2025 Proposed Operating Budget

City Of Burnsville

Budget calendar

Department budget presentations	August 27
Discuss proposed 2025 fees and utility rate study	September 10
Adopt proposed city and EDA property tax levy	September 17
Discuss proposed 2025 budget (if needed)	November 26
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2025 Budget

We have balanced to the 7.06% tax levy increase:

- Impact to median value home is $8 per month
- Taxable market value increased .4% or $35M
- Tax rate increased from 42.503% to 45.176%
- $1.6M in budget effectiveness corrections to balance

Preliminary levy comparison

Apple Valley	13.76%	Burnsville	7.06%
Edina	13.14%	Maple Grove	6.96%
Bloomington	9.50%	Coon Rapids	6.75%
St. Louis Park	9.00%	Eden Prairie	5.00% to 6.00%
Eagan	8.20%	Plymouth	5.00%
Woodbury	7.90%		
Minnetonka	7.23%	Average	8.33%

Pressures

We’ve had to adjust to current realities to balance the budget:

- Unprecedented inflationary impacts
- Workers’ compensation, impact of PTSD and duty disability
- Health insurance pressures, 14% increase for 2025

Pressures

We’ve had to adjust to current realities to balance the budget:

- Wellbeing investments
- Deferred capital and maintenance investments
- We’ve planned to spend down fund balance

Realities

The current five-year plan:

- Maintaining current services and service level
- Spending down fund balance to policy minimums as planned
- As a result, we do not have future budget flexibility

Studies to inform future

- Capital improvement studies
- Organizational analysis (service, staffing and compensation)
- Communications assessment
- Fire department standards of cover
- Information technology assessments

FMP property tax projections

Category	2025	2026	2027	2028	2029
Property tax % increase	7.06%	7.40%	7.69%	7.00%	7.00%
Non-binding resolution	yes	yes	yes	no	no

Effective use of resources

$1.6M of effectiveness corrections are included:

- Increased revenue assumptions
- 2025-2027 host landfill fees to equipment and vehicle fund
- Reduce current expenditures across departments

Effective use of resources

$1.6M of effectiveness corrections are included:

- Implement vacancy factor
- Adjust maximum economic development funding to 2029

Projected EDA investment fund

EDA investment funds $1.5M higher than original projections:

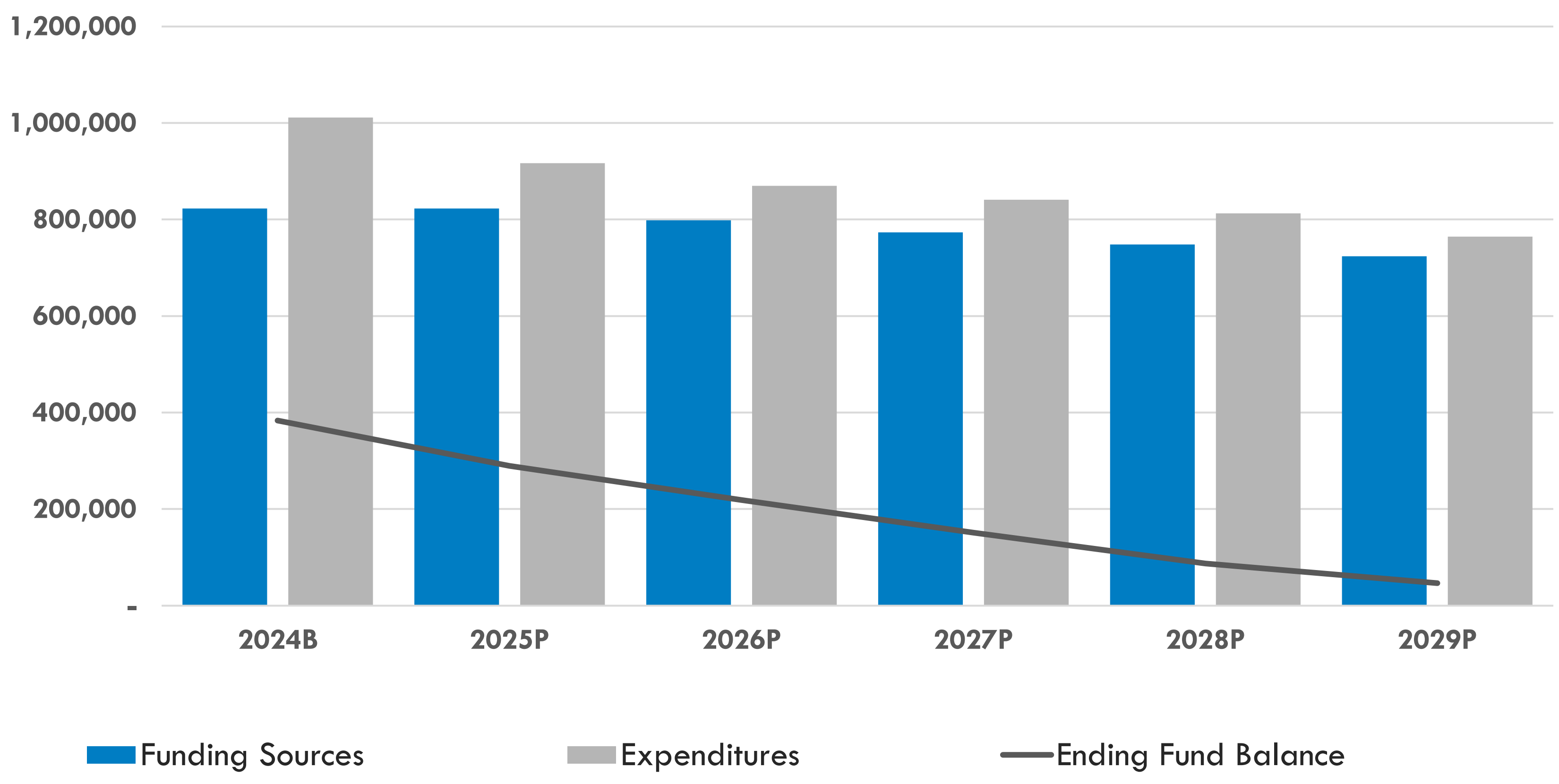
Category	2023	2024 Est	2025P	2026P	2027P
2023 Budget	$660,000	$1.4M	$2.5M	$3.8M	$5.3M
2025 Budget projections	$2.0M	$2.8M	$4.0M	$5.4M	$6.8M

