



Truth in Taxation Meeting: 2025 Tax Levy & Budget

DECEMBER 2, 2024

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Agenda

Statutory Requirements

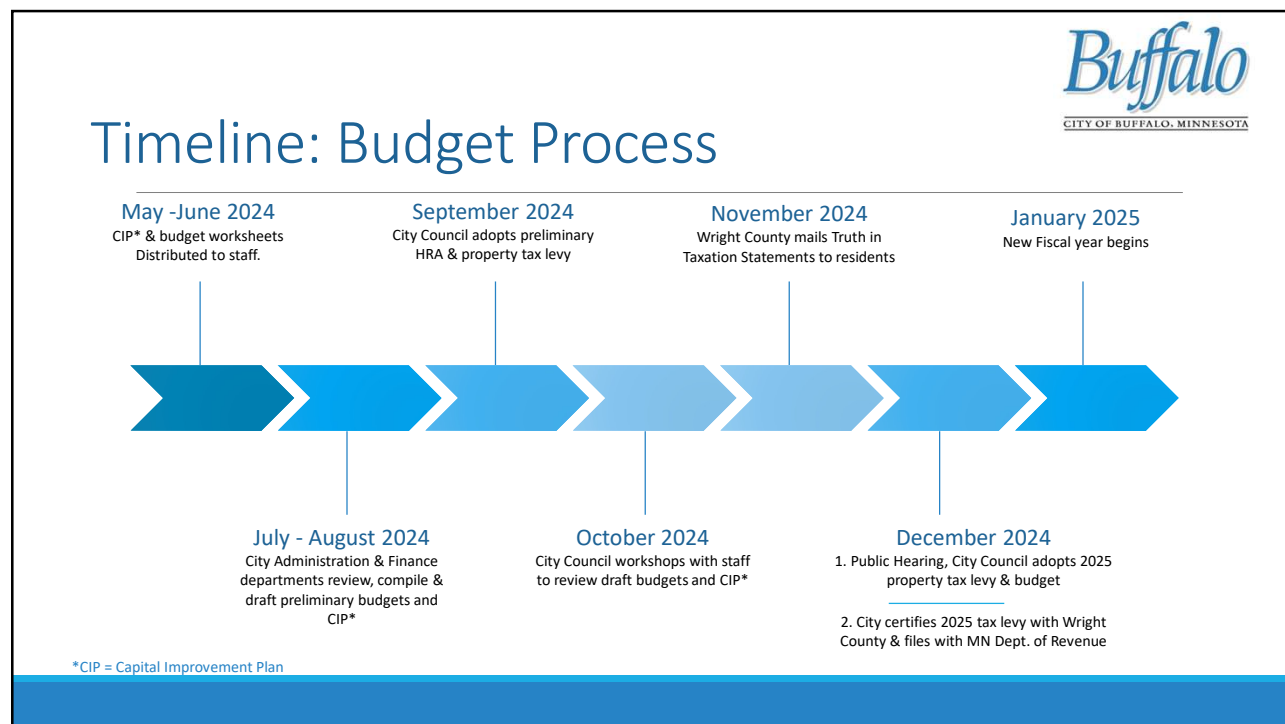
City of Buffalo Market Values, Tax Capacity and Tax Rate Trends

