



CITY OF BUFFALO, MINNESOTA

# Truth in Taxation Meeting: 2026 Tax Levy & Budget

---

DECEMBER 1, 2025

# Agenda

---

Statutory Requirements

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

Proposed 2026 Tax Levy

General Fund 2026 Budget Highlights

Open Public Hearing

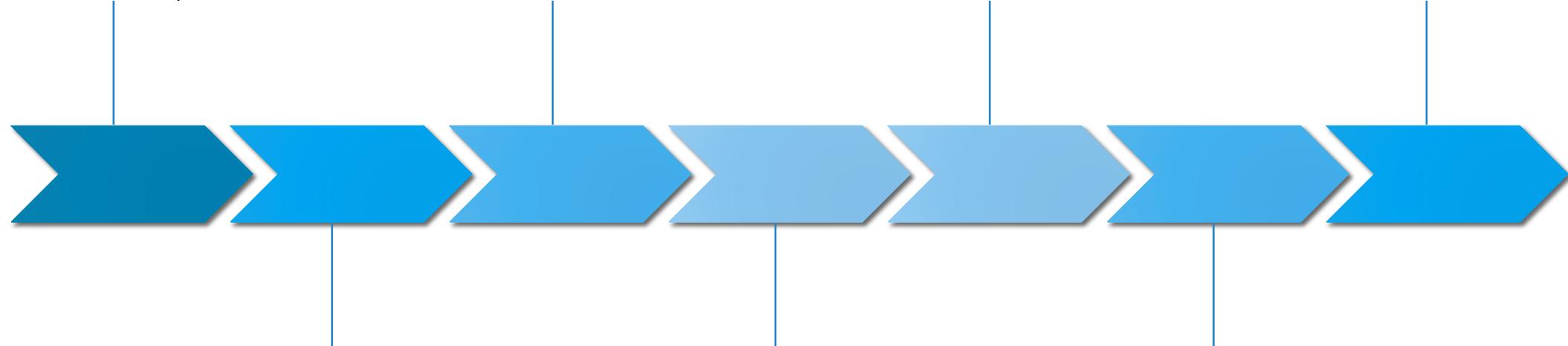
# Timeline: Budget Process

**May -June 2025**  
CIP\* & budget worksheets distributed to staff & budget discussions are held with each department.

**September 2025**  
City Council adopts preliminary HRA & property tax levy

**November 2025**  
Wright County mails Truth in Taxation Statements to residents

**January 2026**  
New Fiscal year begins



**July - August 2025**  
City Administration & Finance departments review, compile & draft preliminary budgets and CIP\*

**October 2025**  
City Council workshops with staff to review draft budgets and CIP\*

**December 2025**

1. Public Hearing, City Council adopts 2026 property tax levy & budget
2. City certifies 2026 tax levy with Wright County & files with MN Dept. of Revenue