Effectiveness corrections

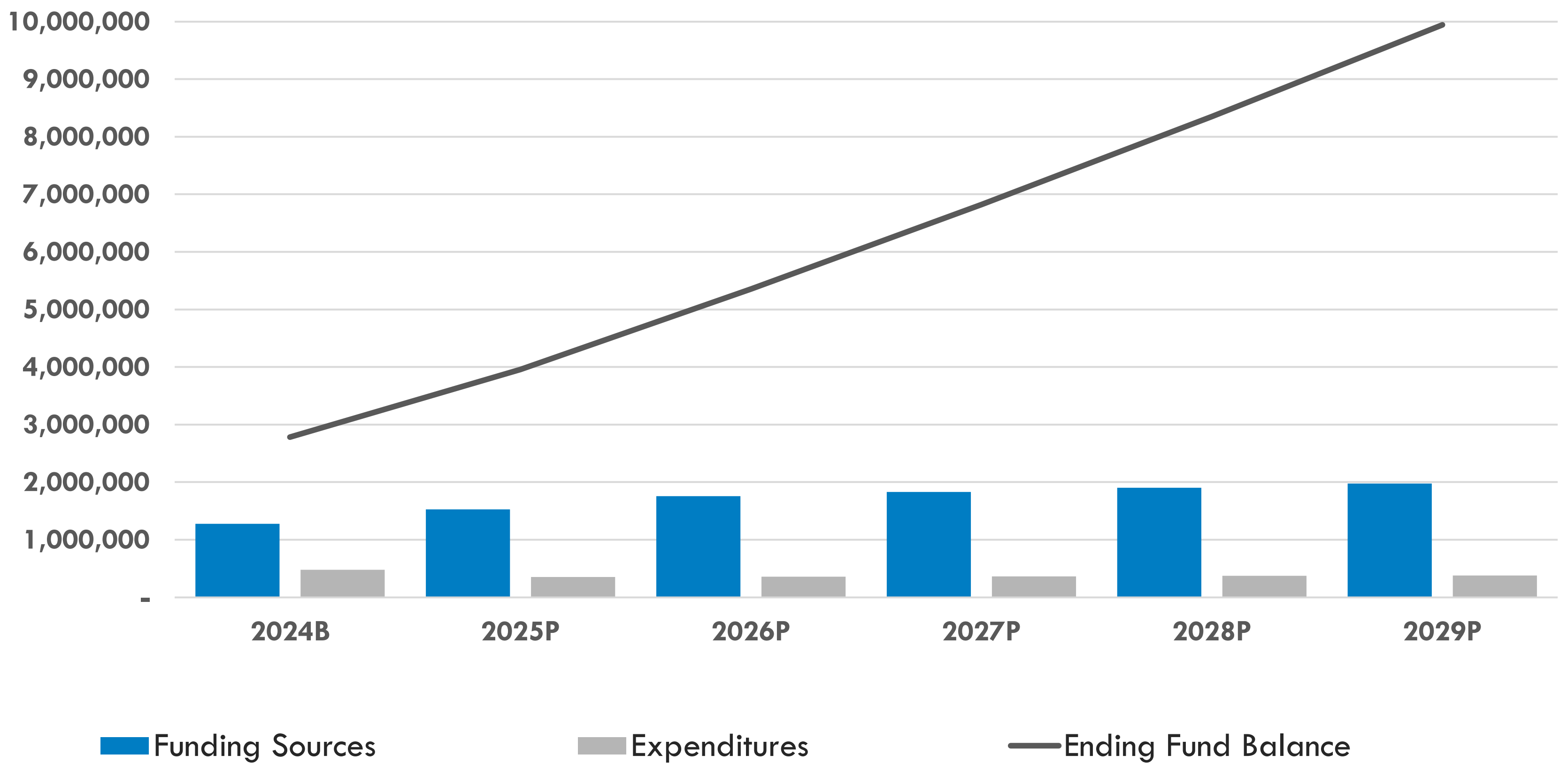
Annual average effectiveness correction of $1.6M:

Category	2025	2026	2027	2028	2029
Increase revenues	$441,200	$446,396	$451,659	$456,990	$462,391
Host fee change	$429,100	$444,100	$459,600	$0	$0
Reduce expenditures	$294,104	$238,673	$262,653	$272,510	$282,756
Vacancy factor	$770,991	$739,569	$296,327	$358,758	$406,752
Adjust max EDA levy	$0	$100,000	$75,000	$75,000	$46,500

