



Final 2026 Budget

December 16, 2025



CITY OF
OWATONNA

Services



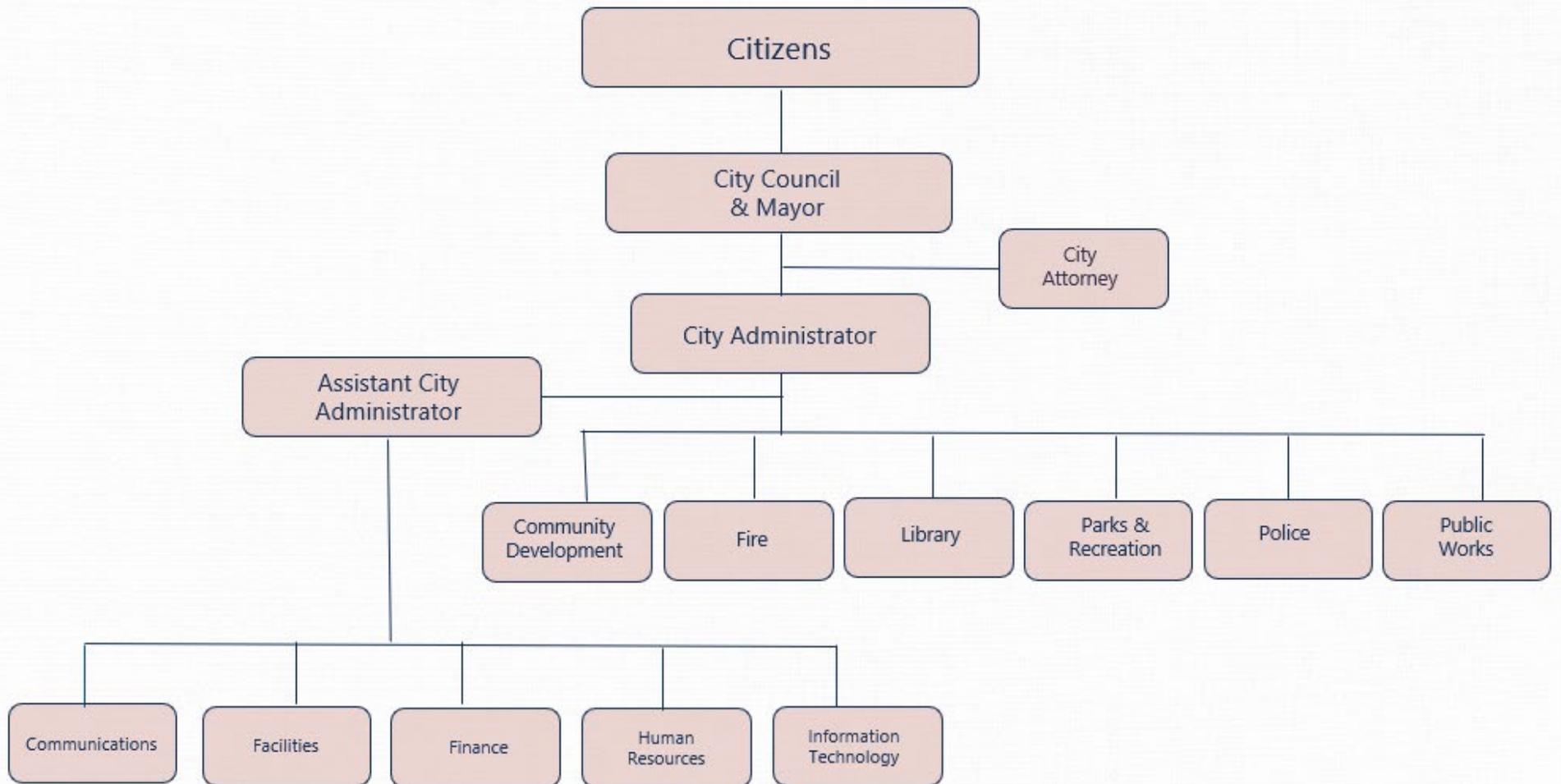
**City Levy
Provides**



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



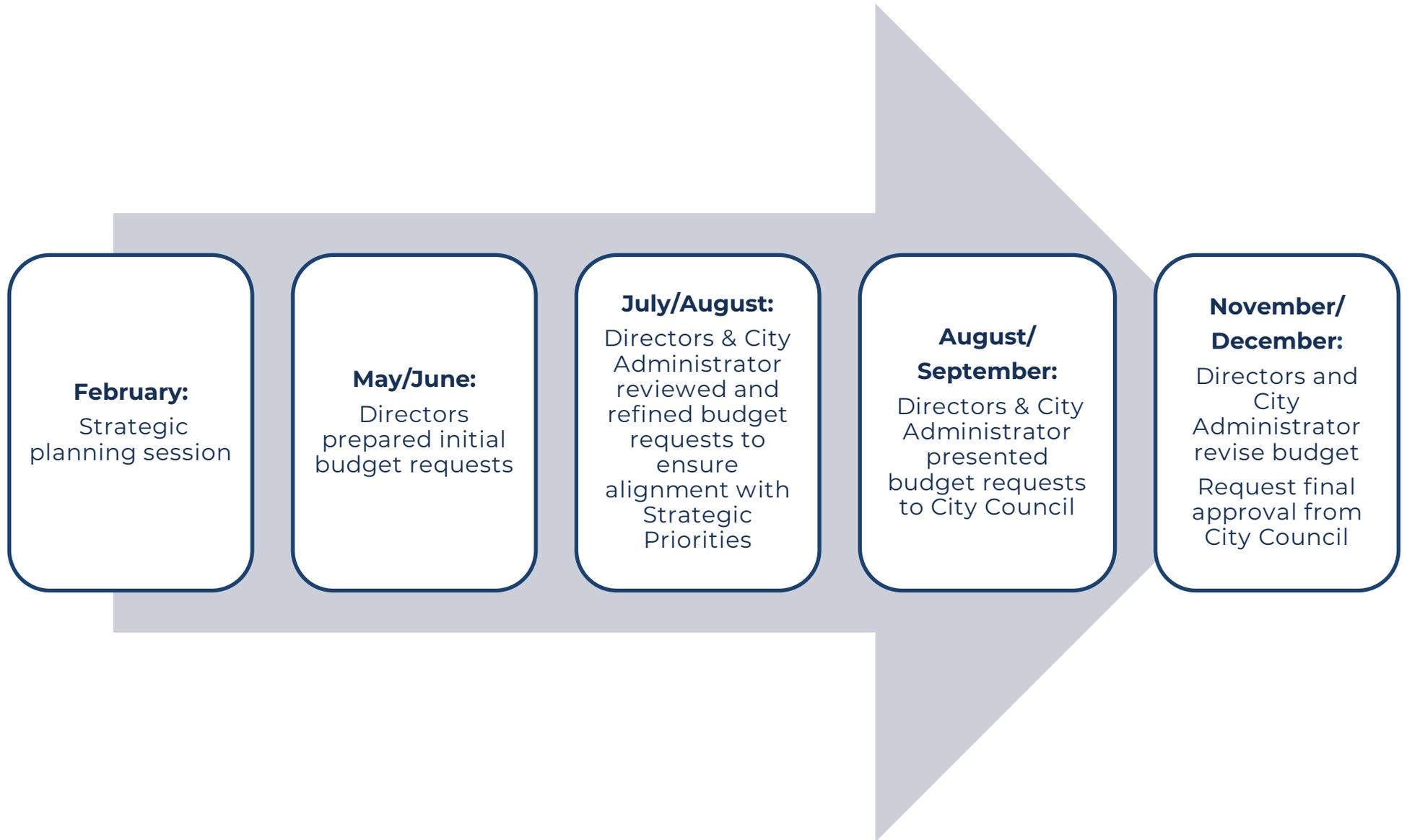
2025-2027 Strategic Plan

Five Strategic Priorities



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

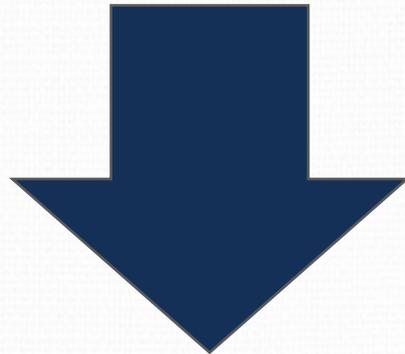
**August/
September:**
Directors & City
Administrator
presented
budget requests
to City Council