# Truth in Taxation

Required by MN Statute 275.065, subd. 7



## Purpose



Discussion of Levy for  
Taxes Payable in 2026

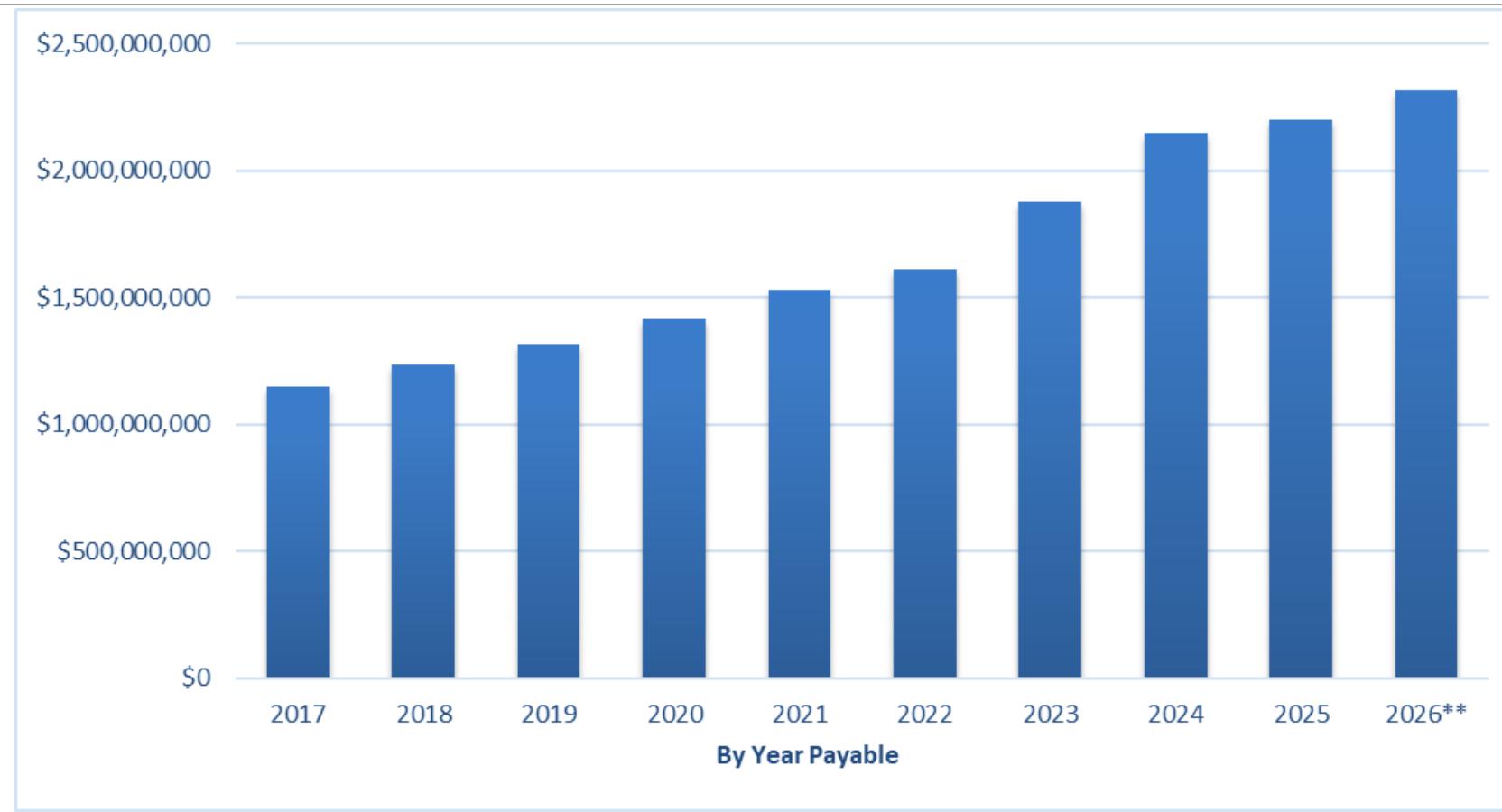
Impact to properties in  
Buffalo

Opportunity for Public  
Input

# Market Values, Tax Capacity, and Tax Rate Trends

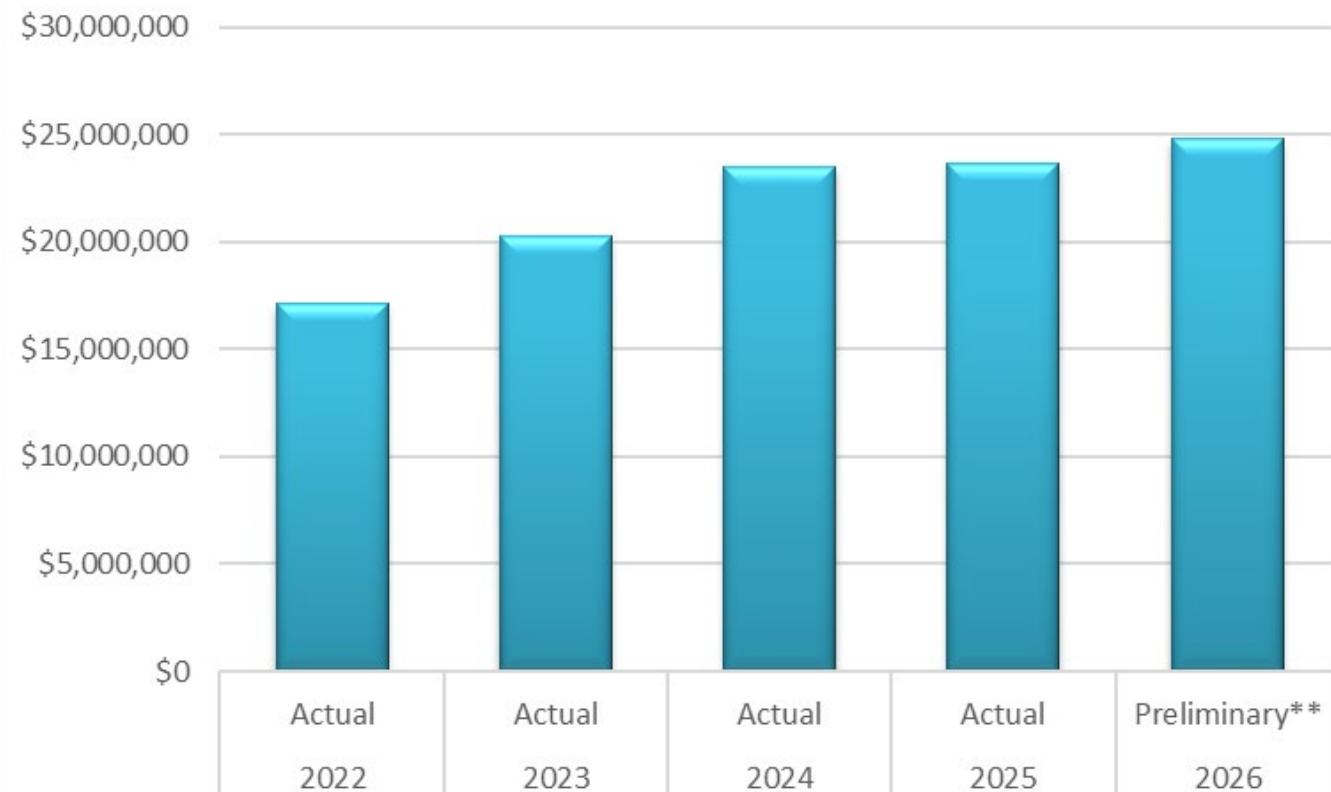