Proposed 2025 Tax Levy

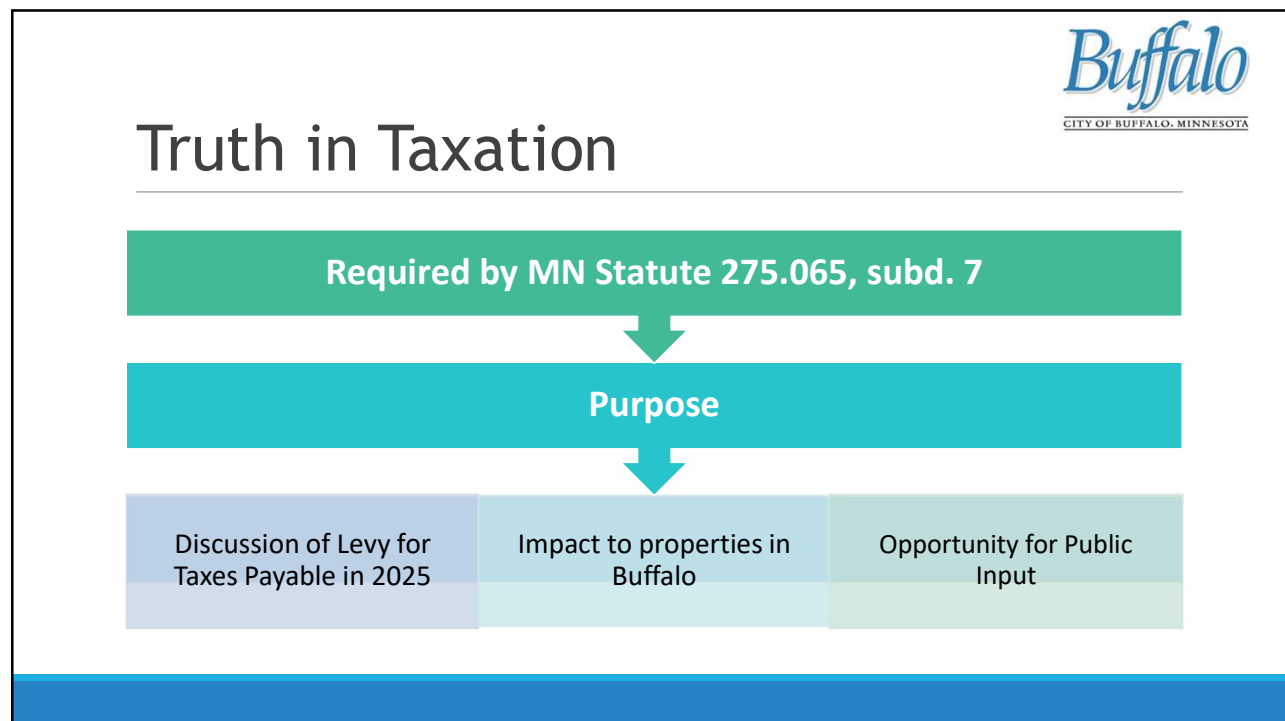
General Fund 2025 Budget Highlights

Open Public Hearing

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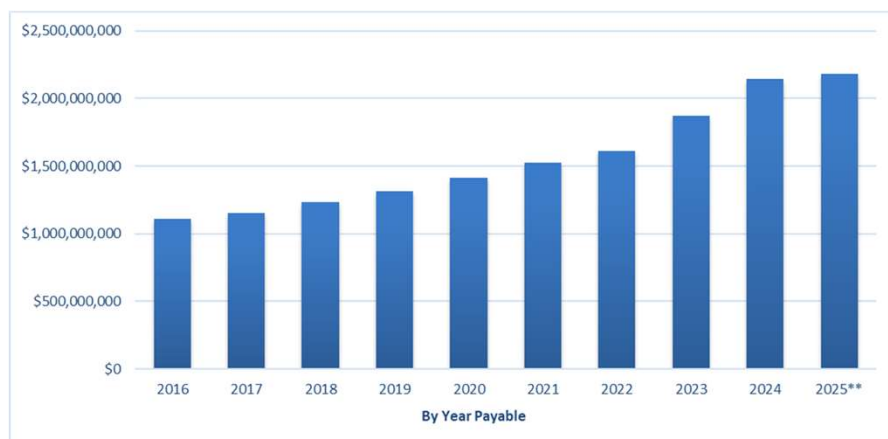
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Market Values, Tax Capacity, and Tax Rate Trends



