



*City of*  
**Redwood Falls**

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# **Truth in Taxation**

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**2025 BUDGET PRESENTATION**

**DECEMBER 17, 2024**

# Truth in Taxation

## Public Hearing & Input Meeting



### MN Dept of Revenue

- The Minnesota Department of Revenue requires cities with populations over 500 to hold Truth in Taxation Meetings.



### Notification

- Redwood County sends out parcel specific notices in November to property owners showing proposed tax figures for the upcoming year.



### Purpose of Meeting

- Discuss 2025 City Tax Levy
- Discuss 2025 Budget
- Allow time for public input and questions.



### Valuations

- The focus of this meeting is not on property valuations.
- The Local Board of Appeal & Equalization Meeting is where concerns about property valuations are heard.
- This meeting was held April 16, 2024.

# Budget Process

## Staff

- June: Budget materials to department heads
- July: Requests due to finance
- July: Department head meetings with Finance Director/City Administrator

## Prelim

- August: Finance finishes assembling budget
- September: Budget Committee review of preliminary levy and budget
- September: Council approves preliminary levy and budget

## Final

- October-November: Finance fine tunes budget / County sends proposed tax statements
- December: Budget Committee review of final levy and budget
- December: Public Hearing (TNT) / Final levy set & budget approved

# Proposed 2025 Tax Levy

|   | 2024                | 2025                | 2025                |
|---|---------------------|---------------------|---------------------|
|   | Final Levy          | Preliminary Levy    | Final Proposed Levy |
| General Fund                            | \$ 2,694,430        | \$ 2,890,910        | \$ 2,857,941        |
| Library                                 | \$ 428,914          | \$ 502,067          | \$ 503,219          |
| Port Authority                          | \$ 81,191           | \$ 89,232           | \$ 89,232           |
| Debt Service                            | \$ 299,114          | \$ 294,809          | \$ 294,809          |
| Abatements                              | \$ 21,398           | \$ 26,434           | \$ 26,434           |
| <b>Total Levy</b>                       | <u>\$ 3,525,047</u> | <u>\$ 3,803,452</u> | <u>\$ 3,771,635</u> |
| <b>Incr (Decr) over 2024 Final Levy</b> |                     | <u>\$ 278,405</u>   | <u>\$ 246,588</u>   |
| <b>Percentage Incr (Decr) - Total</b>   |                     | 7.9%                | 7.0%                |

Levy Increase for all Minnesota Cities: **8.8%**

# Changes to Prelim

|         |   |  |
|---------|---|--|
| EXPENSE |    | • Salaries and Benefits: \$2,000           |
| EXPENSE |    | • Worker's Compensation Premiums: \$19,000 |
| EXPENSE |    | • Property and Casualty Insurance: \$5,000 |
| <hr/>   |   |  |
| EXPENSE |    | • Misc. Small Expense Decreases: \$11,000  |
| REVENUE |   | • Misc. Small Revenue Increases: \$15,000  |
| REVENUE |  | • PILOTS to the General Fund: \$32,000     |

**Preliminary Increase:**  
**\$278,405 7.9%**

**\$31,817**

**Final Increase**  
**\$246,588 7.0%**

## 2024 VS 2025

# General Fund

Decreased Revenues:  
\$66,197

**PLUS**

Increased Expenses:  
\$97,315

**EQUALS**

General Levy  
Increase:  
\$163,511

| GENERAL FUND               | 2024               | 2025               | Change            |
|----------------------------|--------------------|--------------------|-------------------|
| <b>REVENUE</b>             |                    |                    |                   |
| Franchise Fees/ Hotel Tax  | \$205,400          | \$216,000          | \$10,600          |
| Licenses & Permits         | \$110,650          | \$118,825          | \$8,175           |
| Intergovernmental          | \$2,799,675        | \$2,644,498        | (\$155,177)       |
| Charges for Services       | \$919,302          | \$931,081          | \$11,780          |
| Fines & Forfeitures        | \$31,000           | \$28,500           | (\$2,500)         |
| Miscellaneous              | \$224,450          | \$253,531          | \$29,081          |
| Transfers in               | \$708,290          | \$740,135          | \$31,845          |
| <b>Total Revenues</b>      | <b>\$4,998,767</b> | <b>\$4,932,570</b> | <b>(\$66,197)</b> |
| <b>EXPENSE</b>             |                    |                    |                   |
| Total Personnel Services   | \$4,338,263        | \$4,558,648        | \$220,385         |
| Supplies                   | \$613,850          | \$669,005          | \$55,155          |
| Services & Charges         | \$1,055,671        | \$1,056,476        | \$805             |
| Miscellaneous              | \$1,346,021        | \$1,276,959        | (\$69,062)        |
| Dues/Subscriptions/Permits | \$100,694          | \$103,190          | \$2,496           |
| Capital Outlay             | \$64,900           | \$76,435           | \$11,535          |
| Transfers Out              | \$173,798          | \$49,799           | (\$123,999)       |
| <b>Total Expense</b>       | <b>\$7,693,197</b> | <b>\$7,790,511</b> | <b>\$97,315</b>   |

| GENERAL FUND | 2024<br>Final<br>Levy | 2025<br>Final Proposed<br>Levy | Change    |
|--------------|-----------------------|--------------------------------|-----------|
|              | \$2,694,430           | \$2,857,941                    | \$163,511 |

## 2024 VS 2025

### Library

Increased Revenues:  
-\$3,699

### **PLUS**

Increase Expenses:  
\$78,004

### **EQUALS**

Library Levy Increase:  
\$74,305

| LIBRARY                    | 2024             | 2025             | Change          |
|----------------------------|------------------|------------------|-----------------|
| <b>REVENUE</b>             |                  |                  |                 |
| Intergovernmental          | \$40,680         | \$40,679         | (\$1)           |
| Charges for Services       | \$500            | \$500            | \$0             |
| Fines & Forfeitures        | \$3,000          | \$3,000          | \$0             |
| Miscellaneous              | \$13,350         | \$17,050         | \$3,700         |
| <b>Total Revenues</b>      | <b>\$57,530</b>  | <b>\$61,229</b>  | <b>\$3,699</b>  |
| <b>EXPENSE</b>             |                  |                  |                 |
| Total Personnel Services   | \$340,591        | \$417,943        | \$77,352        |
| Supplies                   | \$46,350         | \$50,050         | \$3,700         |
| Services & Charges         | \$62,924         | \$54,750         | (\$8,174)       |
| Miscellaneous              | \$35,979         | \$41,106         | \$5,126         |
| Dues/Subscriptions/Permits | \$600            | \$600            | \$0             |
| Capital Outlay             |                  |                  | \$0             |
| Transfers Out              |                  |                  | \$0             |
| <b>Total Expense</b>       | <b>\$486,444</b> | <b>\$564,448</b> | <b>\$78,004</b> |

|         | 2024       | 2025                |          |
|---------|------------|---------------------|----------|
| LIBRARY | Final Levy | Final Proposed Levy | Change   |
|         | \$428,914  | \$503,219           | \$74,305 |