# Estimated Market Values

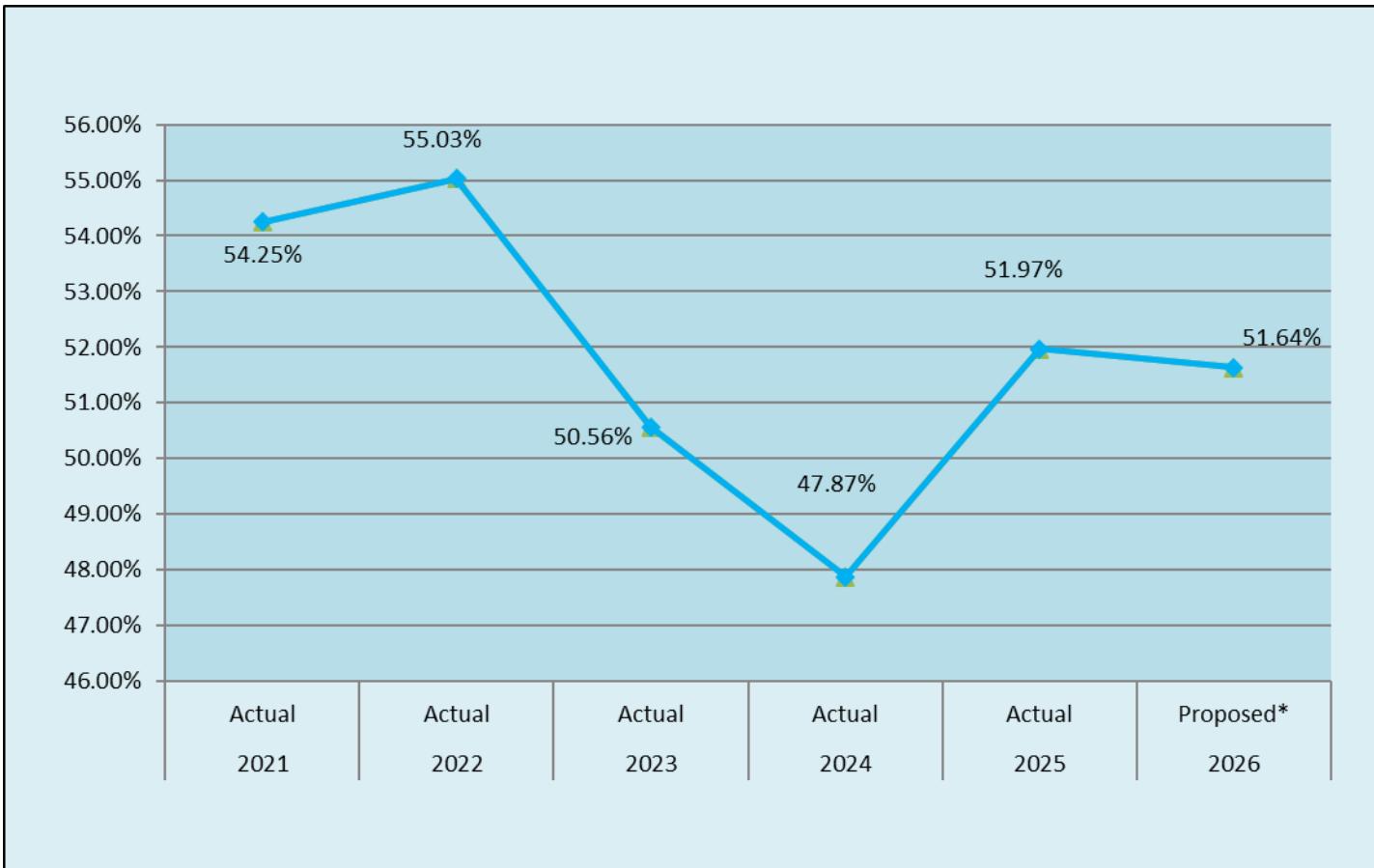


\*\*Preliminary

## NET TAX CAPACITY

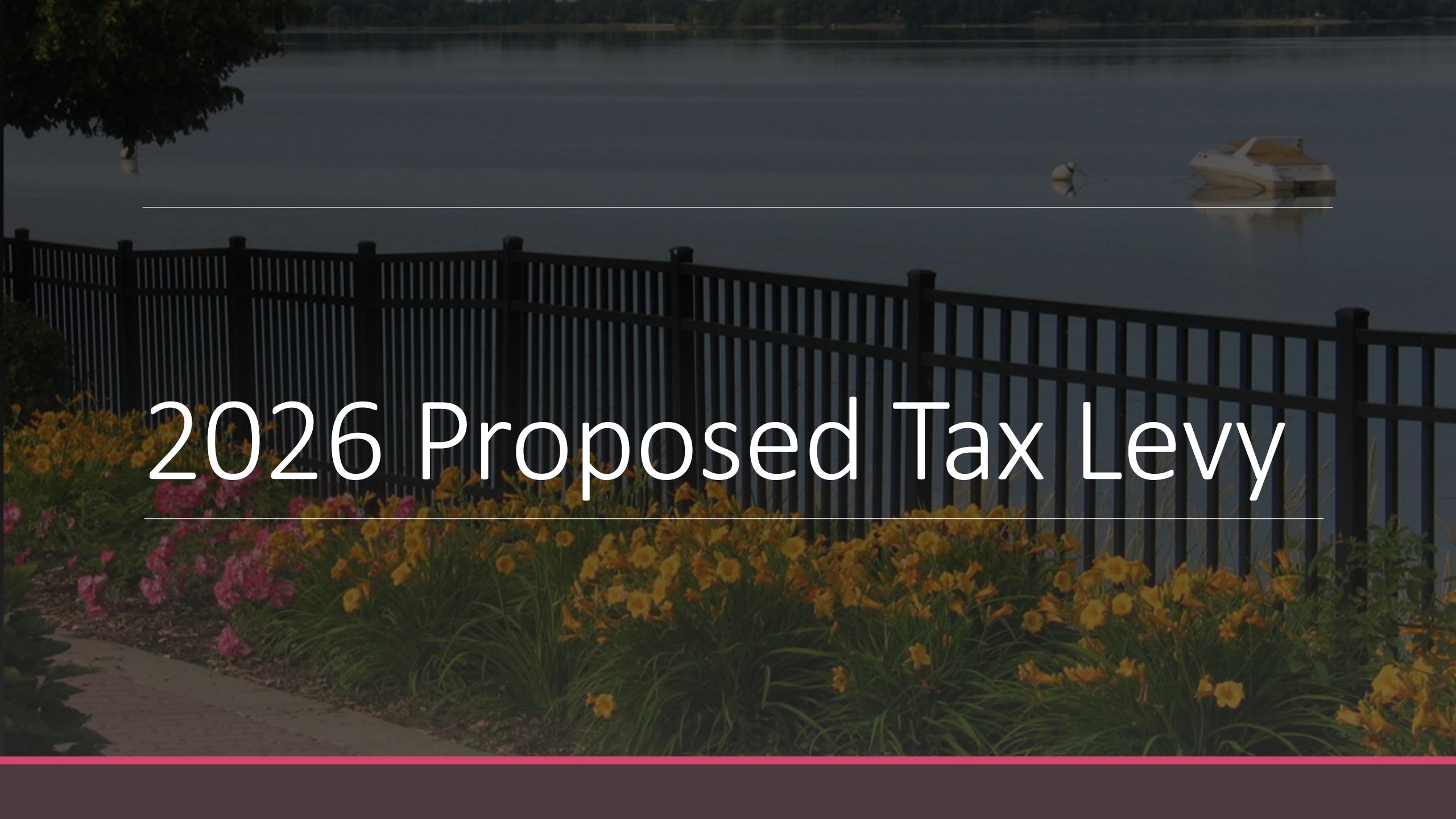


# Net Tax Capacities



# Buffalo - Historical Tax Rates

---



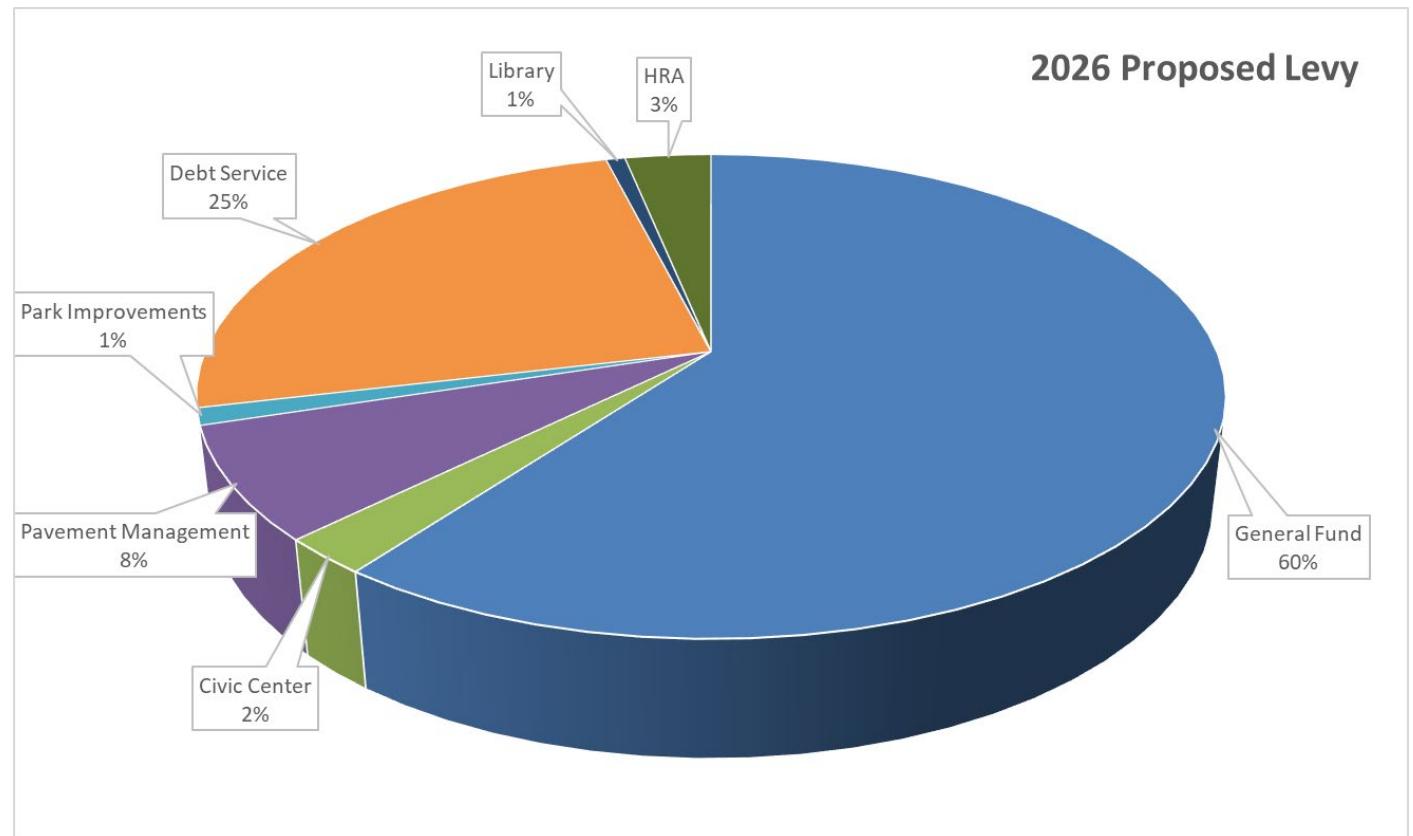
# 2026 Proposed Tax Levy

---

# Proposed 2026 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



# 2026 Proposed Levy - Background

---

- First work session (July 28, 2025)
  - Proposed Preliminary Levy Increase = 9.2%
- Second work session (August 19, 2025)
  - Proposed Preliminary Levy Increase = 8.0%
- Preliminary Tax Levy Adoption Meeting (September 15, 2025)
  - Adopted Preliminary Levy Increase 4.6%
- Truth in Taxation Meeting (December 1, 2025)
  - Proposed Levy Increase = 4.6%

# Proposed 2026 Tax Levy – Determined by Council

## Property Tax Levy

Amount the city will collect to use for operations, capital, and debt not funded by another source of revenue.

