property | | | |
|--|---|------------------|------------------|
| Contact Information | Meeting Information | Actual 2024 | Proposed 2025 |
| STEELE COUNTY ADMINISTRATOR STEELE COUNTY ADMINISTRATOR 630 FLORENCE AVE 444-7406 OWATONNA MN 55060 | 6:00 PM DEC 4, 2024 COUNTY BOARDROOM OWATONNA, MN 55060 | 1,000.35 | 979.55 |
| OWATONNA CITY KRIS BUSSE, CITY ADMINISTRATOR 540 W HILLS CIR, OWATONNA, MN (507) 774-7350 | 6:00 PM DEC 3, 2024 COUNCIL CHAMBERS-CRANDALL CNTR OWATONNA, MN 55060 WWW.OWATONNA.GOV | 1,287.30 | 1,298.22 |
| STATE GENERAL TAX | | 654.43 | 647.86 |
| OWATONNA SCHOOL SUPERINTENDENT 515 W BRIDGE ST, OWATONNA, MN (507) 444-8605 | 761 6:00 PM DEC 9, 2024 540 W HILLS CIRC-CRANDALL CNTR OWATONNA, MN 55060 WWW.ISD761.ORG | | |
| VOTER APPROVED LEVIES OTHER LOCAL LEVIES | | 540.52 263.54 | 513.38 282.99 |
| SPECIAL TAXING DISTRICTS | | | |
| TAX INCREMENT | | .00 | .00 |
| TOTAL | | .00 | .00 |
| Excluding Special Assessments | Percent Change | 6- % | |
| | | 3,746.14 | 3,722.00 |

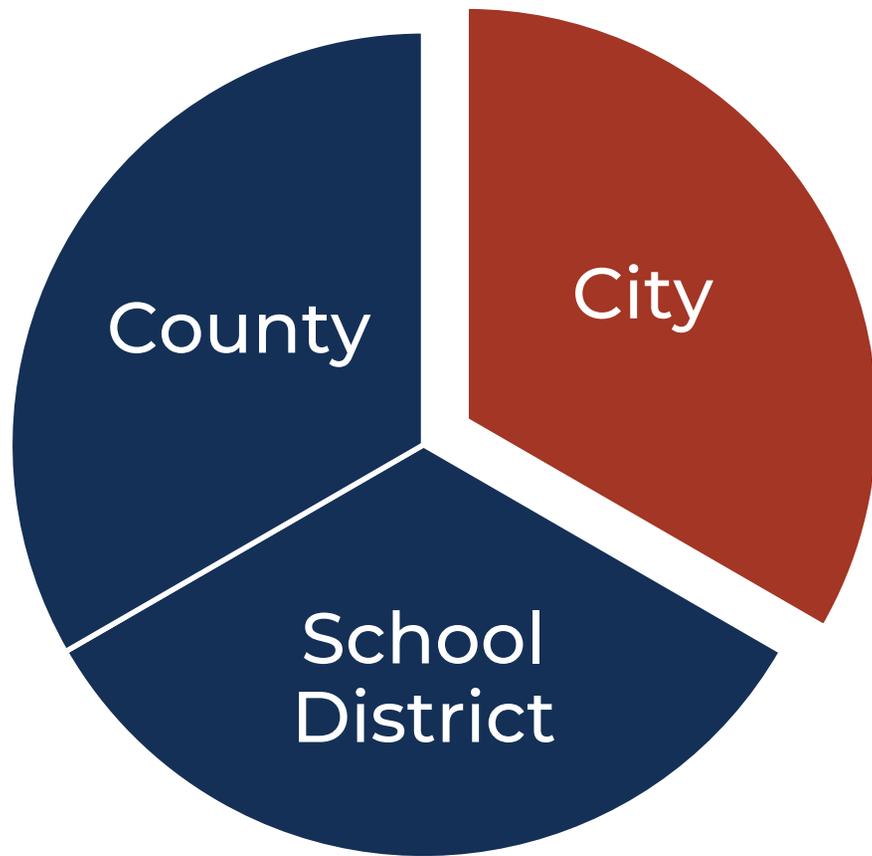
The time to provide feedback on PROPOSED LEVIES is NOW

It is too late to appeal your value without going to Tax Court.