# 2024 VS 2025

## Port Authority / Debt / Abatements

### Port Authority:

Set by Statute / Based on Estimated Market Value

Mandatory: 0.01813 % of EMV

Discretionary: 0.00282% of EMV

### Debt:

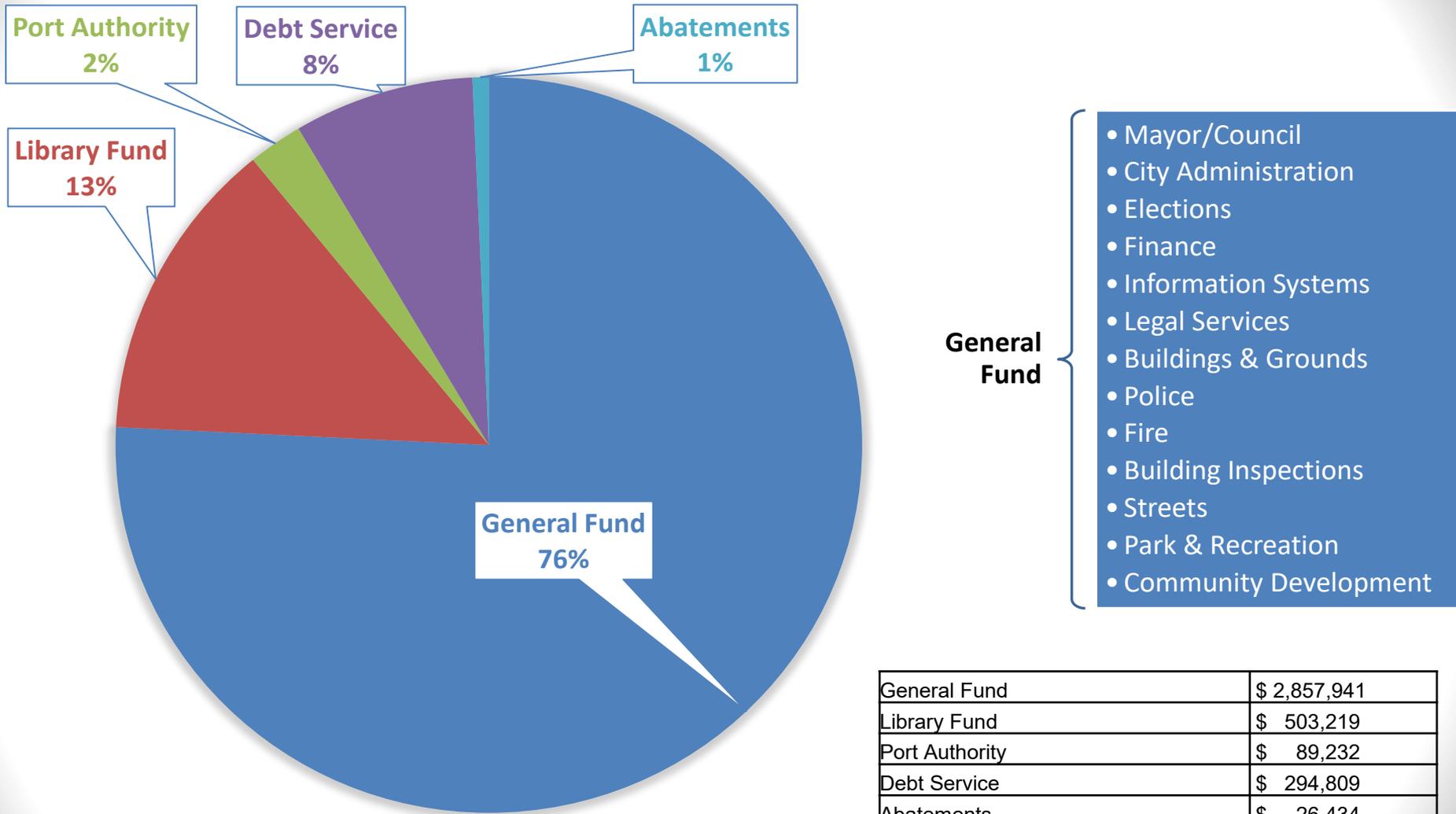
Based on required annual debt service payments.

### Abatements:

Based on abatement agreements and market value

|                                 | 2024              | 2025                       |                  |
|---------------------------------|-------------------|----------------------------|------------------|
|                                 | <b>Final Levy</b> | <b>Final Proposed Levy</b> | <b>Change</b>    |
| <b>Port Authority</b>           | \$81,191          | \$89,232                   | \$8,041          |
|                                 | <b>2024</b>       | <b>2025</b>                |                  |
|                                 | <b>Final Levy</b> | <b>Final Proposed Levy</b> | <b>Change</b>    |
| <b>Debt Service</b>             |                   |                            |                  |
| 2021A Fire Equipment Bonds      | \$146,549         | \$145,184                  | (\$1,365)        |
| 2022 A Street Improvement Bonds | \$152,565         | \$149,625                  | (\$2,940)        |
| <b>Total Debt Service</b>       | <b>\$299,114</b>  | <b>\$294,809</b>           | <b>(\$4,305)</b> |
|                                 | <b>Final Levy</b> | <b>Final Proposed Levy</b> | <b>Change</b>    |
| <b>Abatements</b>               |                   |                            |                  |
| Garnette Gardens                | \$3,906           | \$4,256                    | \$350            |
| Redwood Property Holdings       | \$14,396          | \$13,982                   | (\$414)          |
| Snug as a Bug                   | \$3,096           | \$8,196                    | \$5,100          |
| <b>Total Debt Service</b>       | <b>\$21,398</b>   | <b>\$26,434</b>            | <b>\$5,036</b>   |