**November/
December:**
Directors and
City
Administrator
revise budget
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)



Proposed to Final Changes

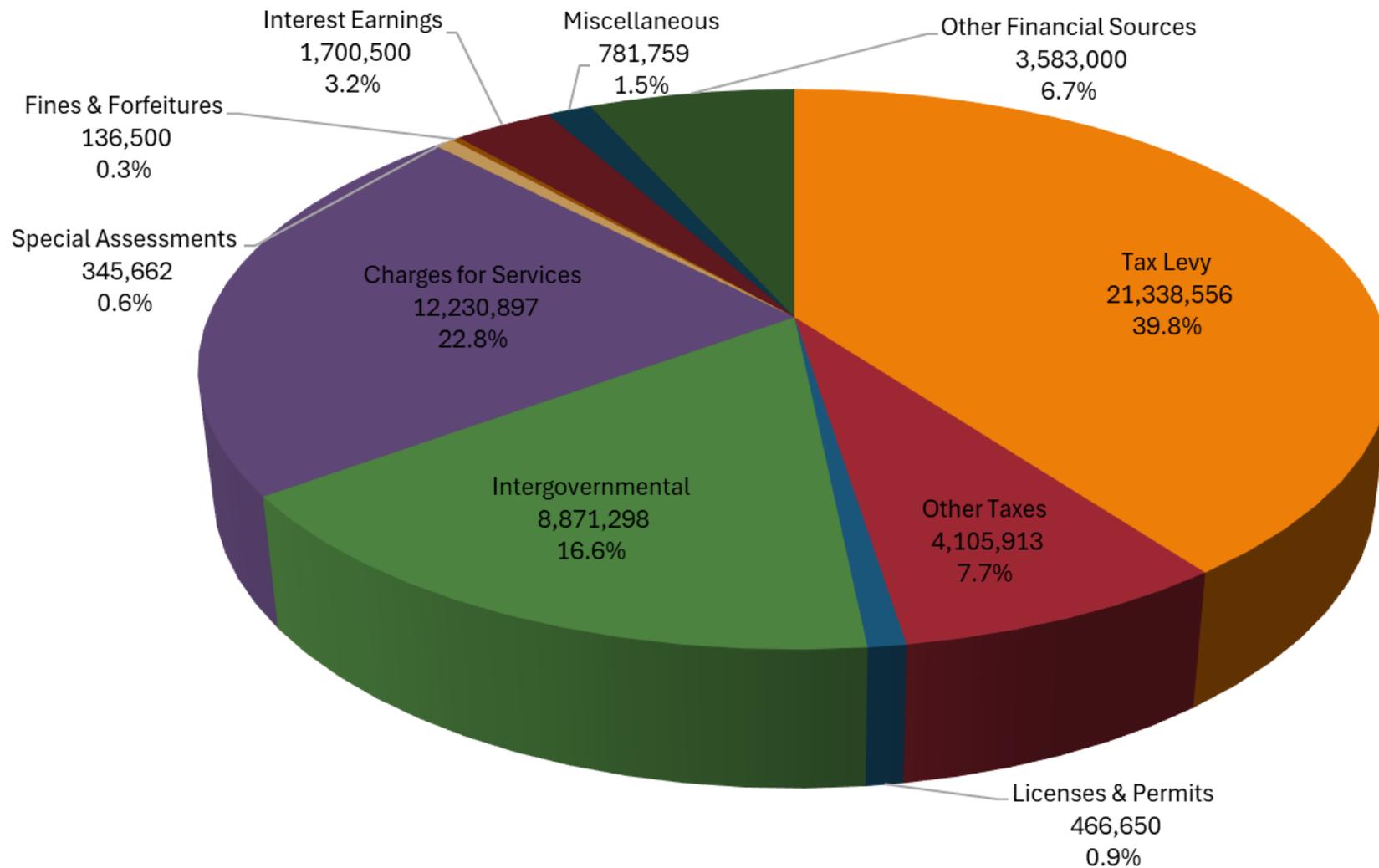
- **Facility & Building Rehabilitation**
- **Debt Service Adjustment**
- **Civic Organization/Partnership**
- **Department Reductions**
- **One-time project or Work**
- **Brooktree Pavement Replacement**