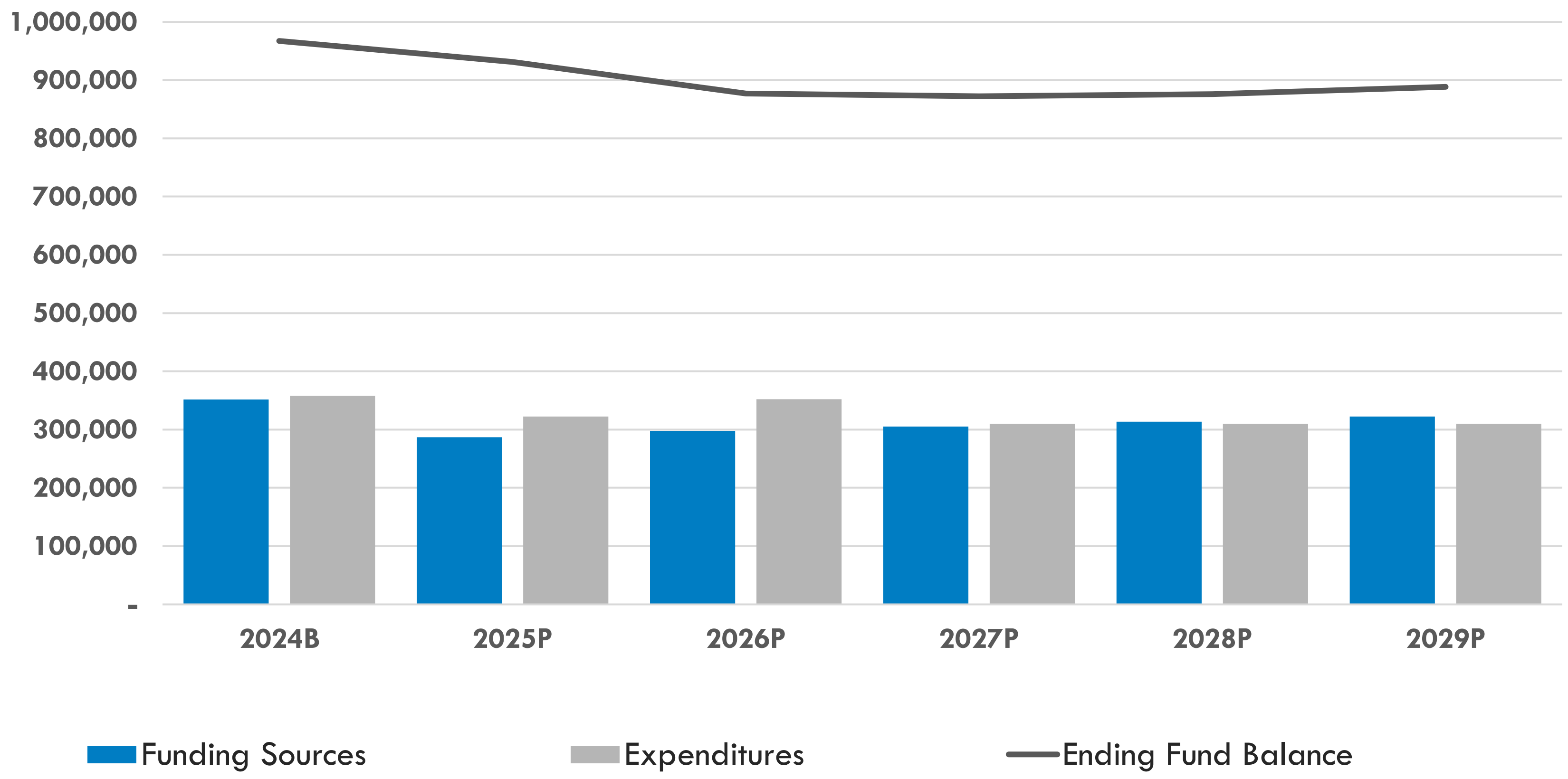
Cable franchise fee fund



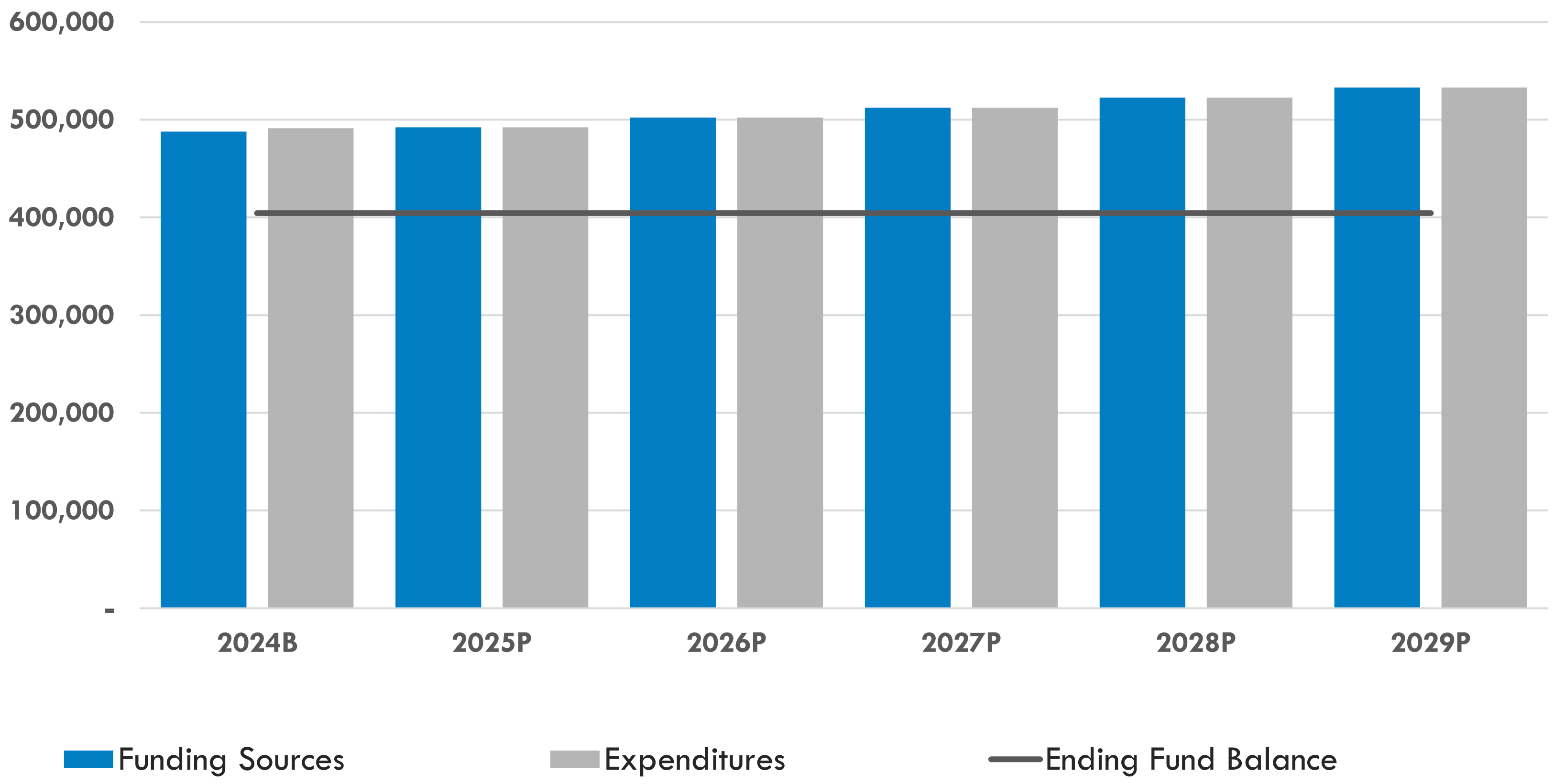
Economic development authority



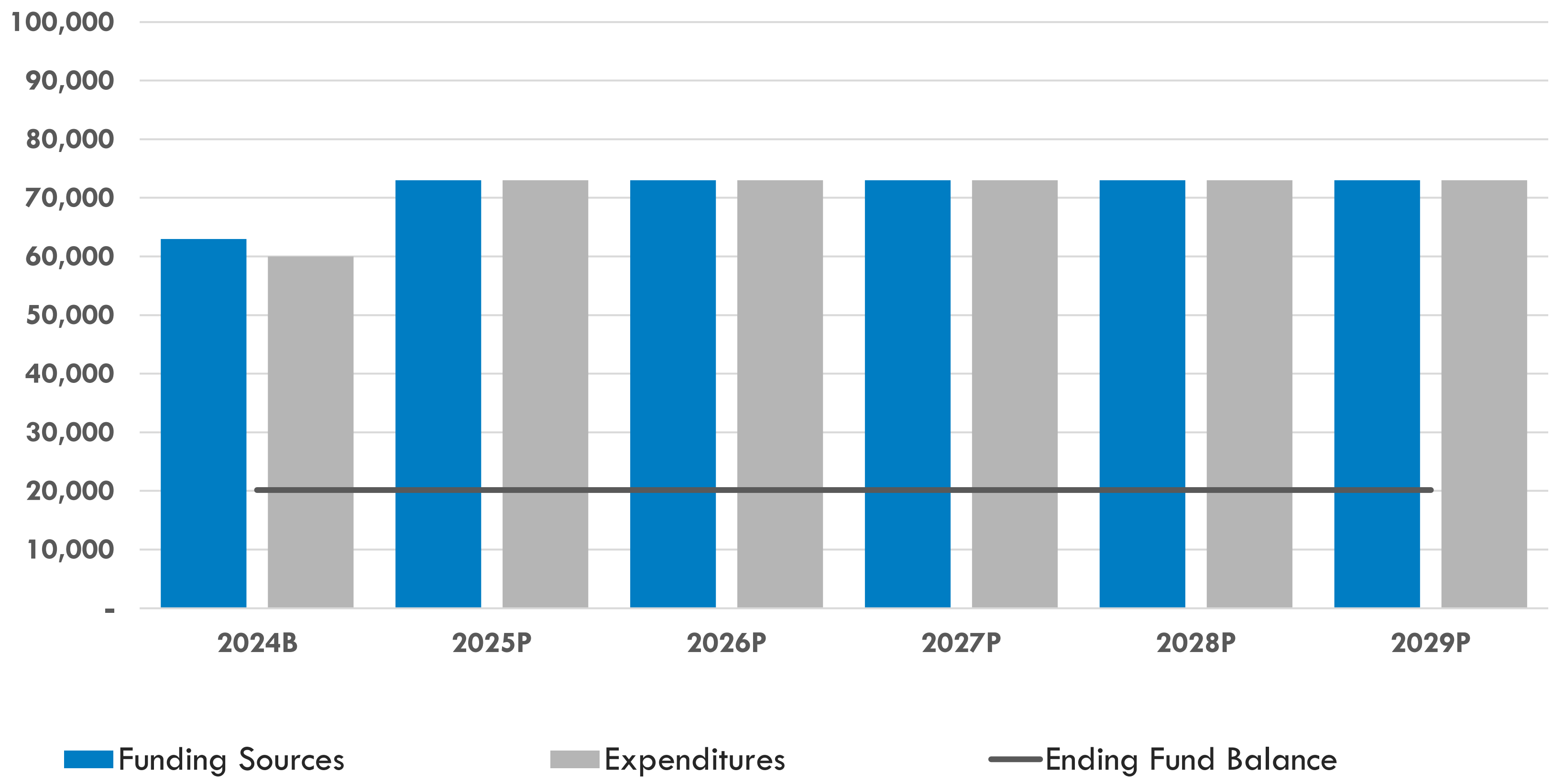
Forestry fund