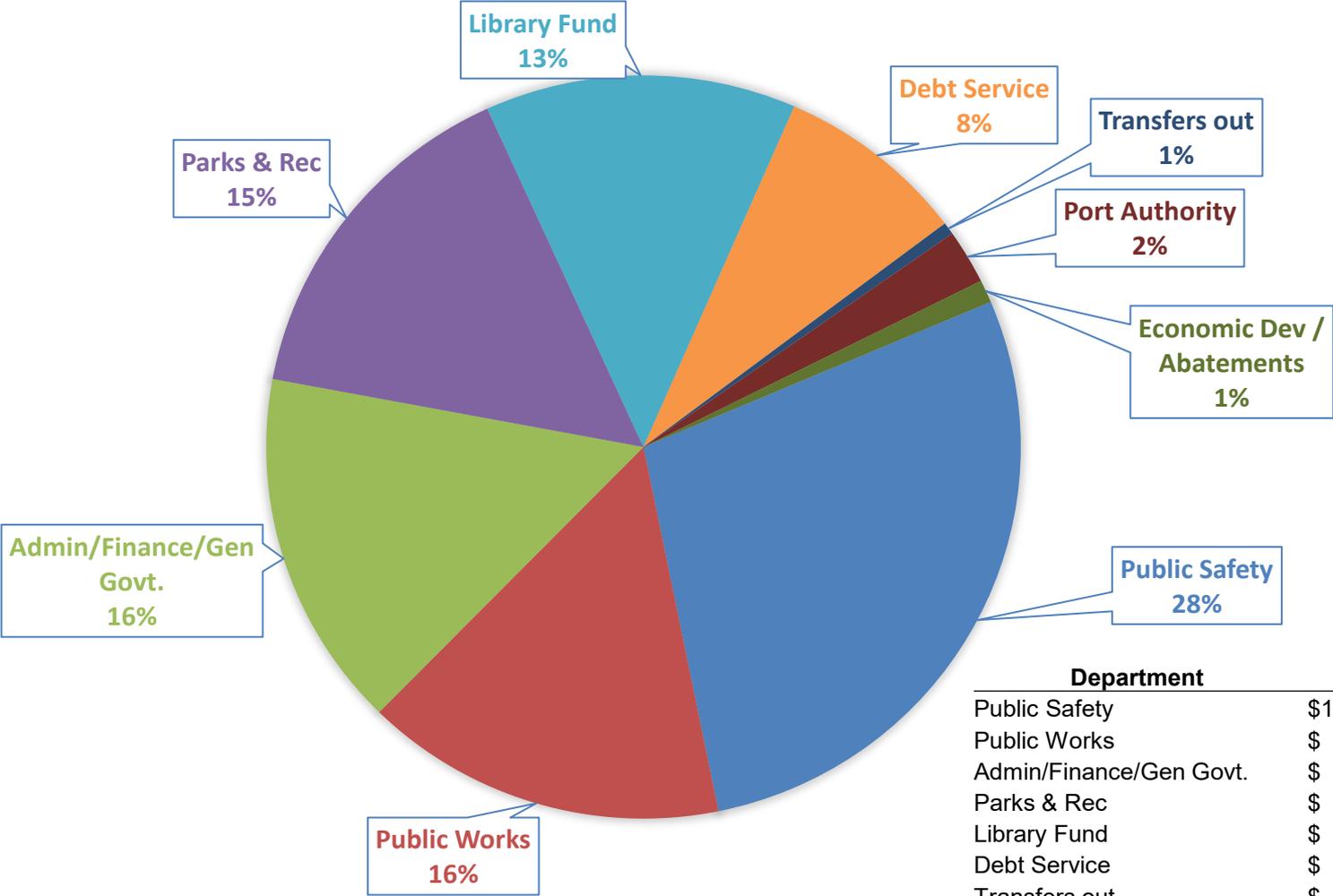
# What does the levy fund?



- General Fund**
- Mayor/Council
  - City Administration
  - Elections
  - Finance
  - Information Systems
  - Legal Services
  - Buildings & Grounds
  - Police
  - Fire
  - Building Inspections
  - Streets
  - Park & Recreation
  - Community Development

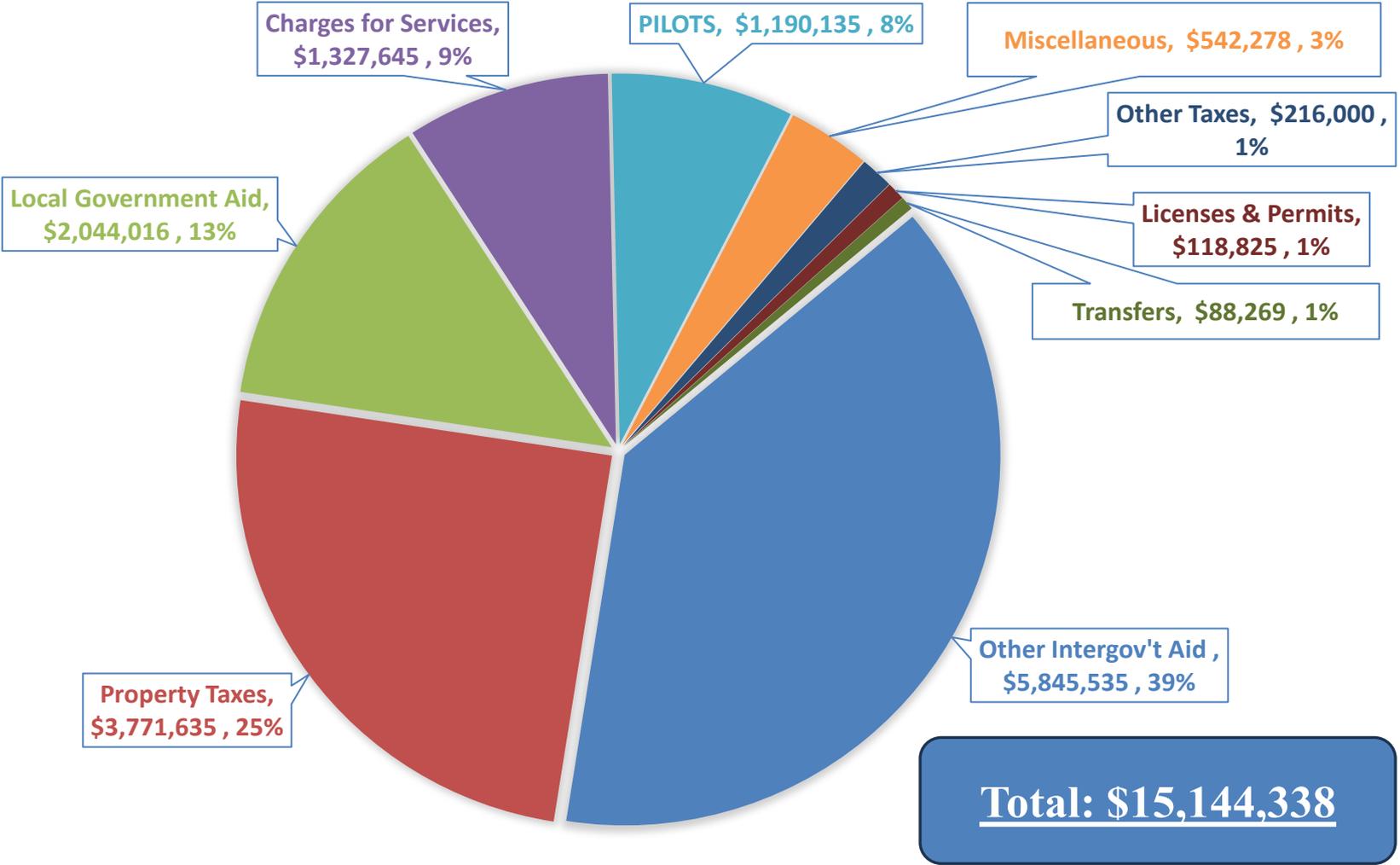
|                   |                     |
|-------------------|---------------------|
| General Fund      | \$ 2,857,941        |
| Library Fund      | \$ 503,219          |
| Port Authority    | \$ 89,232           |
| Debt Service      | \$ 294,809          |
| Abatements        | \$ 26,434           |
| <b>Total Levy</b> | <b>\$ 3,771,635</b> |