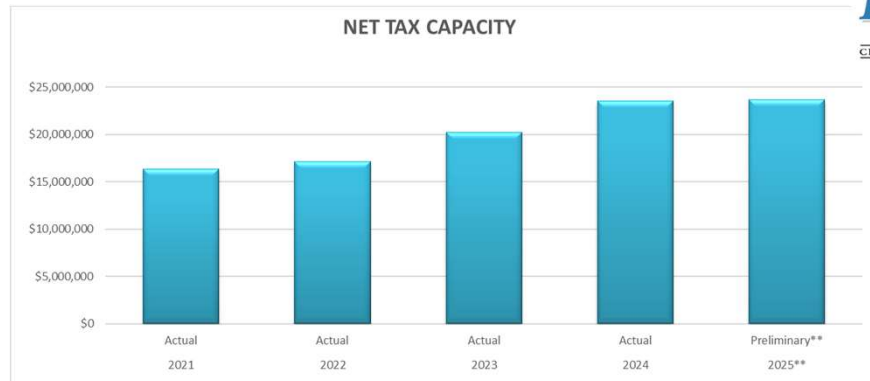
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Estimated Market Values



**Preliminary

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Net Tax Capacities

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2025 Proposed Levy - Background

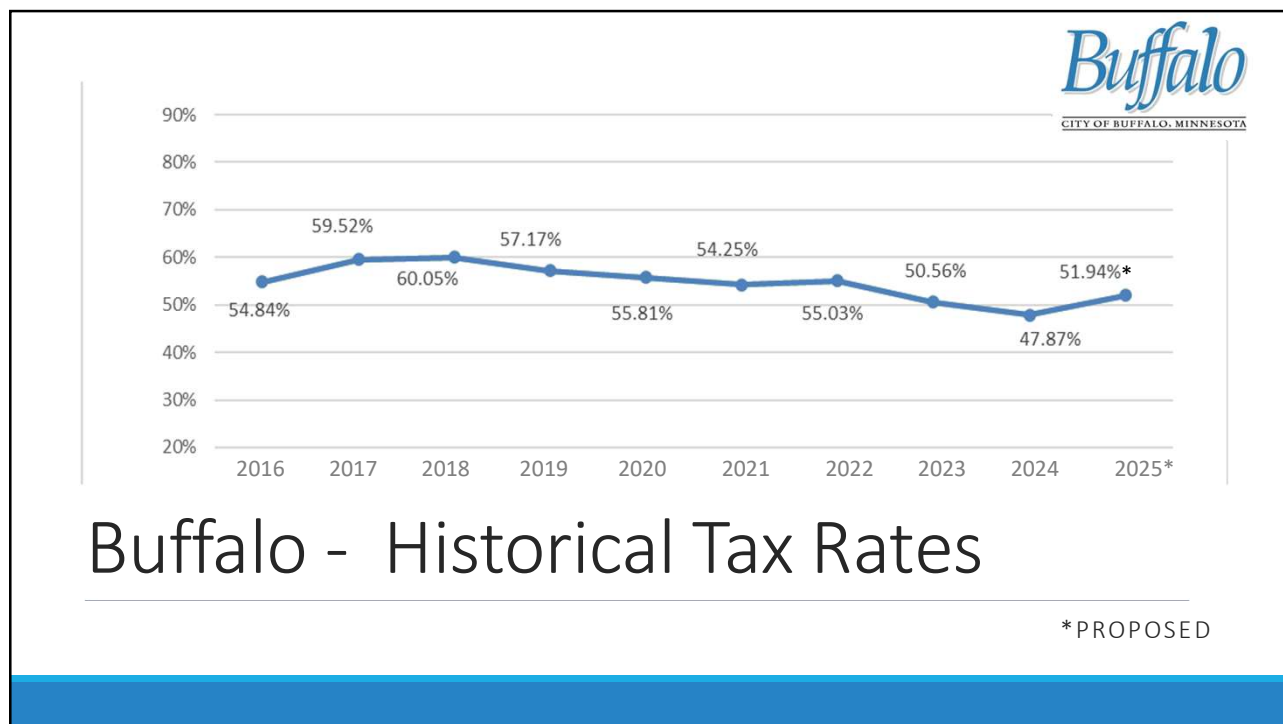
- ❖ 2025 Estimated Market Values (EMV) up 1.8% from 2024
- ❖ Growth in EMV from new construction = 75.7% of total growth in EMV, or, 1.3% of total EMV
- ❖ Preliminary 2025 Tax Capacity up 0.36% from 2024's
- ❖ Change in MN Homestead Exclusion Formula
 - ❖ Reduces "taxable" portion of residential home