**\$12,860,331**

2026 Proposed Tax Levy Summary			
	2026 Proposed Levy	2025 Adopted Levy	Increase/ (Decrease) Over Prior Year
<b>General Levy</b>			
General Fund Levy	\$ 7,809,735	\$ 7,587,192	2.9%
Pavement Management	1,000,000	1,000,000	0.0%
Lease Purchase	190,002	462,777	-58.9%
Civic Center	325,000	250,000	30.0%
Park Capital Improvement	150,000	100,000	50.0%
Library	95,000	95,000	0.0%
Economic Development Abatement	-	20,300	-100.0%
Total General Levy	9,569,737	9,515,269	0.6%
<b>Debt Levies</b>			
Total Debt Levies	3,290,594	2,782,917	18.2%
<b>TOTAL LEVIES</b>	<b>\$ 12,860,331</b>	<b>\$ 12,298,186</b>	<b>4.6%</b>

# Proposed 2026 Levy - Change

2026 Proposed Change in Levy	
Projected Total Change in Levy	\$ 562,145
Increase in Park Improvement Levy	\$ 50,000
Increase in Civic Center Levy	75,000
Wage Study Adjustment - General Fund	188,443
Personnel Plan Additions - General Fund	236,730
3% Cost of Living Adjustment - General Fund	226,132
Taxes and Benefits - General Fund	252,446
Capital Outlay Items (Total Increase from 2025)	244,500
<i>PD/City Center Remodel Project Architect (Combined \$100,000)</i>	
<i>Streets Vehicle and Equipment (Combined \$435,000)</i>	
<i>Community Center Furniture and Equipment (\$227,000)</i>	
Recipient of grant to construct Splash Pad	(350,000)
Sale of Capital Assets	(94,500)
Increase in Electric Transfer to General Fund	(50,000)
Increase in Water Transfer to General Fund	(25,000)
Increase in Sanitary Sewer Transfer to General Fund	(25,000)
Increase in Liquor Store Transfer to General Fund	(100,000)
Remaining Levy Line Item Changes	(66,606)
	\$ 562,145

A scenic view of a small town street. On the left, a building features a vertical sign with the letters 'B', 'U', 'F', 'F', and 'A'. The street is lined with trees showing autumn foliage, and a few cars are parked along the curb. The background shows more buildings and a hillside with trees under a cloudy sky.

# 2026 Property Tax Impacts

# Property Valuation – Determined by County & State



## Estimated Market Value (EMV)

Value of your home determined by County Assessor

\$356,000

## Homestead Exclusion (Res. Only)

Amount of EMV not taxed (Phases out at an EMV of \$517,200)

-\$14,510

## Taxable Market Value

Value of your home subject to taxation

= \$341,490

## Property Classification

Residential, Commercial & Industrial, Apartments, etc.  
Tax rates vary and are set by the State Legislature

x 1%

## Tax Capacity Value

Value used for calculation of property tax

= \$3,415

## Citywide Tax Capacity Value

Sum of Tax Capacity Value of all properties in the city

\$24,904,738

# Tax Capacity Calculation

---

Property Tax  
Levy

\$12,860,331

Citywide Tax  
Capacity Value

÷ \$24,904,738

Tax Capacity  
Rate

= 51.64%

# Property Tax Calculation

Tax Capacity  
Rate

51.64%

Tax Capacity  
Value

X \$3,415

Your Property  
Tax

= \$1,763

# What are your taxes used for?

Your Property Tax

= \$1,763

- **General Fund: \$1,070.62**
  - General Administration: \$182.01
  - Public Safety: \$364.01
  - Public Works: \$310.48
  - Culture & Recreation: \$214.12
- **Civic Center: \$44.55**
- **Library: \$13.02**
- **Capital Projects: \$183.70**
- **Debt Service: \$451.10**

## Tax Calculation Based on Median Valued Home

	Payable 2026	Payable 2025	% Change
<i>Est. Taxable Market Value (EMV)</i>	\$ 356,000	\$ 336,965	5.65%
Homestead Market Value Exclusion	<u>(14,510)</u>	<u>(16,223)</u>	
Taxable Market Value	341,490	320,742	
Class Rate - Set by Legislature	<u>x 1%</u>	<u>x 1%</u>	
Tax Capacity	3,415	3,207	
City of Buffalo Tax Rate	0.5164	0.5196	
City of Buffalo Estimated Taxes	1,763	1,667	
Annual Change	\$ 96.88		
Monthly Change	\$ 8.07		