IMPORTANT INFORMATION IS PRINTED ON THE BACK OF THIS FORM

18.027

Proposed Property Tax Statement



- Proposed property taxes are calculated based on the preliminary tax levies adopted by each governing body in September
- The final levy may be less than the proposed, but cannot be more

Services



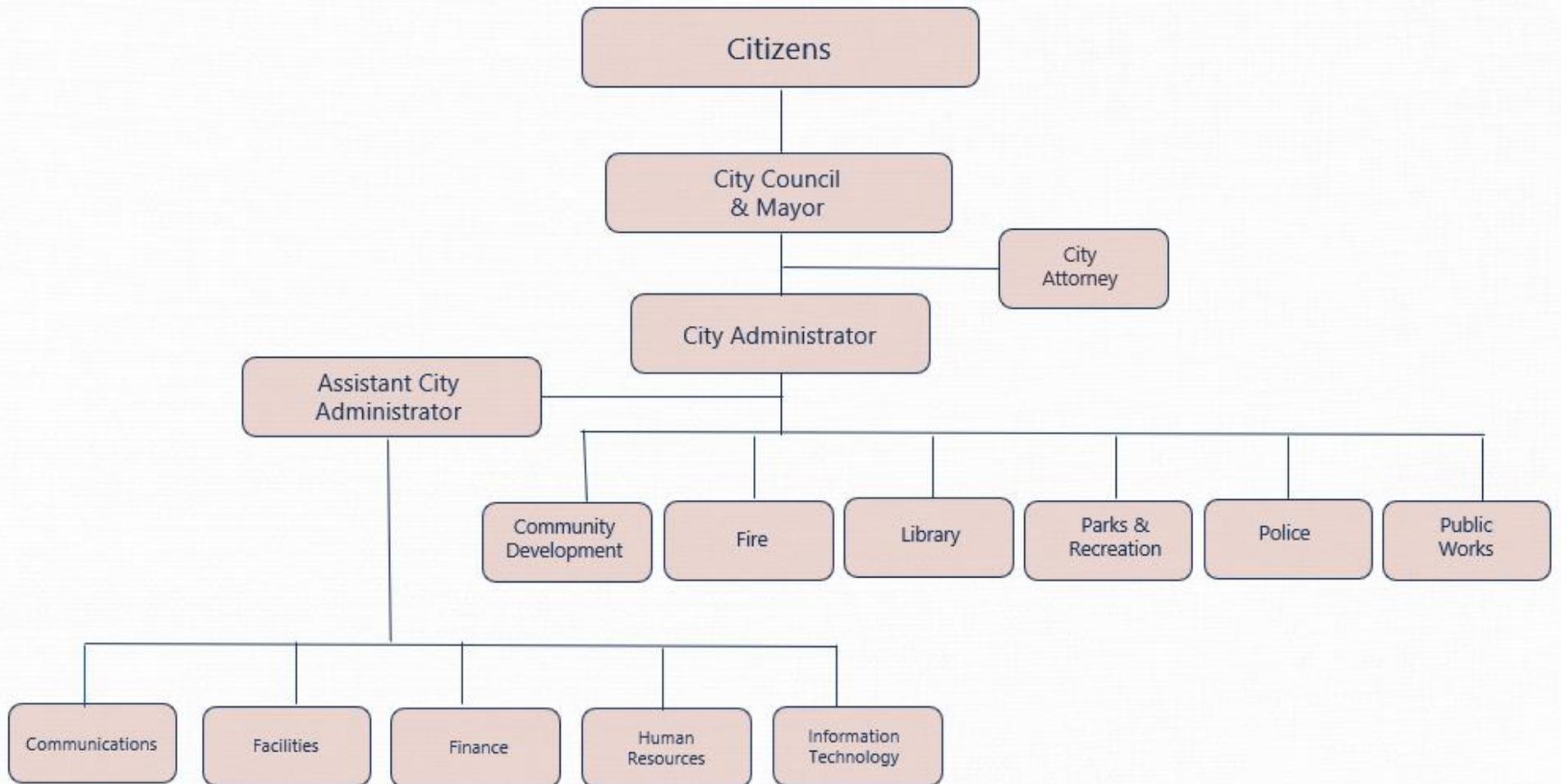
**City Levy
Provides**



What do City taxes help pay for?