Tax Levy Detailed Comparison

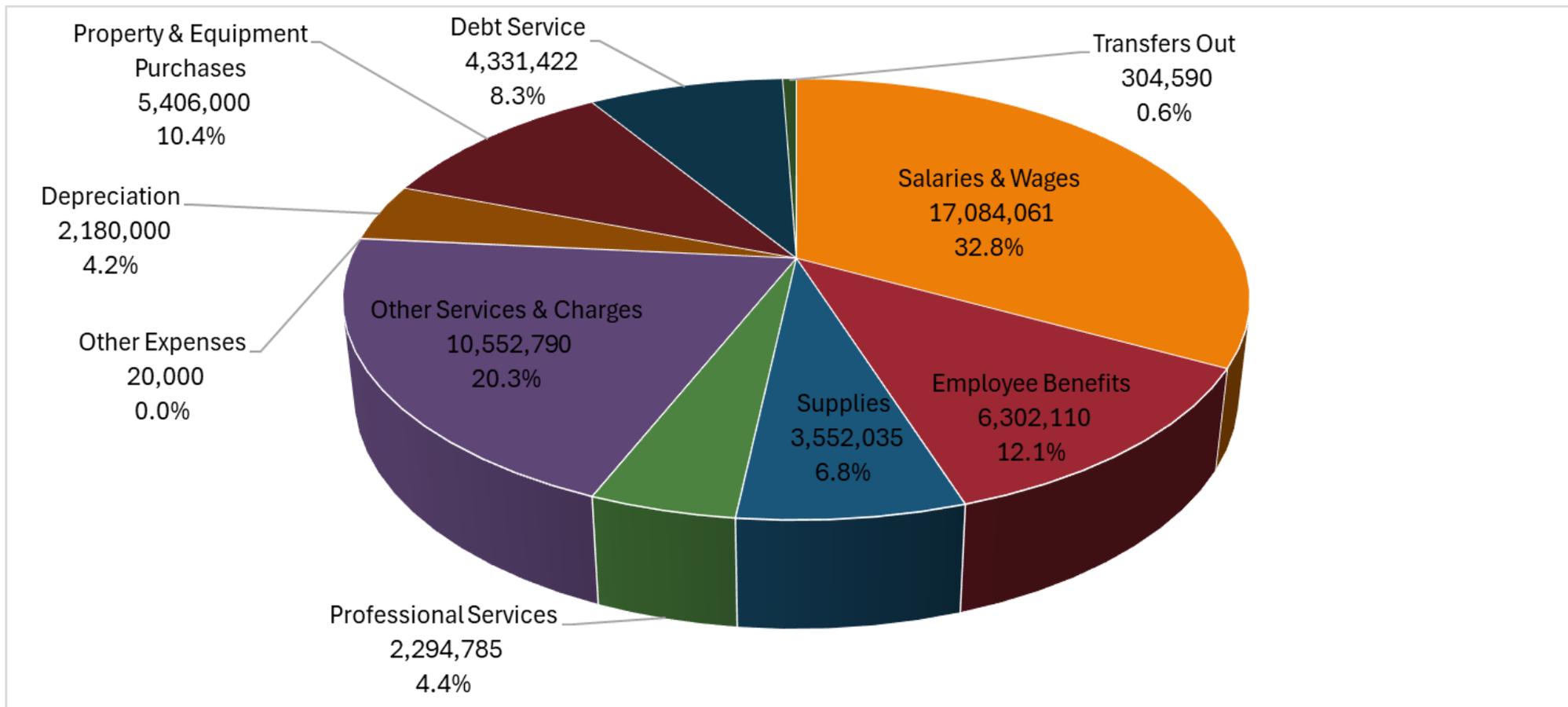
9.9% increase

	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 Total City Revenues by Category



2026 Total City Expenditures by Category





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

\$657 thousand: Economic Development

\$2.8 million: Debt Service

\$9.2 million: Capital Expenses and TIF

\$7.9 million: Utilities



2026 Capital Improvement Projects

Fund Levy \$249,000

- City-Wide LED lighting updating
- Maintenance Facility tube heat replacement
- Key cutter and setup
- Brooktree Golf Course 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

Tax Rate Review

2025 Tax Rate = 58.128%

2026 Tax Rate = 60.148%

Increase of 2.02%

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**