# Proposed 2026 Levy – Tax Impacts

# Preliminary 2026 Levy – Tax Impacts

<b>Proposed 2026 Levy - \$12,860,331</b>						
Est Residential Market Value	\$ 200,000.00	\$ 356,000.00	\$ 500,001.00	\$ 750,000.00	\$ 1,100,000.00	\$ 1,500,000.00
Homestead Exclusion	(28,550.00)	(14,510.00)	(1,549.91)	-	-	-
Taxable Market Value	171,450.00	341,490.00	498,451.09	750,000.00	1,100,000.00	1,500,000.00
Class Rate - Set by Legislature	1.00%	1.00%	1.25%	1.25%	1.25%	1.25%
Net Tax Capacity	1,714.50	3,414.90	6,230.64	9,375.00	13,750.00	18,750.00
Proj. Tax Rate	51.64%	51.64%	51.64%	51.64%	51.64%	51.64%
<b>Net Tax Payable</b>	<b>\$ 885.37</b>	<b>\$ 1,763.45</b>	<b>\$ 3,217.50</b>	<b>\$ 4,841.25</b>	<b>\$ 7,100.50</b>	<b>\$ 9,682.50</b>

<b>Change in Tax Payable from Prior Year</b>						
Est Residential Market Value	\$ 200,000.00	\$ 356,000.00	\$ 500,001.00	\$ 750,000.00	\$ 1,100,000.00	\$ 1,500,000.00
2026 Proj. Tax Rate from 2025 Rate	\$ (5.49)	\$ (10.93)	\$ (19.94)	\$ (30.00)	\$ (44.00)	\$ (60.00)



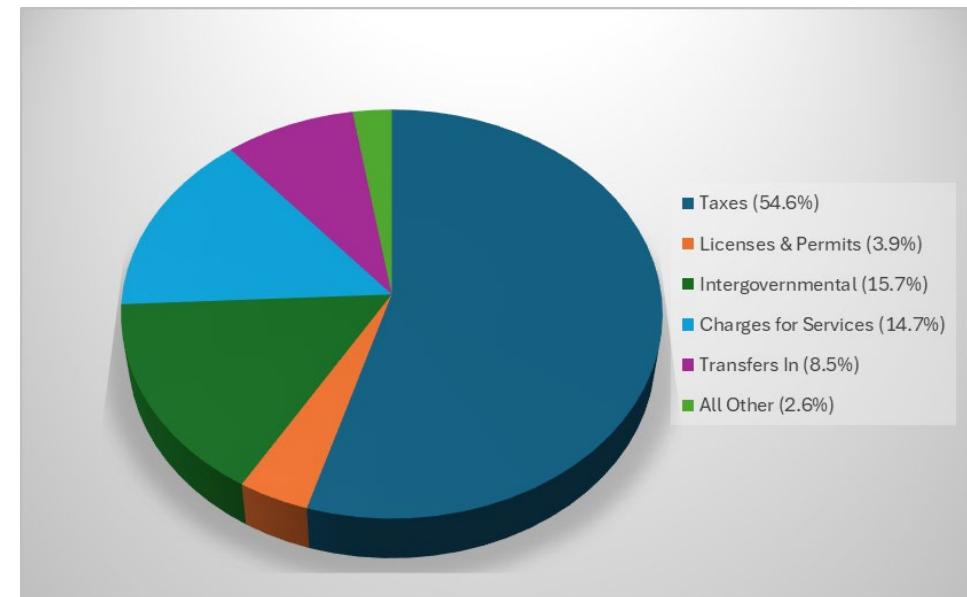
---

# 2026 General Fund Budget

---

# 2026 General Fund Budget – Revenues

Revenues & Other Sources					
Expenditure Function	2026 Proposed Budget	2025 Adopted Budget	\$ Change	% Change	
Taxes	\$ 8,063,138	\$ 8,077,729	\$ (14,591)	-0.2%	
Licenses & Permits	\$ 576,450	\$ 580,250	\$ (3,800)	-0.7%	
Intergovernmental	\$ 2,318,386	\$ 1,945,187	\$ 373,199	19.2%	
Charges for Services	\$ 2,166,300	\$ 2,142,200	\$ 24,100	1.1%	
Transfers In	\$ 1,260,000	\$ 1,050,000	\$ 210,000	20.0%	
All Other	\$ 377,000	\$ 238,500	\$ 138,500	58.1%	
<b>Total Revenues</b>	<b>\$ 14,761,274</b>	<b>\$ 14,033,866</b>	<b>\$ 727,408</b>	<b>5.2%</b>	