The changes to the Homestead Market Value Exclusion are highlighted in the chart below:

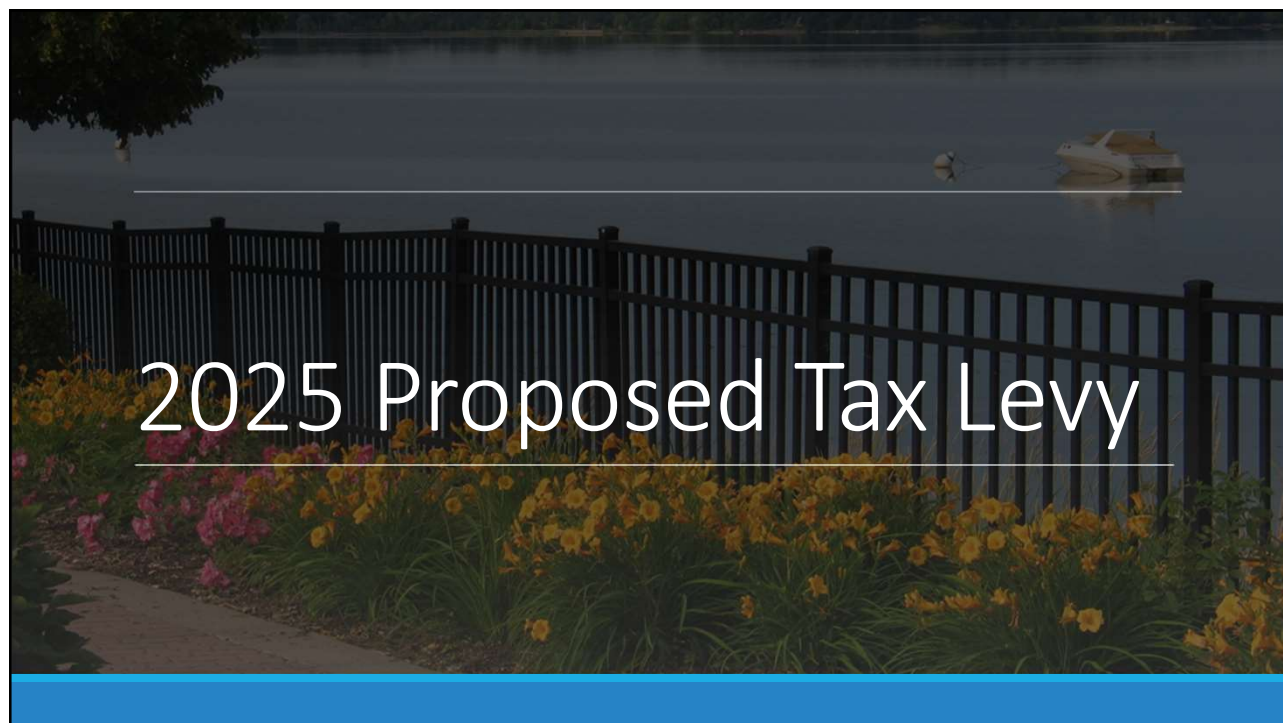
	Payable 2024	Payable 2025	% Change
Estimated Taxable Market Value (EVM)	\$ 322,858	322,858	0.00%
Homestead Market Value Exclusion	(8,183)	(17,493)	
Taxable Market Value	314,675	305,365	

Current Law		Law Change in Effect for Taxes Payable in 2025	
Market Value	Exclusion	Market Value	Exclusion
First \$76,000	40% of \$76,000 = \$30,400 max exclusion	First \$95,000	40% of \$95,000 = \$38,000 max exclusion
\$76,000 - \$413,800	\$30,400 minus 9% of value over \$76,000	\$95,000 - \$517,200	\$38,000 minus 9% of value over \$95,000
Over \$413,800	No exclusion	Over \$517,200	No exclusion

