

PLYMOUTH FINANCIAL EXTRA

Welcome to the 2025 Financial Extra.

The City of Plymouth is committed to accountability, transparency and responsible financial stewardship. This publication highlights how tax dollars are spent, how Plymouth compares to other communities, and how the city maintains a strong financial position.

By carefully managing resources, we're able to deliver the high-quality services, infrastructure and amenities that make Plymouth a place residents and businesses are proud to call home.

To view full budgets, financial reports, long-range planning tools and more, visit plymouthmn.gov/financialreport.

Please take a moment to review the Financial Extra and reach out with any questions.

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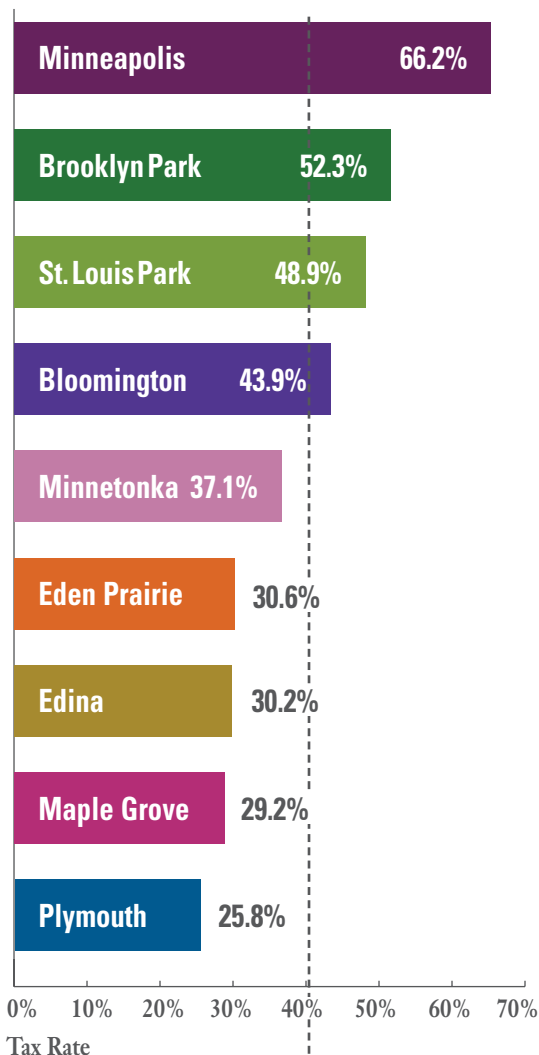
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Tax Rate Comparisons

Plymouth has the lowest tax rate for taxes payable in 2025 when compared to other Hennepin County cities with populations of 45,000 or more.



Plymouth prioritizes operational excellence: Offering residents good value for taxes paid

The city with the lowest tax rate of Hennepin County cities with populations of 10,000 or more, Plymouth continues its focus of offering community members a good value for their tax dollars.

The Plymouth City Council recently identified operational excellence as one of its five strategic priorities, which help guide the city's work.

Operational excellence speaks to Plymouth's goal of remaining a community where residents choose to live, businesses choose to grow, employees choose to work and visitors choose to return.

Plymouth strives for operational excellence by prioritizing efficiency and quality – and, because of the city's lower tax rate and history of prudent fiscal management, Plymouth offers a full range of city services at a lower-than-peer-cities cost.

Residents receive high quality police and fire response, parks and trails, recreation activities and amenities, streets, election administration, planning and building inspection services, and more for about \$1,233 per household annually (for an average value home of \$481,000).

"Plymouth is nationally recognized for high quality of life, and we're able to offer top-tier services while operating efficiently," said Plymouth City Manager Dave Callister. "Though we run lean, we prioritize quality in all that we do."

During the most recent citywide survey, in 2022, 71% of residents rated the value of services for taxes paid to Plymouth as excellent or good – which is higher than the national benchmark. This survey result was in the 91st percentile of national responses.



Making investments that bolster arts, culture and community engagement – such as developing Plymouth's first cricket pitch at The Meadows Playfield, which opened in June – is a component of operational excellence.