- 27,000+ residents served
- 90+ buildings owned & maintained
- 139+ miles of roads maintained
- 43,488 calls for service responded to by police officers in 2024
- 600 calls for service responded to by firefighters
- 900+ acres of parkland owned & maintained
- 31+ miles of paved and natural trails maintained
- 2,000+ building permits expected to be issued in 2025
- 199,296 items circulated last year by the library (digital and physical) to more than 19,000 library card holders
- 97,925 visits and 12,931 program attendees at the library in 2024
- 33,345 guests served in 2025 at River Springs Water Park + swimming lesson participants
- 23,961 golfing rounds in 2025 at Brooktree Golf Course (increased 11.84% from 2024)

City Departments & Organizational Structure



Strategic Planning

- The City Council annually determines the City's priorities for the next year
- Staff then prepares a budget that aligns with those priorities

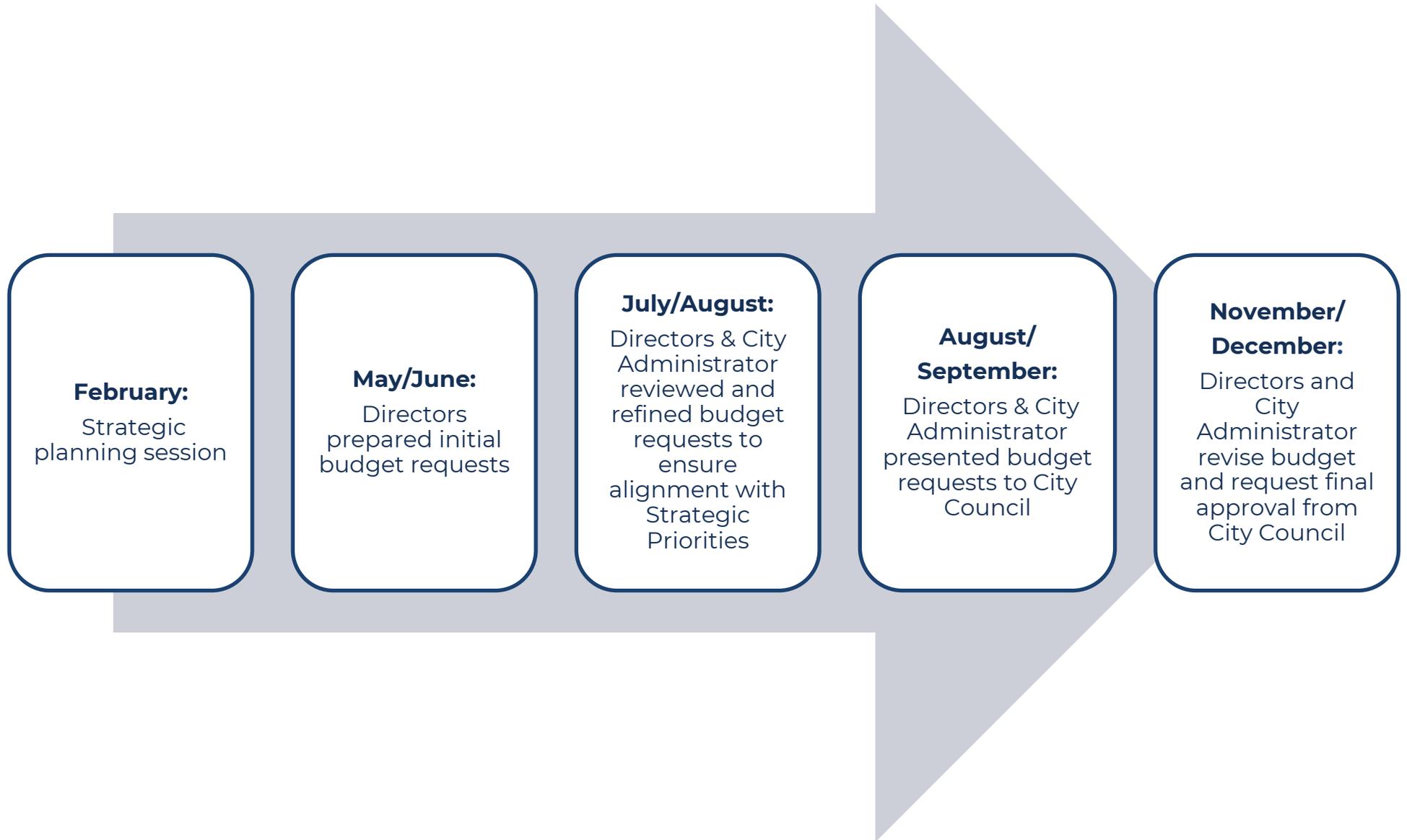


2025-2027 Strategic Plan

Five Strategic Priorities



Budget Process *Steps Taken*



February:
Strategic
planning session

May/June:
Directors