# Levy Detail by Department

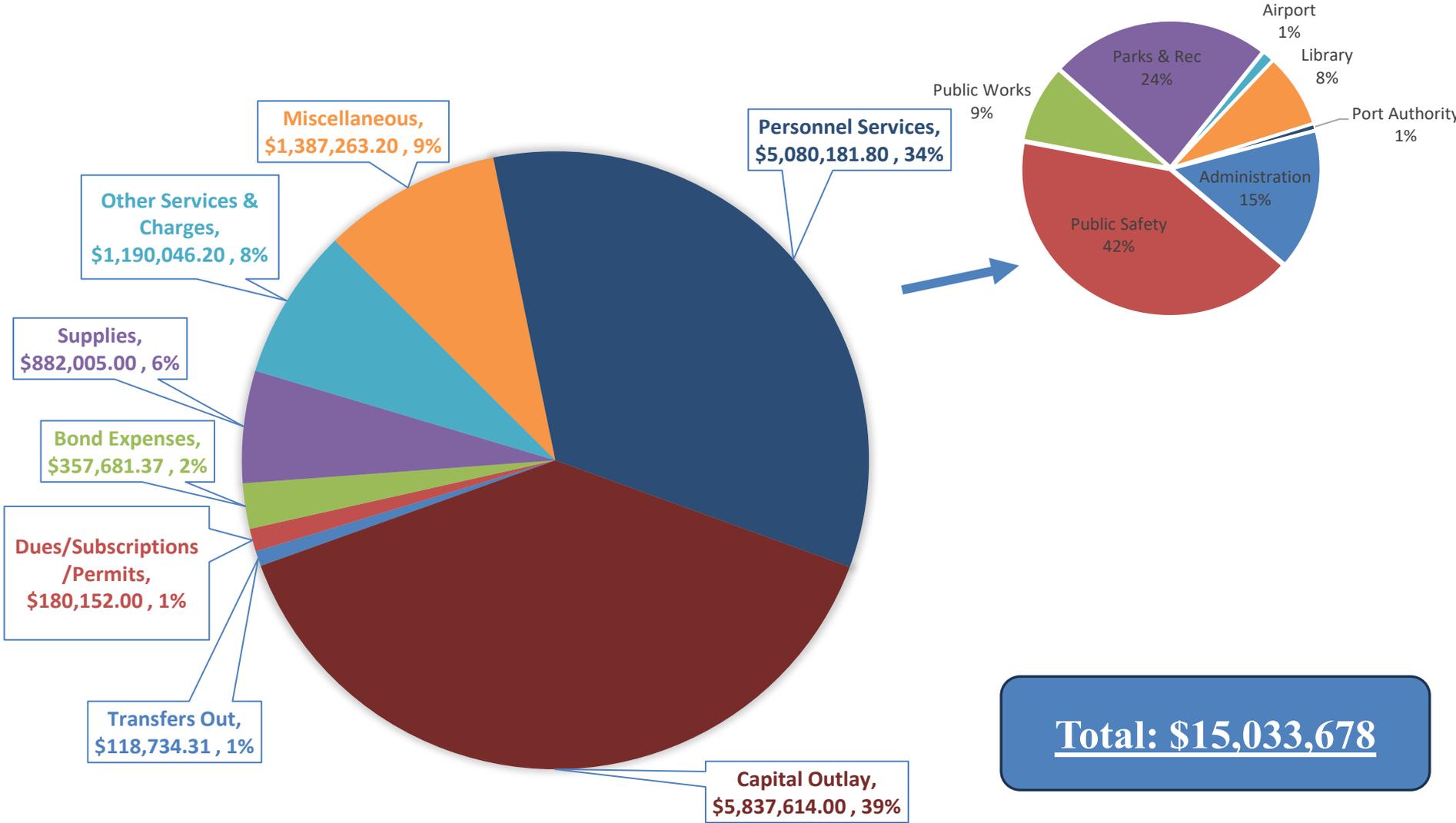


| Department                | Levy               | Percent       |
|---------------------------|--------------------|---------------|
| Public Safety             | \$1,063,645        | 28.2%         |
| Public Works              | \$ 586,205         | 15.5%         |
| Admin/Finance/Gen Govt.   | \$ 587,509         | 15.6%         |
| Parks & Rec               | \$ 576,120         | 15.3%         |
| Library Fund              | \$ 503,219         | 13.3%         |
| Debt Service              | \$ 308,522         | 8.2%          |
| Transfers out             | \$ 20,000          | 0.5%          |
| Port Authority            | \$ 89,232          | 2.4%          |
| Economic Dev / Abatements | \$ 37,184          | 1.0%          |
| <b>Total</b>              | <b>\$3,771,635</b> | <b>100.0%</b> |