# 2026 General Fund – Revenues

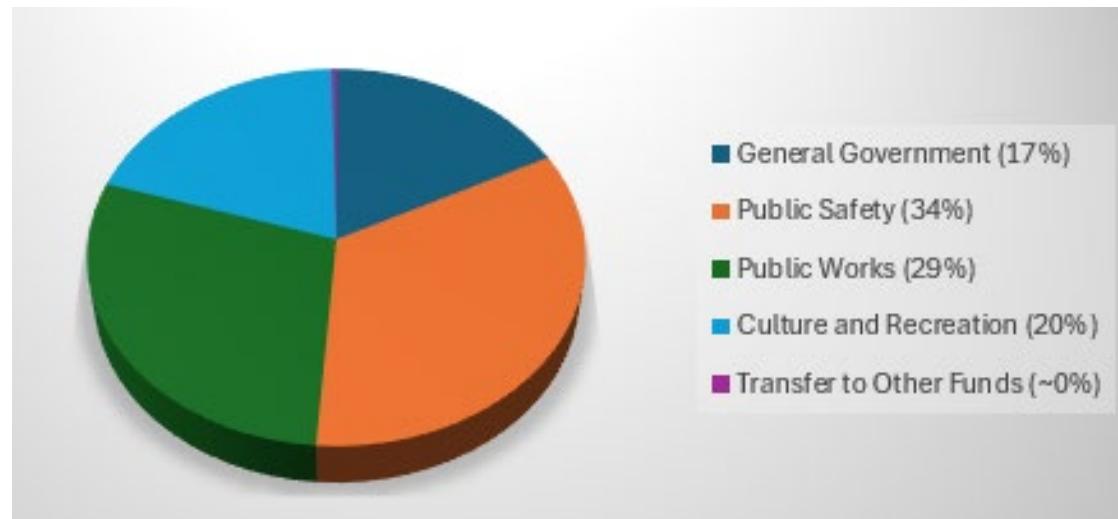
---

- Property Tax Revenues – are staying flat in comparison to 2025
- Intergovernmental – Increased \$373,199, or an increase of 19.2%
  - Large portion of the intergovernmental revenue increase is due to the fact of the Parks Department receiving \$350,000 to help fund the splash pad that is proposed to be constructed in 2026
- Transfers-In – Increased the Liquor Transfer by \$100,000, increased the Electric Transfer by \$50,000, added a transfers of \$25,000 from both the Water Fund and the Sanitary Sewer fund (to continue to offset the levy and support City wide government expenses), and proposed a one-time transfer by Utility Funds totaling a combined amount of \$10,000 (for a room sponsorship at the Community Center).
- All Other – Increased the interest earned on investments by \$60,000 from 2025 and increased the sale of assets by \$94,500.

# What is the General Fund used for?

---

- General Government – including administration, planning & zoning, and finance
- Public Safety – including fire protection expense, police department, and building & code enforcement
- Public Works – including snow & ice removal, engineering, street maintenance, and sanitation
- Culture and Recreation – including parks, and the community center



# Public Hearing and Future Actions

---



## Tax Calculation Based on Median Valued Home

	Payable 2026	Payable 2025	% Change
<i>Est. Taxable Market Value (EMV)</i>	\$ 356,000	\$ 336,965	5.65%
Homestead Market Value Exclusion	<u>(14,510)</u>	<u>(16,223)</u>	
Taxable Market Value	341,490	320,742	
Class Rate - Set by Legislature	x 1%	x 1%	
Tax Capacity	3,415	3,207	
City of Buffalo Tax Rate	0.5164	0.5196	
City of Buffalo Estimated Taxes	1,763	1,667	
Annual Change	\$ 96.88		
Monthly Change	\$ 8.07		

# Proposed 2026 Levy – Tax Impacts

# Who gets your property tax dollar?



Wright County  
\$0.28

City of Buffalo  
\$0.42

HRA  
\$0.01

School  
\$0.29

HRA Board Approved  
Preliminary Tax Levy of  
\$428,393 – statutory  
maximum

Expected to result in HRA  
levy payable of \$59 per  
year to estimated median  
valued – increase of \$4  
from 2025

## 2026 HRA Levy Consent



# 2026 Buffalo City Budget and Levy Documents – Online

All Proposed 2026 Budget and Levy Items will be posted to the City's website by tonight's meeting:

- 2026 Property Tax Levy Detail
- 2026 City-Wide Budgets
- 2026 Utility Rates
- 2026 Master Fee Schedule
- 2026 – 2035 Capital Improvement Plan

# Next Steps



## 1. Open the Public Hearing - December 1, 2025



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](mailto:cityadministrator@ci.buffalo.mn.us)
3. Drop off at City Center:

212 Central Ave  
Buffalo, MN 55313

## 2. Future Council Action - December 15, 2025:



- Set the Final Tax Levy for Payable 2026
- Set the consent for Final HRA Tax Levy for Payable 2026
- Adopt the 2026 Annual Operating Budgets
- Adopt the 2026 Master Fee Schedule
- Adopt the 2026-2035 Capital Improvement Plan (CIP)



Questions/Comments