prepared initial
budget requests

July/August:
Directors & City
Administrator
reviewed and
refined budget
requests to
ensure
alignment with
Strategic
Priorities

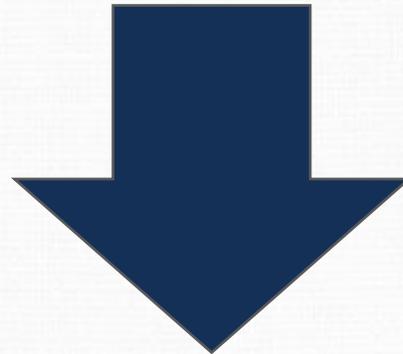
**August/
September:**
Directors & City
Administrator
presented budget
requests to City
Council

**November/
December:**
Directors and
City
Administrator
revise budget
and request final
approval from
City Council

Tax Levy Change

Proposed Levy

\$22,170,620 (13% Increase)



Recommended Final Levy

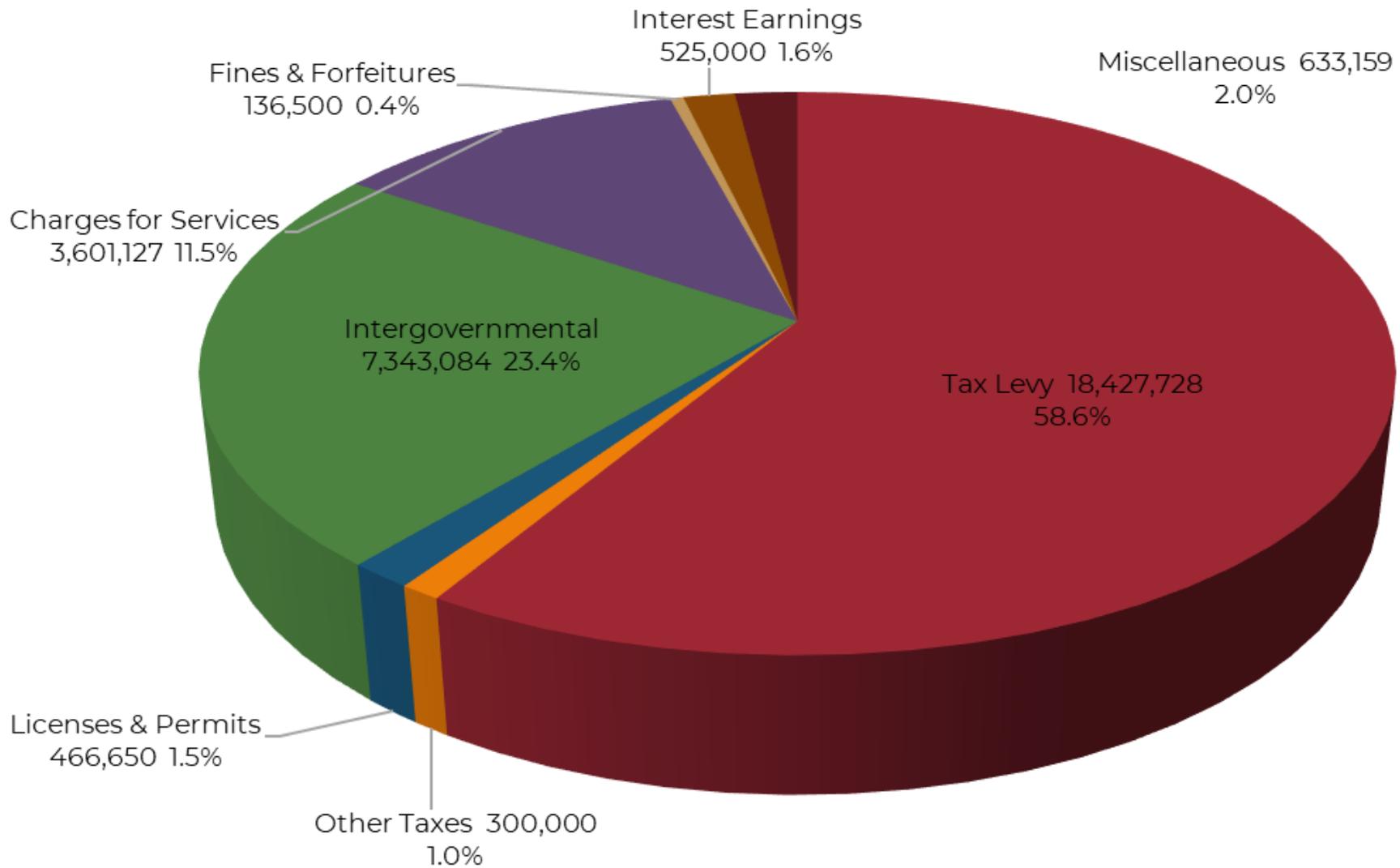
\$ 21,568,556 (9.9% Increase)