# 2025 Projected Revenues – Governmental Funds

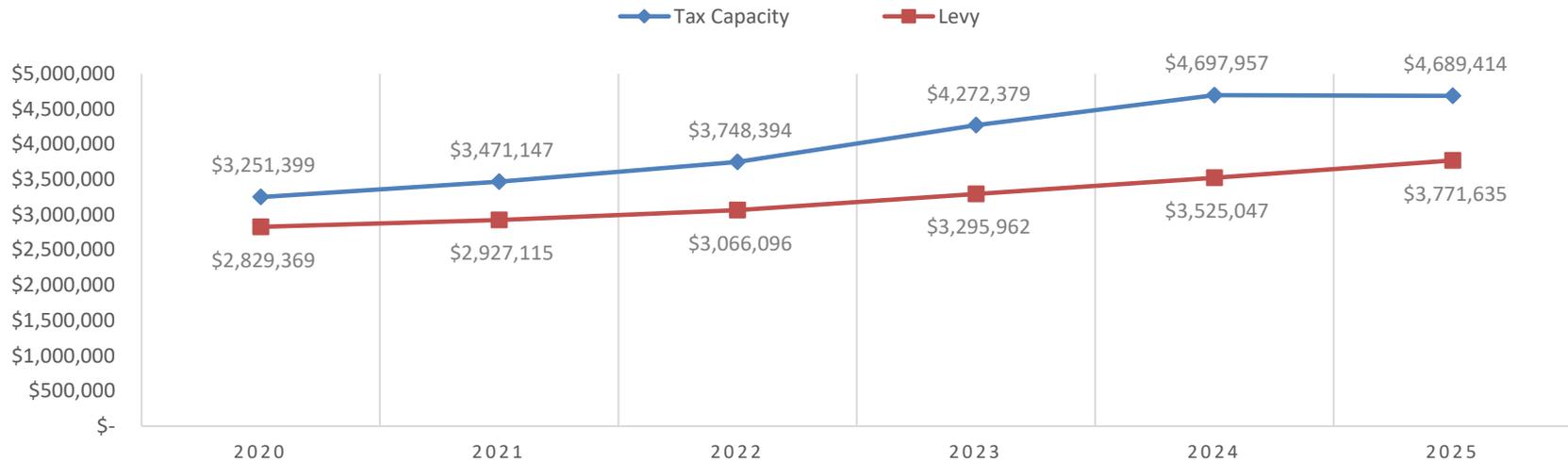


# 2025 Projected Expenses – Governmental Funds

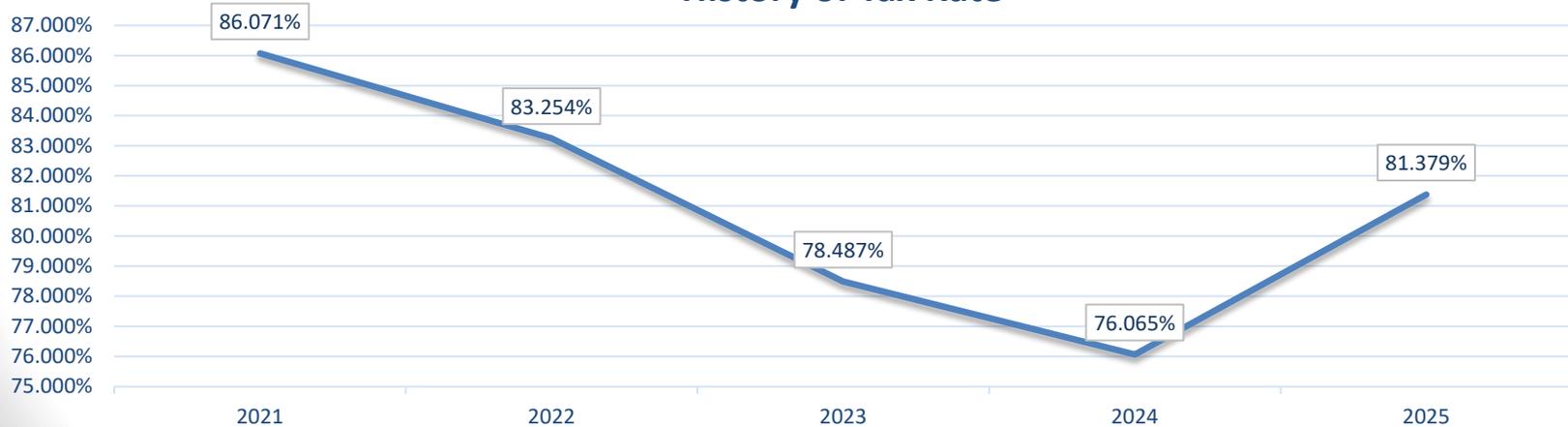


# Total Levy / Captured Tax Capacity = Tax Rate

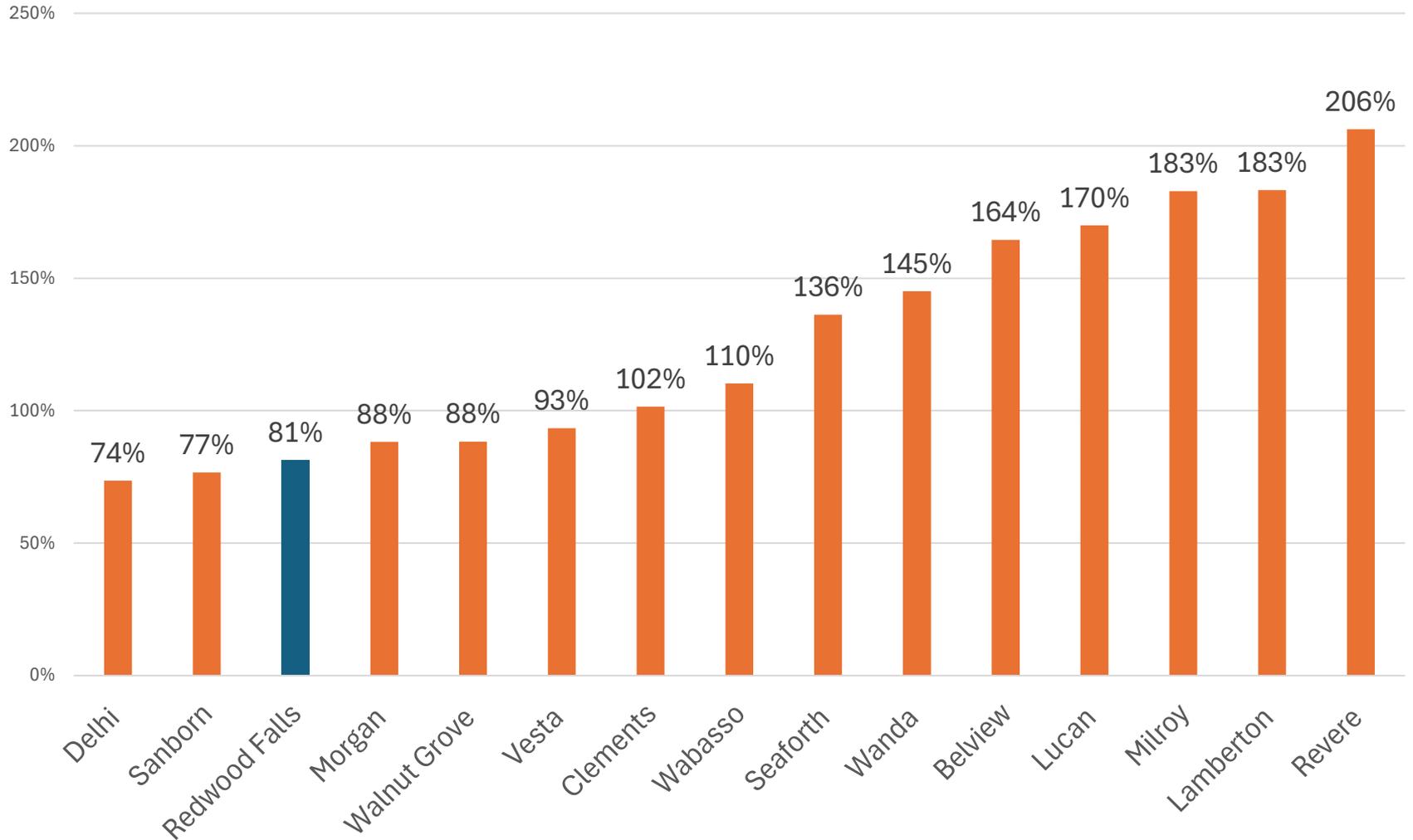
## HISTORY OF TAX CAPACITY AND LEVY



## History of Tax Rate



# Redwood County Tax Rates



2024