Sustainability fund



Youth center fund



Revenue assumptions

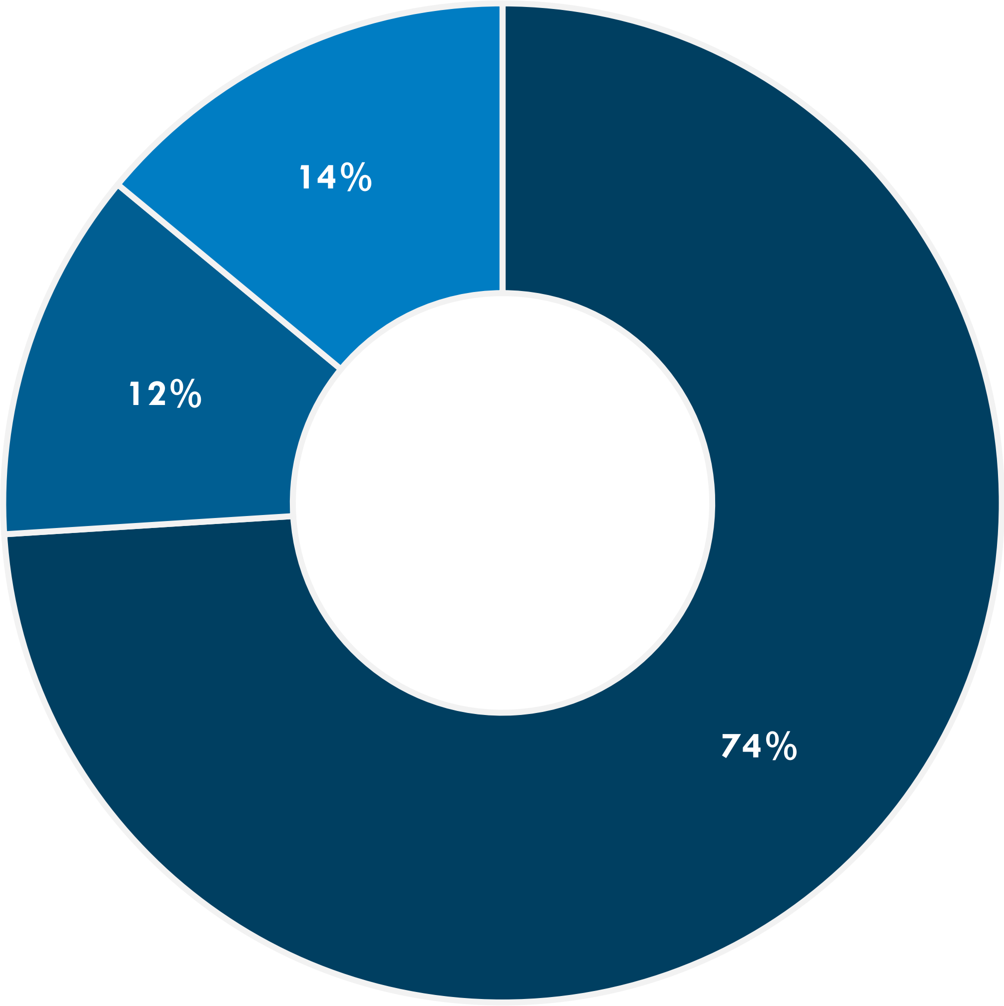
Category	Change
Property tax levy	7.06%
Fees and charges	3.0%
Investment earnings	2.0%
All other non-property tax revenues	1.0%

Expenditure assumptions

Category	Change
Compensation plan	5.0 to 6.0%
Health insurance premiums	14.0%
Worker’s compensation insurance premiums	7.5%
Current expenditures	3.5%