Tax Levy Detailed Comparison

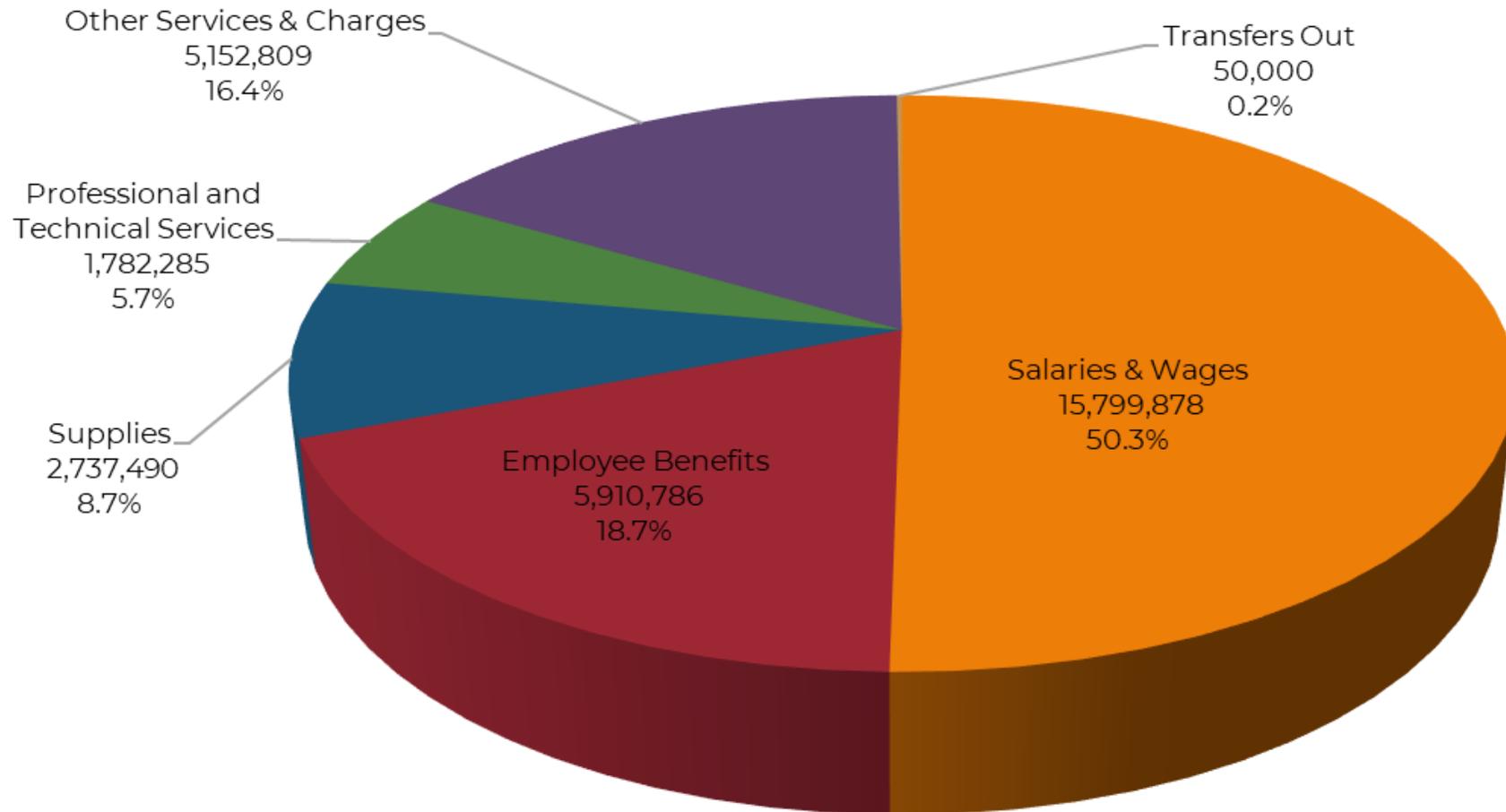
9.9% increase

| | 2025 | 2026 |
|-----------------------------------|--------------|--------------|
| General Fund operating levy | \$15,686,595 | \$18,427,728 |
| Infrastructure: | | |
| Pay-as-you-go capital projects | 820,000 | 249,000 |
| Debt Service Levy | 2,404,025 | 2,421,828 |
| Subtotal – Infrastructure | 3,224,025 | 2,670,828 |
| Economic Development Authority | 200,000 | 240,000 |
| Housing & Redevelopment Authority | 215,000 | 230,000 |
| Total | \$19,625,620 | \$21,568,556 |

2026 General Fund Revenues



2026 General Fund Expenditures



Cost to maintain and enhance City services

\$7.2 million: General (Council, Administration, Finance, Human Resources, Technology)

\$11.3 million: Public Safety (Police, Fire & Building Inspections)

\$6.4 million: Public Works (Engineering, Streets, Airport)

\$1.5 million: Library

\$5.0 million: Parks & Recreation

2026 Capital Improvement Projects

Fund Levy \$249,000

- City-Wide LED lighting updating
- Maintenance Facility tube heat replacement
- Key Cutter and Setup
- Brooktree GC Pergola replacement
- Airport and Parks pavement replacement
- Annual technology replacements