2025

Taxable Market Value  
\$180,760

Taxable Market Value  
\$171,450

Market Value:  
\$200,000

Tax Capacity: 1,808

Tax Capacity: 1,715



Tax Rate: 76.065%

Tax Rate: 81.379%

City Tax: \$1,375.26

City Tax: \$1,395.65

Increase: \$20.39 per Year  
\$1.70 per Month

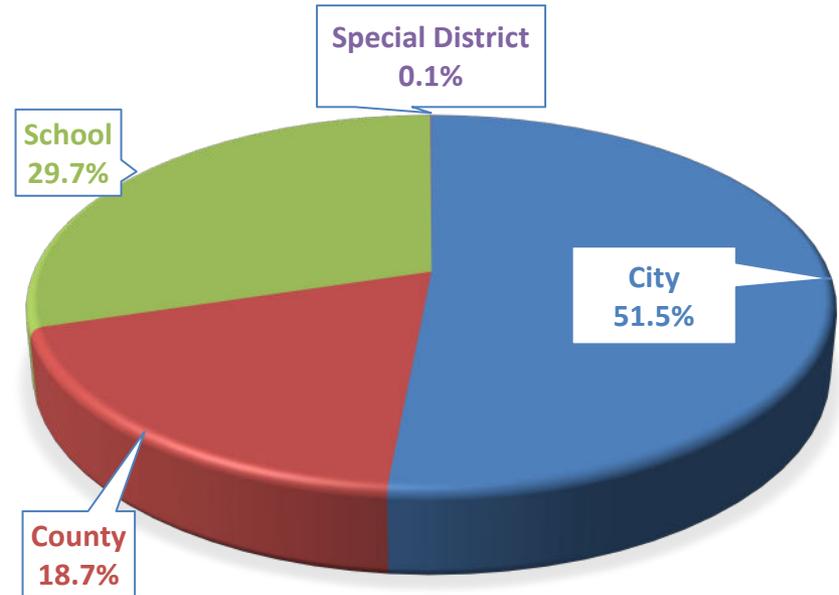
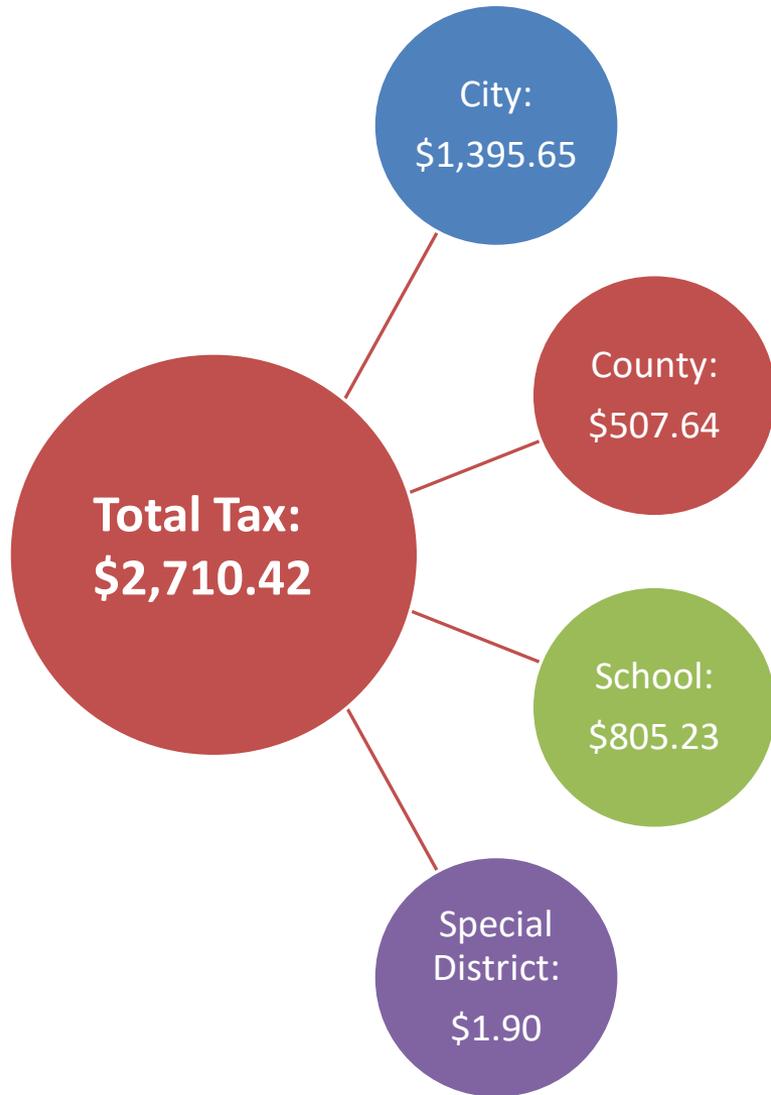
# 2025 Tax Vs 2024 Tax