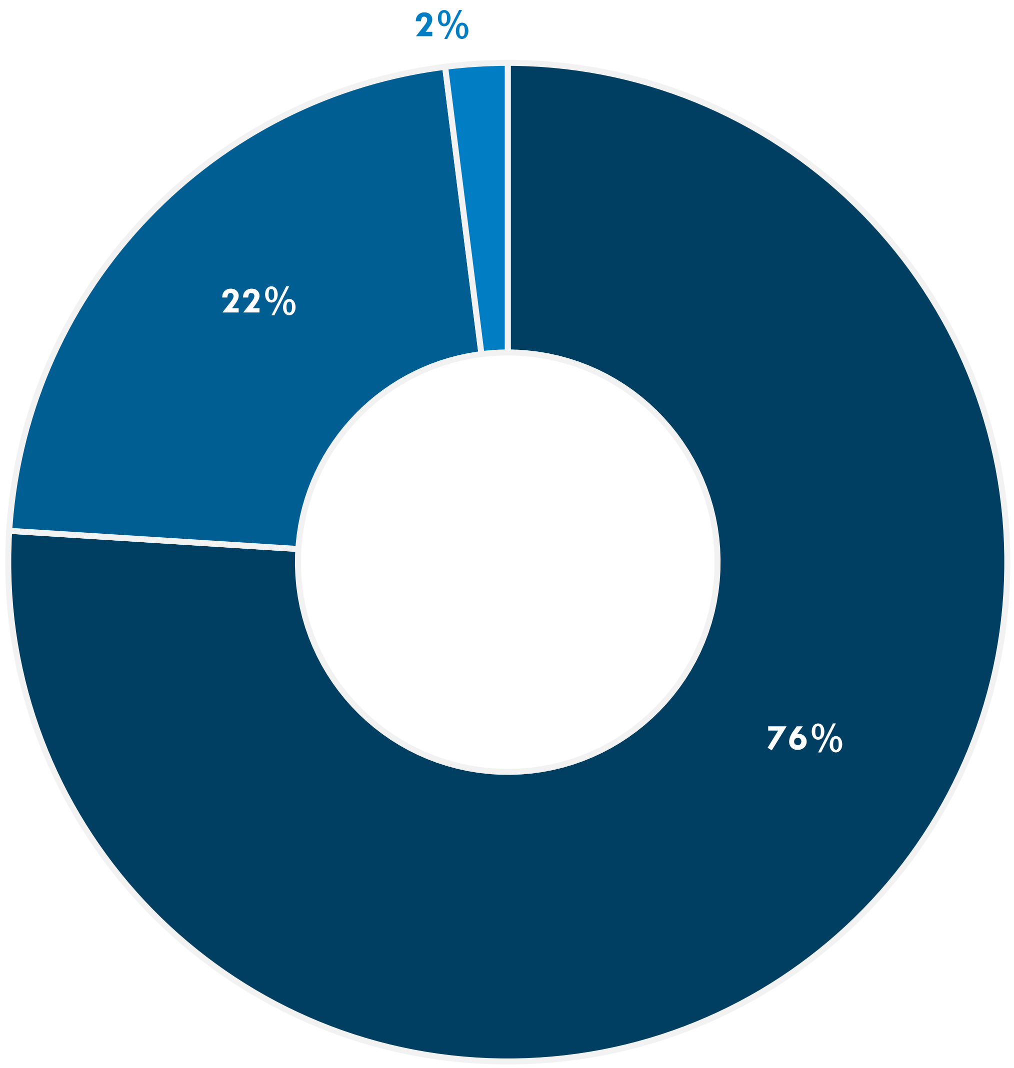
General fund revenues

	Property taxes	74%
	Charges for services	12%
	Intergovernmental	9%
	Licenses and permits	4%
	Miscellaneous	3%
	Investment Income	2%
	Total	$59M



Expenditures

	Personnel services	**76%**
	Current expenditures	**22%**
	Other	**2%**
	Total	**$61M**



General fund expenditures

Personal Services	2024B	2025P	Change $	Change %
2025 organizational analysis			1,164,688	2.7%
Change in compensation			1,388,668	3.2%
Health insurance premiums			514,714	1.2%
Workers' comp insurance			143,138	0.3%
Compensated absences			137,867	0.3%
Total	$43.64M	$46.99M	3,349,054	7.7%

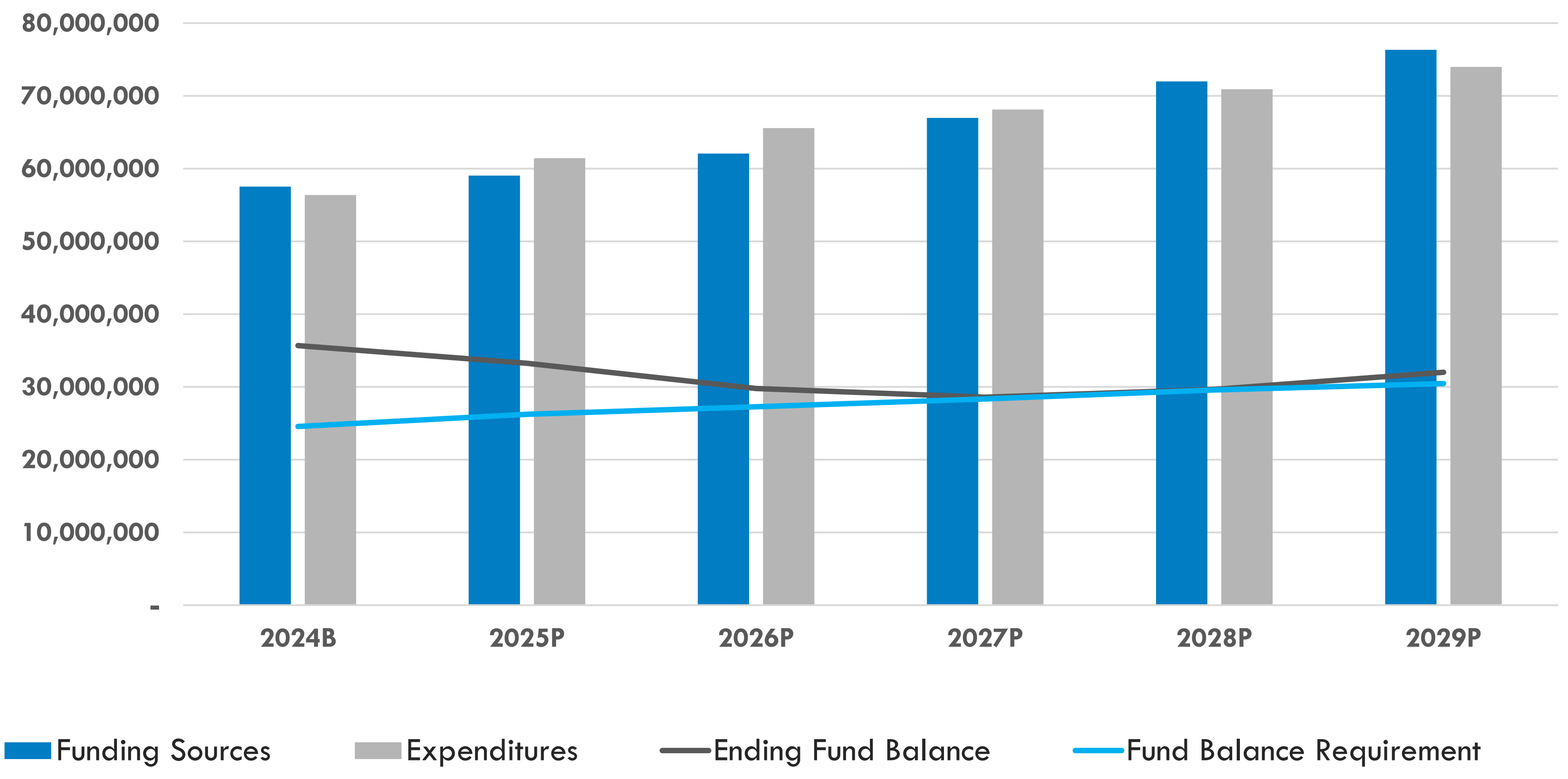
General fund expenditures

Current expenditures	2024B	2025P	Change	Change
Inflation adjustment	$13.02M	$13.55M	534,124	4.1%
Wellbeing investment		341,000	341,000	2.6%
Total	$13.02M	$13.89M	875,124	6.7%