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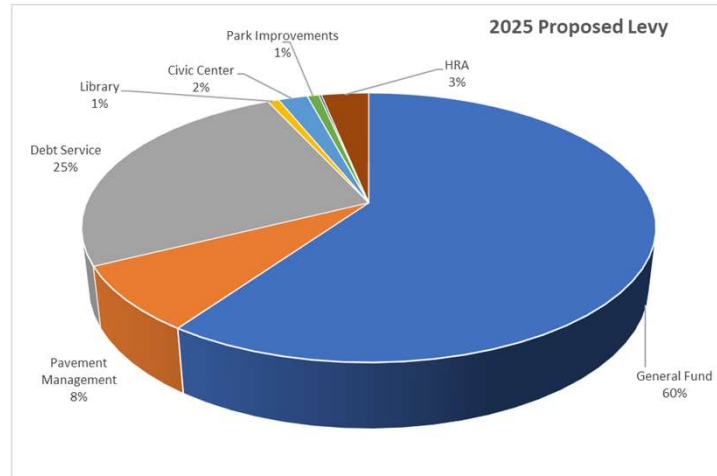


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Proposed 2025 Levy

What is supported by the Levy?

- General Fund –
 - General Government
 - Public Safety
 - Public Works
 - Culture & Recreation
- Outstanding Debt Obligations
- Special-Purpose Levies for:
 - Pavement Management
 - Civic Center
 - Park Capital Improvement
 - Library



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Proposed 2025 Tax Levy



2025 Proposed Tax Levy Summary				
	2025 Proposed Levy	2024 Adopted Levy	Increase/ (Decrease) Over Prior Year	
General Levy				
General Fund Levy	\$ 7,587,192	\$ 6,827,813	11.1%	
Pavement Management	1,000,000	800,000	25.0%	
Lease Purchase	462,777	454,241	1.9%	
Civic Center	250,000	125,000	100.0%	
Park Capital Improvement	100,000	-	NA	
Library	95,000	82,921	14.6%	
Economic Development Abatement	20,300	20,300	0.0%	
Total General Levy	9,515,269	8,310,275	14.5%	
Debt Levies				
Total Debt Levies	2,782,917	2,938,646	-5.3%	
TOTAL LEVIES	\$ 12,298,186	\$ 11,248,921	9.3%	

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Proposed 2025 Levy - Change

2025 Proposed - Change in Levy	
Projected Total Change in Levy	\$ 1,049,265
Increase in Pavement Management Levy	\$ 200,000
Increase for New Community Center Operating Exps	200,000
Increase in Civic Center Levy	125,000
Personnel Plan Additions - General Fund	156,800
Increase in Health Insurance - General Fund	111,140
Remaining Projected Increase - General Fund	291,439
Remaining levy line item changes	(35,114)
	\$ 1,049,265

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Tax Calculation Based on Median Valued Home

	Payable 2025	Payable 2024	% Change
Est. Taxable Market Value (EMV)	\$ 328,669	\$ 322,858	1.80%
Homestead Market Value Exclusion	(16,970)	(8,183)	
Taxable Market Value	311,700	314,675	
Class Rate - Set by Legislature	x 1%	x 1%	
Tax Capacity	3,117	3,147	
City of Buffalo Tax Rate	0.5194	0.4787	
City of Buffalo Estimated Taxes	1,619	1,506	
Annual Change	\$ 112.62		
Monthly Change	\$ 9.38		

Proposed 2025 Levy – Tax Impacts

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Preliminary 2025 Levy – Tax Impacts


Proposed 2025 Levy - \$12,298,186						
Est Residential Market Value	\$ 200,000	\$ 328,669	\$ 500,000	\$ 750,000	\$ 1,100,000	\$ 1,500,000
Homestead Exclusion	(28,550)	(16,970)	(1,550)	-	-	-
Taxable Market Value	171,450	311,699	498,450	750,000	1,100,000	1,500,000
Net Tax Capacity	1,715	3,117	4,985	8,125	12,500	17,500
Proj. Tax Rate	51.94%	51.94%	51.94%	51.94%	51.94%	51.94%
Net City Tax Payable	\$ 891	\$ 1,619	\$ 2,589	\$ 4,220	\$ 6,493	\$ 9,090