## NO Change In Property Value

| Home Value   | 2025<br>Tax Cap | 2025<br>City Tax | 2025<br>Per Month | 2024<br>Tax Cap | 2024<br>City Tax | 2024<br>Per Month | Increase<br>(Decrease) | Annual<br>Increase<br>(Decrease) |
|--------------|-----------------|------------------|-------------------|-----------------|------------------|-------------------|------------------------|----------------------------------|
| \$100,000.00 | 625             | \$508.62         | \$42.38           | 718             | \$546.15         | \$45.51           | (\$3.13)               | (\$37.53)                        |
| \$150,000.00 | 1170            | \$952.13         | \$79.34           | 1263            | \$960.70         | \$80.06           | (\$0.71)               | (\$8.57)                         |
| \$200,000.00 | 1715            | \$1,395.65       | \$116.30          | 1808            | \$1,375.26       | \$114.60          | \$1.70                 | \$20.39                          |
| \$250,000.00 | 2260            | \$1,839.17       | \$153.26          | 2353            | \$1,789.81       | \$149.15          | \$4.11                 | \$49.36                          |
| \$300,000.00 | 2805            | \$2,282.68       | \$190.22          | 2898            | \$2,204.36       | \$183.70          | \$6.53                 | \$78.32                          |
| \$400,000.00 | 3895            | \$3,169.71       | \$264.14          | 3988            | \$3,033.47       | \$252.79          | \$11.35                | \$136.24                         |

# Who Get's your Property Tax Dollars?

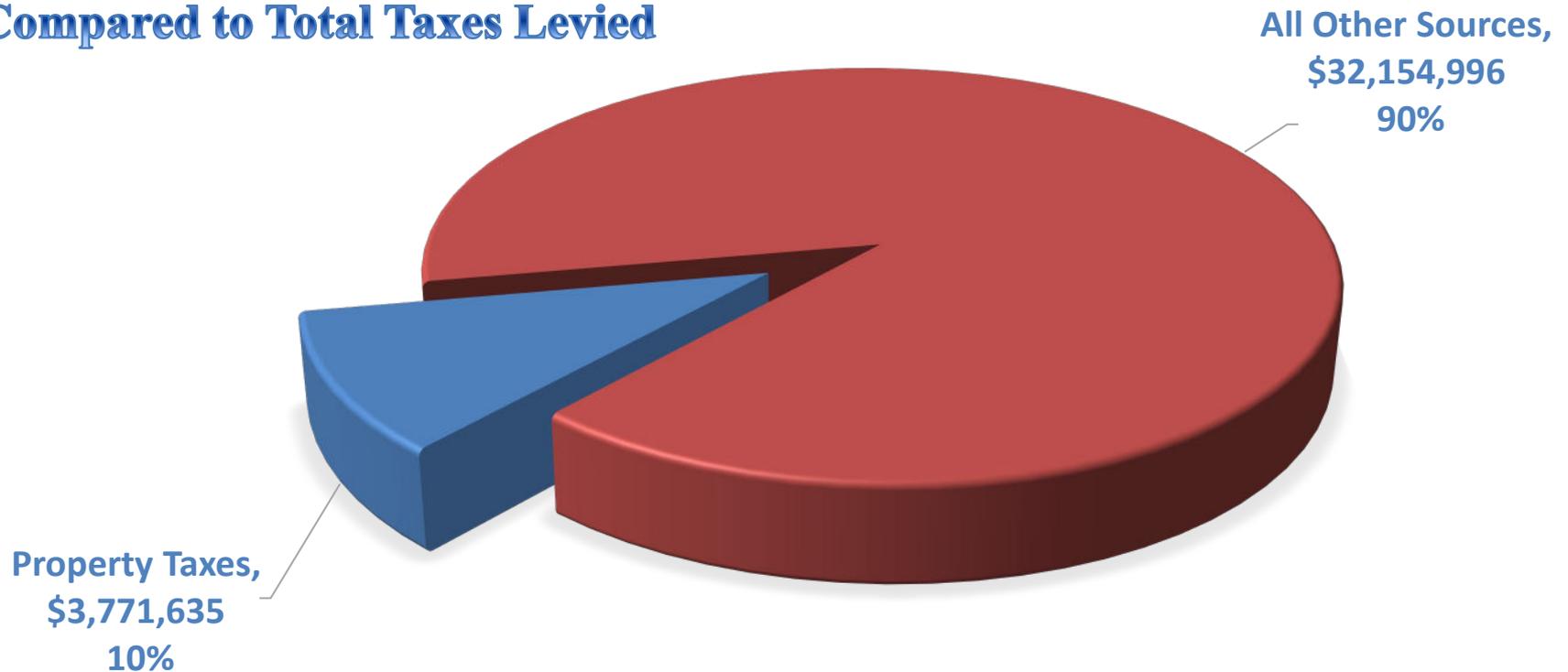
Market Value of Residential Property: \$200,000