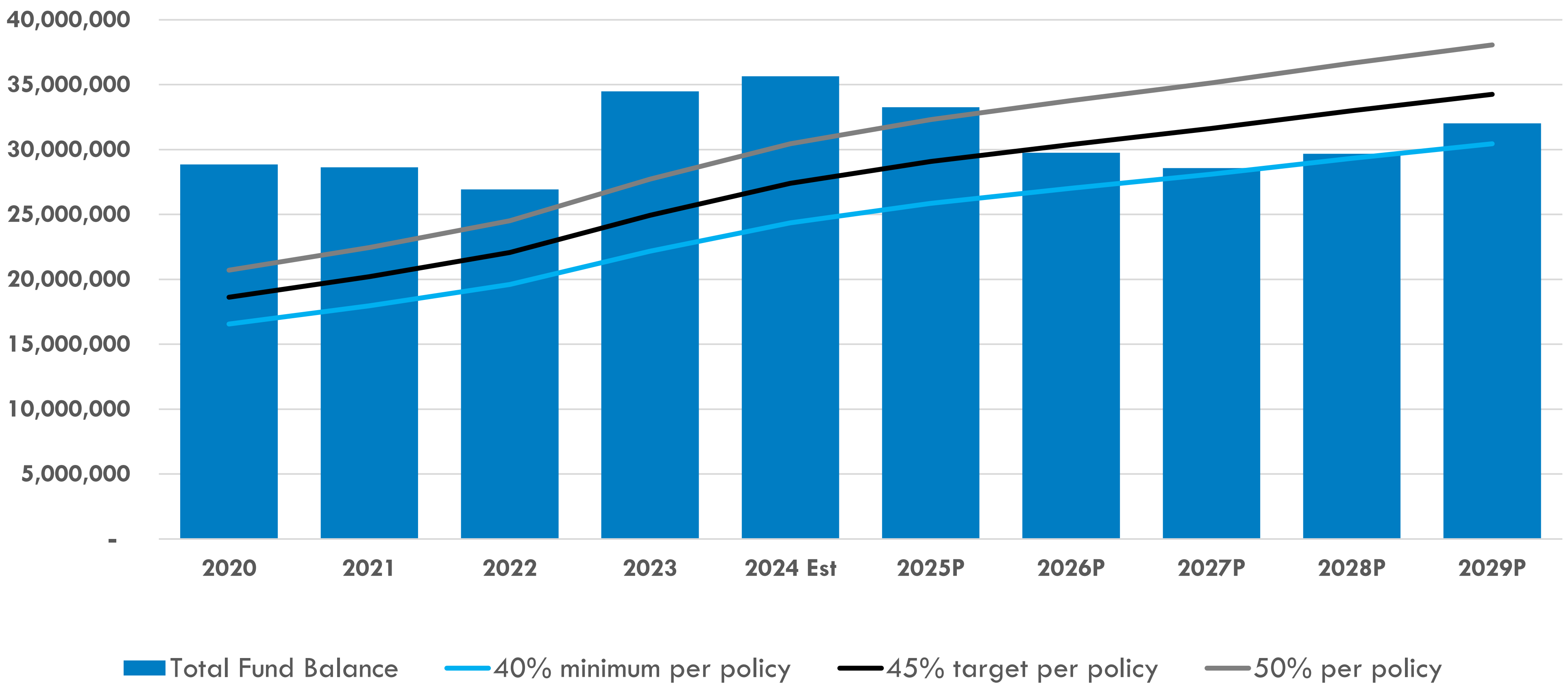
General fund expenditures

	2024B	2025P	Change	Change
Personal services	$43.64M	$46.99M	$3.35M	7.7%
Current expenditures	$13.02M	$13.89M	$875,124	6.7%
Transfers out	$927,919	$564,300	(363,619)	(39.2%)
Total expenditures	$57.59M	$61.45M	$3.86M	6.7%

General fund



General fund: fund balance



FTEs

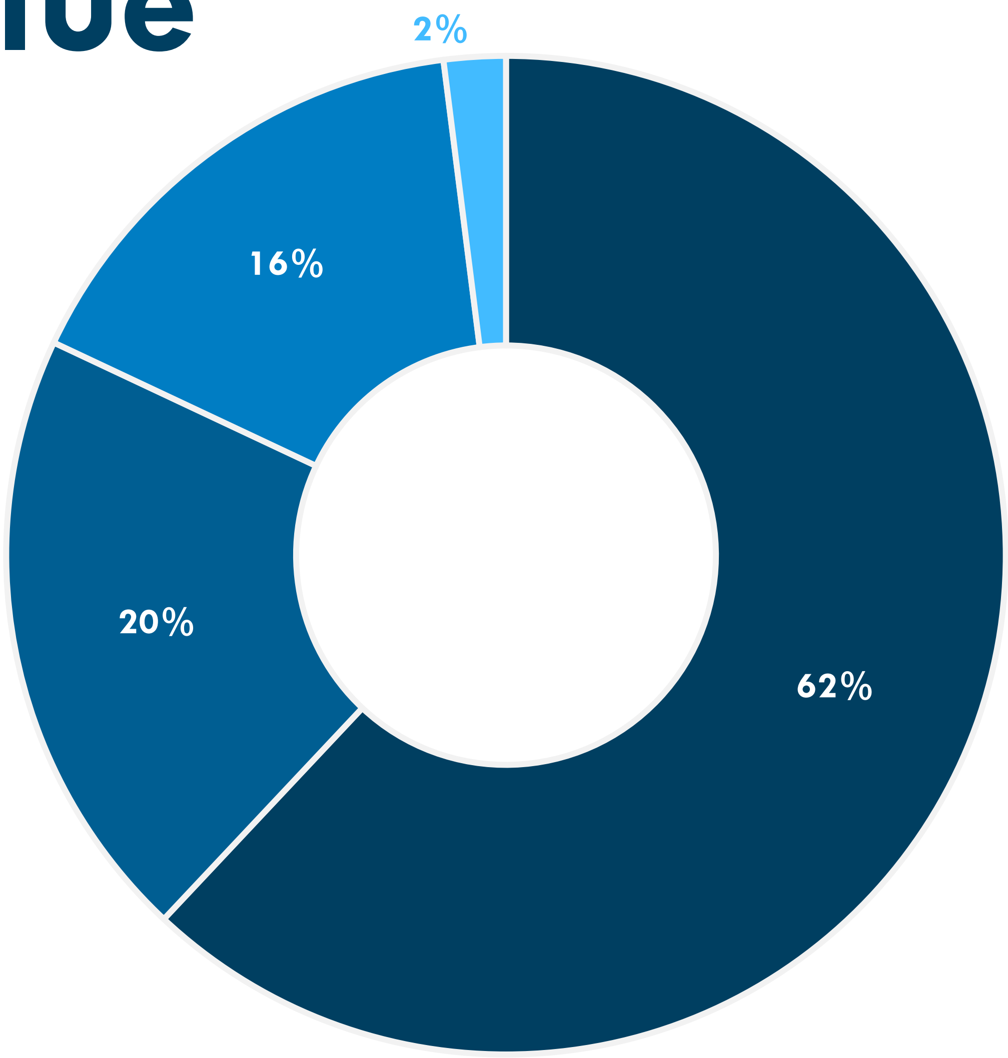
Department	Current	P2025	Total	OA2025
City manager	2	(1)	1	0
City clerk	3.5	0	3.5	0
Communications	11	0	11	0
Community development	21	2	23	1
Finance	11	2	13	1
Fire	52	3	55	3
Human resources	5	0	5	0
Information technology	10	0	10	0
Parks and recreation	20	0	20	0
Police	103	3	106	3
Public works	79	1	80	2
Strategic initiatives	4	1	5	1
Total	321.5	11	332.5	11