Change in Tax Payable from Prior Year						
Est Residential Market Value	\$ 200,000	\$ 328,669	\$ 500,000	\$ 750,000	\$ 1,100,000	\$ 1,500,000
2025 proj. tax rate from 2024 rate	25	82	195	331	509	712

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2025 General Fund Budget – Revenues

Revenues & Other Sources					
Revenues & Other Sources	2025 Proposed Budget	2024 Adopted Budget	\$ Change	% Change	
Taxes	8,072,729	7,320,144	752,585	13.8%	
Licenses & Permits	580,250	560,250	20,000	3.6%	
Intergovernmental	1,945,188	2,103,000	(157,812)	-7.5%	
Charges for Services	2,142,200	2,025,250	116,950	5.8%	
Transfers In	1,050,000	1,150,000	(100,000)	-8.7%	
All Other	243,500	210,300	33,200	15.8%	
Total Revenues & Other	14,033,867	13,368,944	664,923	5.0%	

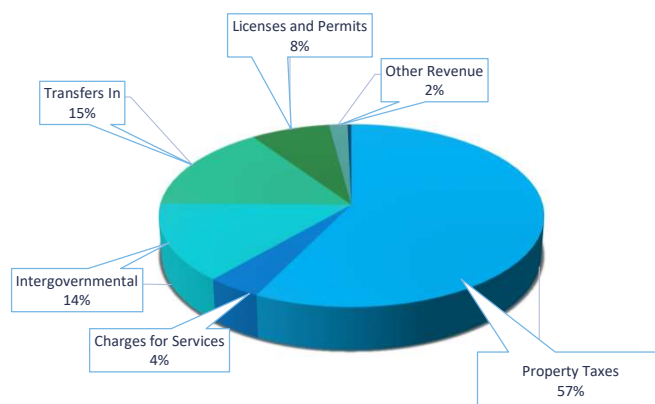
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2024 General Fund – Revenues

- Property Tax Revenues – Increase \$752,585, or 10%, from 2024
- Incremental increases in other Tax Revenues (lodging, delinquent, abatement)
- Permits – Increase \$20,000, or 3.6%, from 2024
- Intergovernmental -> Decrease \$157,812, or decrease of 7.5%
 - Local Government Aid, increase of \$4,188 for 2025
 - No “revenue” for use of Public Safety Aid received (as seen in 2024 budget for \$200K) – utilizing these funds in separate Public Safety Aid capital fund.
 - Offset by incremental increases in formula aids (Police State Aid, Municipal Street Aid)
- Charges for Services -> Sanitation charges – Budgeted 5% increase to rates (in line with Republic Contract), and adjusted for current # of customers, total budgeted revenue to increase \$99,000. Budgeted to roughly break-even on contract costs.

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2025 Revenue by Source - General Fund



2025
General
Fund –
Revenues

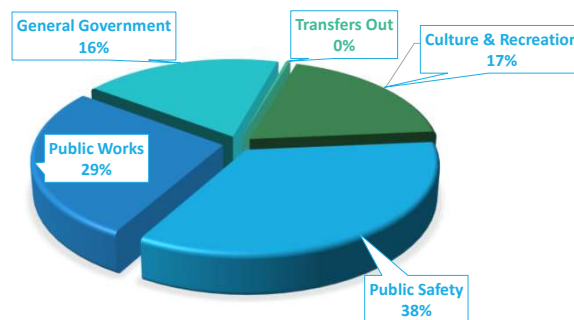
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2025 General Fund – Expenditures (Function)



Expenditures & Transfers-Out by Function					
Expenditure Function	2025 Proposed Budget	2024 Adopted Budget	\$ Change	% Change	
General Government	\$ 2,685,616	\$ 2,404,892	280,724	11.7%	
Public Safety	4,865,456	4,685,796	179,660	3.8%	
Public Works	3,770,185	3,861,639	(91,454)	-2.4%	
Culture and Recreation	2,662,610	2,226,617	435,993	19.6%	
Transfer to Other Funds	50,000	190,000	(140,000)	-73.7%	
Total Expenditures	14,033,867	13,368,944	664,923	5.0%	