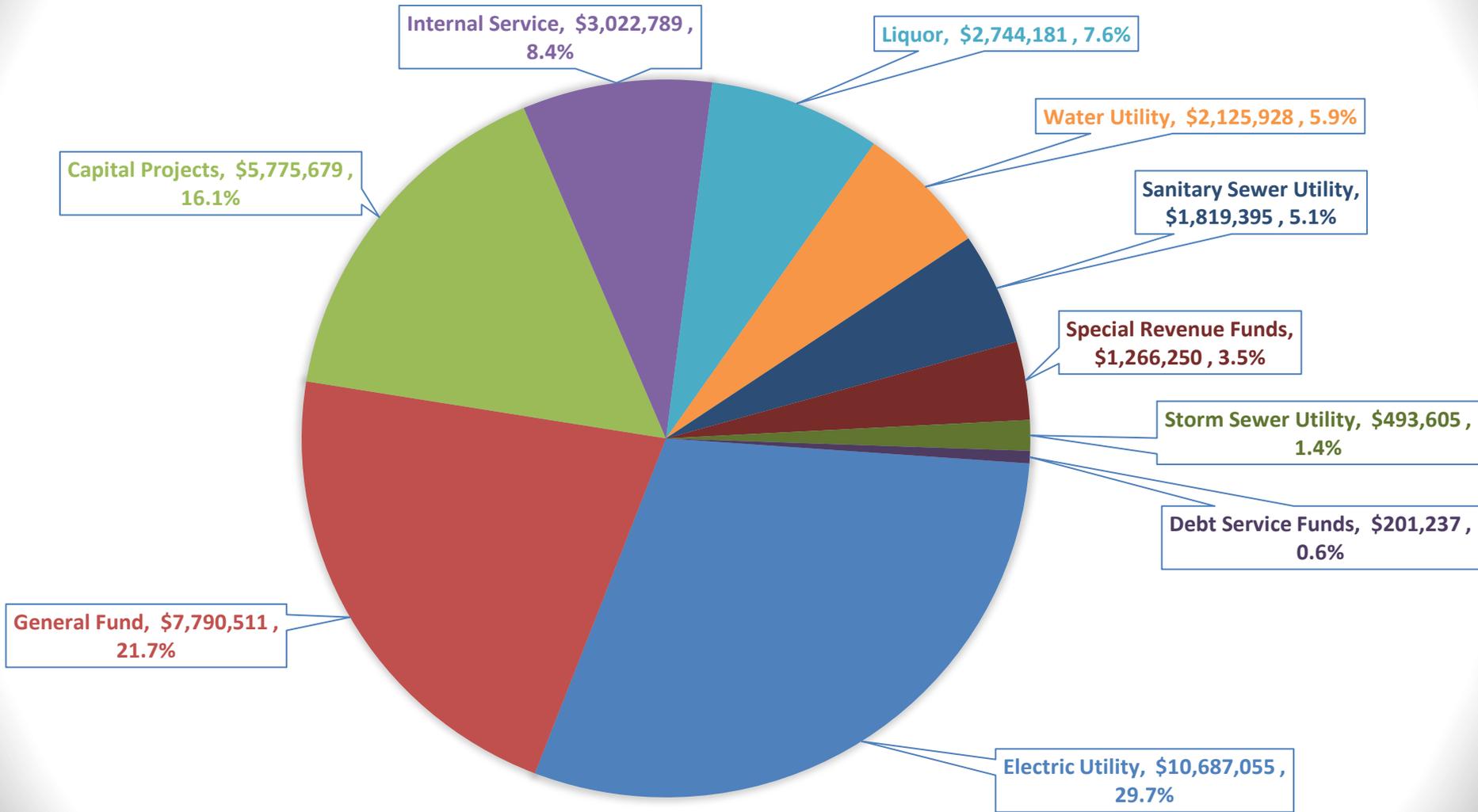
# 2025 Final Budget Information

## City of Redwood Falls

### 2025 Total City Budgets Compared to Total Taxes Levied



**CITY OF REDWOOD FALLS  
2025 FINAL BUDGET  
ALL CITY FUNDS**



# 2025 City of Redwood Falls Capital Outlay – Tax Supported

| CITY OF REDWOOD FALLS                         |             |                    |
|---|-------------|--------------------|
| TAX SUPPORTED FUNDS                           |             |                    |
| CAPITAL OUTLAY                                |             |                    |
| 2025  |             |                    |
|   |             |                    |
|   |             |                    |
|   |             |                    |
|   |             |                    |
| <b>GENERAL FUND</b>                           |             |                    |
| <b>Police</b>                                 |             |                    |
| Police Squad                                  | \$76,435    |                    |
| <b>Total Police</b>                           |             | <u>\$76,435</u>    |
|   |             |                    |
| <b>Airport Capital Projects</b>               |             |                    |
| Runway / Lighting                             | \$4,586,579 |                    |
| Hangar Door Replacements                      | \$120,000   |                    |
| 80x80 Hangar Construction                     | \$903,000   |                    |
| <b>Total Airport Capital Projects Fund</b>    |             | <u>\$5,609,579</u> |
|   |             |                    |
| <b>Capital Projects Funds</b>                 |             |                    |
| City Hall: Folder / Inserter                  | \$13,000    |                    |
| IT: Firewall Replacements                     | \$35,500    |                    |
| Streets: Garage Door Replacement              | \$14,500    |                    |
| Park & Rec: Replace Carpet in Conference Room | \$50,000    |                    |
| Park & Rec: Lower Shelter Roof                | \$18,000    |                    |
| Park & Rec: Falls Bathroom Roof               | \$12,000    |                    |
| Park & Rec: Replace Spin n Bells              | \$10,000    |                    |
| Park & Rec: Shade Structures                  | \$8,000     |                    |
| Library: Konica Copier                        | \$5,100     |                    |
| <b>Total Capital Projects Fund</b>            |             | <u>\$166,100</u>   |

## 2025 City of Redwood Falls Capital Outlay – Enterprise Funds

| CITY OF REDWOOD FALLS                    |             |                    |
|--|-------------|--------------------|
| PROPRIETARY FUNDS                        |             |                    |
| CAPITAL OUTLAY                           |             |                    |
| 2025                                     |             |                    |
|  |             |                    |
|  |             |                    |
| <b>Sanitary Sewer Utility</b>            |             |                    |
| Manhole Lining in North Redwood          | \$40,000    |                    |
| Flygt pump for North Redwood Liftstation | \$50,000    |                    |
| <b>Total Sanitary Sewer Fund</b>         |             | <b>\$90,000</b>    |
|  |             |                    |
| <b>Electric Utility</b>                  |             |                    |
| URD Conversion                           | \$2,500,000 |                    |
| <b>Total Electric Utility Fund</b>       |             | <b>\$2,500,000</b> |
|  |             |                    |
| <b>Central Garage</b>                    |             |                    |
| Annual Trade - Backhoe                   | \$25,000    |                    |
| Annual Trade - Skid loaders              | \$25,000    |                    |
| Annual Trade - Zero Turn Mower           | \$20,000    |                    |
| New Snow Plow for 544                    | \$30,000    |                    |
| Grapple Bucket                           | \$6,000     |                    |
| Street Sweeper                           | \$400,000   |                    |
| RACC Pickup                              | \$65,000    |                    |
| Street Department Pickup                 | \$65,000    |                    |
| <b>Total Central Garage Fund</b>         |             | <b>\$636,000</b>   |

**QUESTIONS?**