Property tax and market value

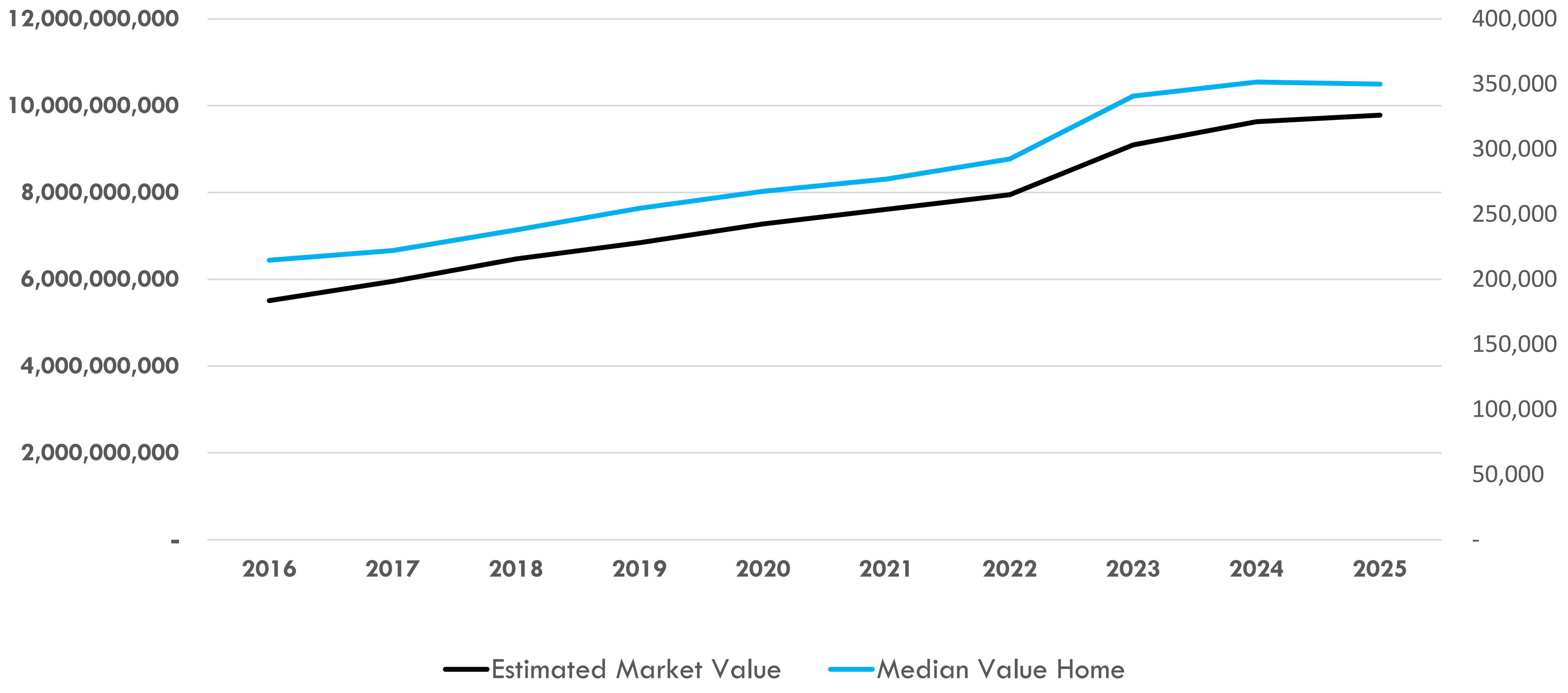
Category	2021	2022	2023	2024	2025P
Property Tax % Increase	4.0%	4.8%	14.5%	7.63	7.06%
City Tax Rate	42.853%	43.054%	42.374%	42.586%	45.176%
Estimated Market Value	$7.61M	$7.95M	$9.09M	$9.63M	$9.78M
Median Home Value	$277,300	$292,400	$341,100	$351,500	$350,000

Taxable market value

Residential	62%
Commercial/Industrial	20%
Apartments	16%
Utility	2%



Estimated market value



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