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2025 General Fund – Expenditures (Function)

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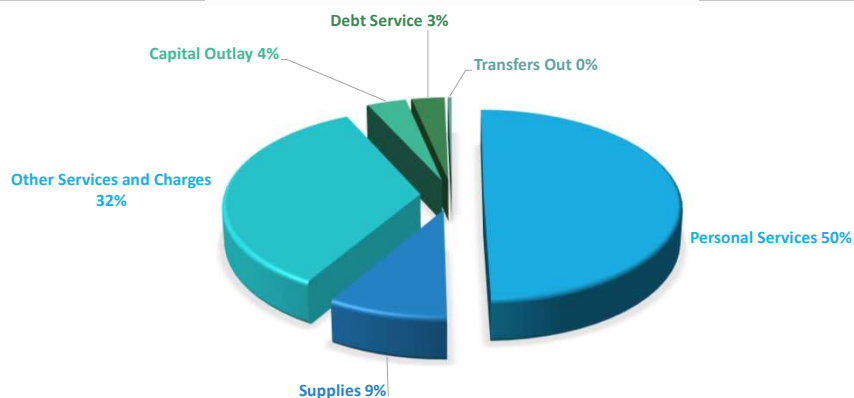
2025 General Fund – Expenditures (Object/Type)



Expenditures & Transfers-Out by Type					
Expenditure Type	2025 Proposed Budget	2024 Adopted Budget	\$ Change	% Change	
Personal Services	\$ 6,974,059	\$ 6,687,531	286,528	4.3%	
Supplies	1,250,139	1,219,064	31,075	2.5%	
Other Services & Charges	4,833,829	4,214,479	619,350	14.7%	
Capital Outlay	502,500	683,000	(180,500)	-26.4%	
Debt Service	423,340	374,870	48,469	12.9%	
Transfer to Other Funds	50,000	190,000	(140,000)	-73.7%	
Total Expenditures	14,033,867	13,368,944	664,923	5.0%	

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Preliminary 2025 General Fund – Expenditures (Object)



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Proposed
2025 Levy –
Tax Impacts

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HRA Board Approved
Preliminary Tax Levy of
\$404,158 – statutory
maximum

Expected to result in
HRA levy payable of \$53
per year to estimated
median valued home –
no change from 2024

2025 HRA
Levy Consent

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2025 Buffalo City Budget and
Levy Documents – Online

All Proposed 2025 Budget and Levy Items will be posted o
the City's website by tonight's meeting:

- 2025 Property Tax Levy Detail
- 2025 City-Wide Budgets
- 2025 Utility Rates
- 2025 Master Fee Schedule
- 2025 – 2029 Capital Improvement Plan

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Property Tax Relief Programs

- ❖ Homestead Market Value Exclusion – Values up to \$517,200
- ❖ Disabled Veteran Homestead Value Exclusion
- ❖ Senior Citizen Property Tax Deferral Program
- ❖ Property Tax Refund – State of MN
- ❖ Targeting Property Tax Refund (aka Special Property Tax Refund)
 - ❖ Property Tax Increase of over 12% and \$100



More information found on MN Department of Revenue Website

Visit: <https://www.revenue.state.mn.us/property-tax-relief>

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Next Steps



1. Leave the Public Hearing Open until December 16, 2024



City Council to accept Public Input

Ways to Comment:

1. Reach out to City Council members
2. Email Comments to cityadministrator@ci.buffalo.mn.us
3. Drop off at City Center:

212 Central Ave
 Buffalo, MN 55313

2. Future Council Action - December 16, 2024:



- Set the Final Tax Levy for Payable 2025
- Set the consent for Final HRA Tax Levy for Payable 2025
- Adopt the 2025 Annual Operating Budgets
- Adopt the 2025 Master Fee Schedule
- Adopt the 2025-2029 Capital Improvement Plan (CIP)

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