2026 Vehicle Replacement Fund

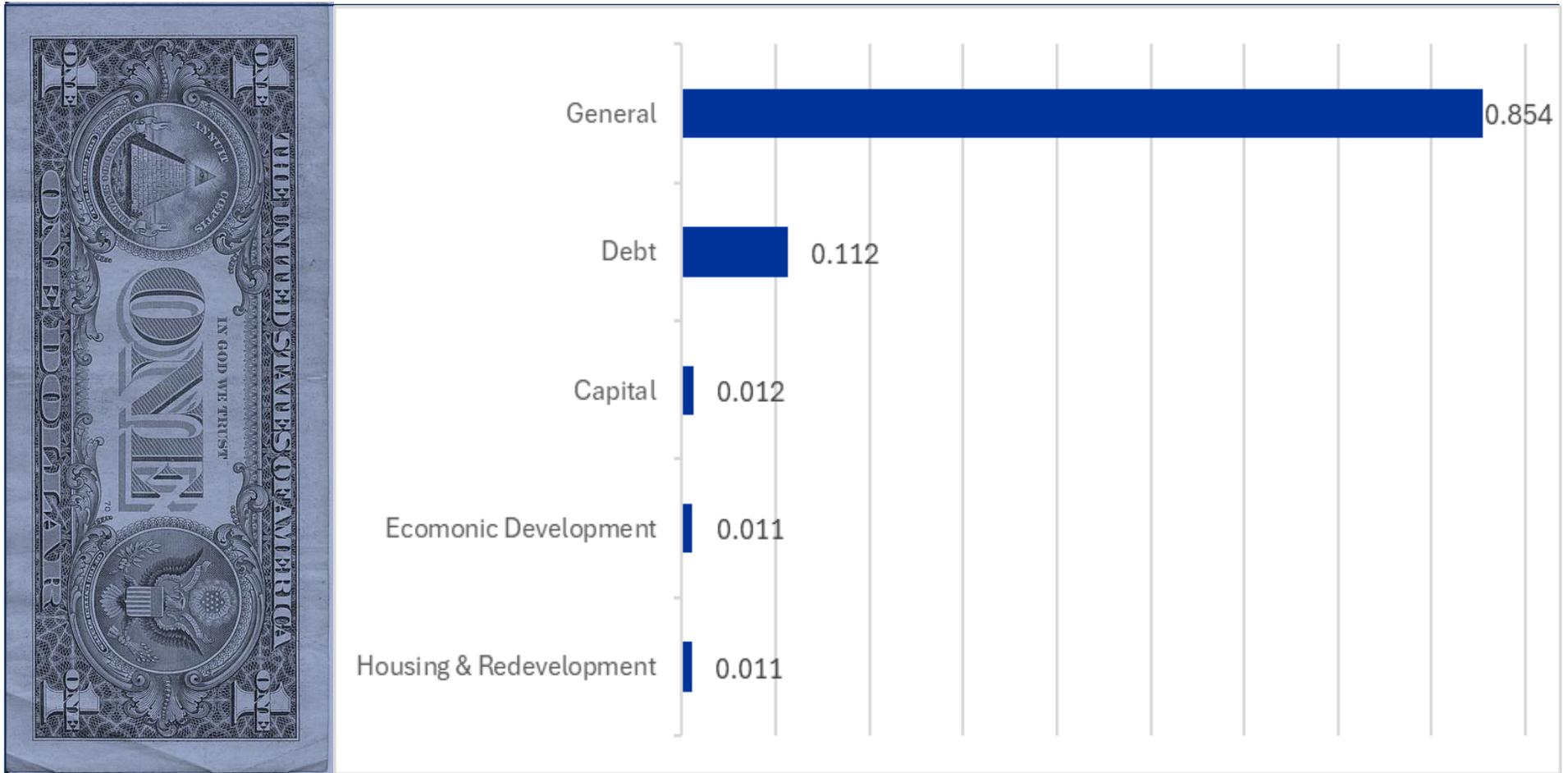
- Police Vehicles
- Facilities Truck
- IT SUV
- Specialty Equipment:
Sprayer, Kromer, Ventrac,
Others
- Mowers: Facilities and Golf
- Asphalt zipper
- Skid Steer



Operating Levy Increases

- Increased costs for supplies/materials (bituminous, concrete, road oils, chloride, chemicals, fuel, etc.)
- Replace and upgrade portable recording systems for Police Department
- Support for information technology transition from hybrid environment to cloud solutions for increased efficiency and security
- Comply with State-mandated Minnesota Paid Leave
- Implement City Council-approved 2025-2027 employee compensation

A tax levy dollar is spent on...



Components of Tax Capacity Changes

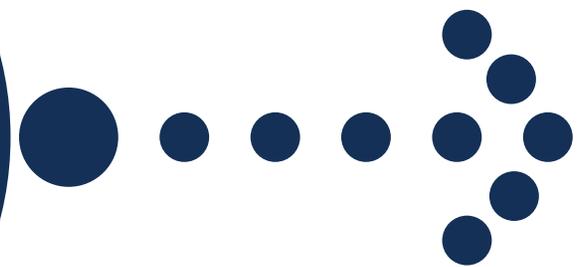
New Construction



Existing Homes
& Businesses



Changes in Valuation



Annual Tax on Average Home (\$275,000)

2026 Market Value Exclusion Limits

2025 - \$1,472 City taxes

2026 - \$1,523 City taxes

\$51 increase or \$4.26 per month





Thank you

**For additional information, visit
Owatonna.gov/finance**