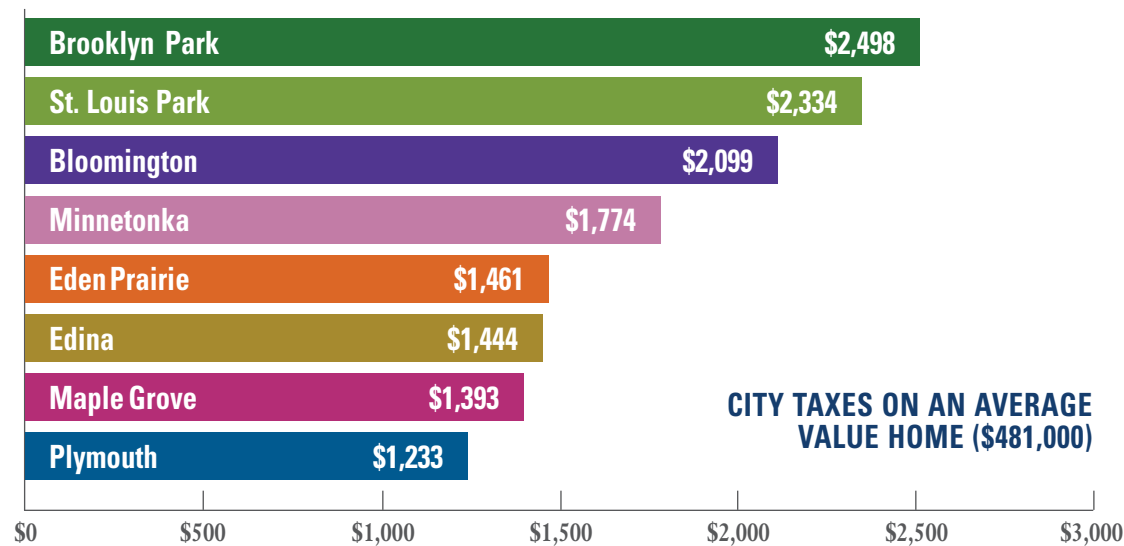
"One thing that makes us stand out is our dedication to providing excellent customer service," said Callister. "When residents call or email the city with questions or concerns, city staff are committed to responding in a timely manner."

Another component of operational excellence involves preserving Plymouth's identity and making investments that bolster arts, culture and community engagement. Old Town Hall, the city's historical building, reopened in 2024 and the city continues to offer new historical programming geared towards engaging residents and preserving Plymouth's past. Additionally, some recent or upcoming investments include opening Plymouth's first-ever cricket pitch at the Meadows Playfield; developing maple syruping educational opportunities at Schmidt Woods Park; building a ninja warrior-style play structure at the Northwest Greenway Challenge Course; and commissioning the "animal parade" public art sculptures slated for Plymouth City Center (see Plymouth News page 2).

Excellence ... continued on page 2E

How Plymouth Compares: Residential City Tax Example

Compared to similar communities (Hennepin County suburbs with populations of 45,000 or more), Plymouth has the lowest city taxes on a \$481,000 home (average value in Plymouth) for taxes payable in 2025. For comparison, the figures below include tax capacity levies, but not Housing and Redevelopment Authority or market value levies, as not all cities have them.



Volunteer Impact

In 2024, **2,166** volunteers contributed **23,307** hours of service to the city, valued at an estimated in-kind contribution of **\$780,551**



Excellence ... from page 1E

“Demand for city services continues to grow – the community expects quicker response times, more trails and better streets,” said Callister. “Part of operational excellence is ensuring growth in city services or investments in community amenities are financially well planned to avoid spikes in the tax levy.”

Businesses also benefit from Plymouth’s high-quality services and amenities, along with the city’s lower property tax rate.

From a property tax perspective, it’s cheaper to do business in Plymouth than comparable cities. For example, city taxes on a \$10 million business total \$51,412 annually – which is half the cost of taxes payable in some of Plymouth’s peer cities.

Home to the state’s fourth largest economy, Plymouth’s robust business community benefits residents by subsidizing property taxes.

Due to tax class rates determined by state law, residential properties make up 74% of the total market value in Plymouth, but pay only 62% of the total tax collected. Commercial-industrial properties make up 18% of the market value, but pay 30% of the total tax collected.

WHAT CITY TAXES BUY ANNUALLY	
Public Safety (Police & Fire)	\$589
Parks, Trails & Recreation	\$309
Public Works, Streets	\$215
Administration (Support Services, Elections & More)	\$100
Community & Economic Development	\$20
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Estimated annual cost for city services for a \$481,000 home	\$1,233

City tax dollars fund an array of services – police and fire, parks, trails, road construction and more.

To learn more about operational excellence and Plymouth’s other strategic priorities, see Plymouth News page 1 or visit [plymouthmn.gov/goals](http://plymouthmn.gov/goals).

Learn about city budgeting, capital improvement planning

The City of Plymouth prepares a two-year budget – also known as a biennial budget – a process that promotes budgetary forecasting and streamlines the budget development process. Because Minnesota law requires cities to adopt a budget annually, the City Council adopts the first year of the budget and approves the second-year budget in concept.

This cycle assists with long-term planning while allowing the City Council to adjust the second year’s budget in response to new mandates, unanticipated events or significant changes in the economy.

The City Council holds special budget study sessions throughout the year, and approves the final budget in December. All budget meetings are open to the public. The City Council also holds a public hearing to receive public comment at a regular Council meeting in December.

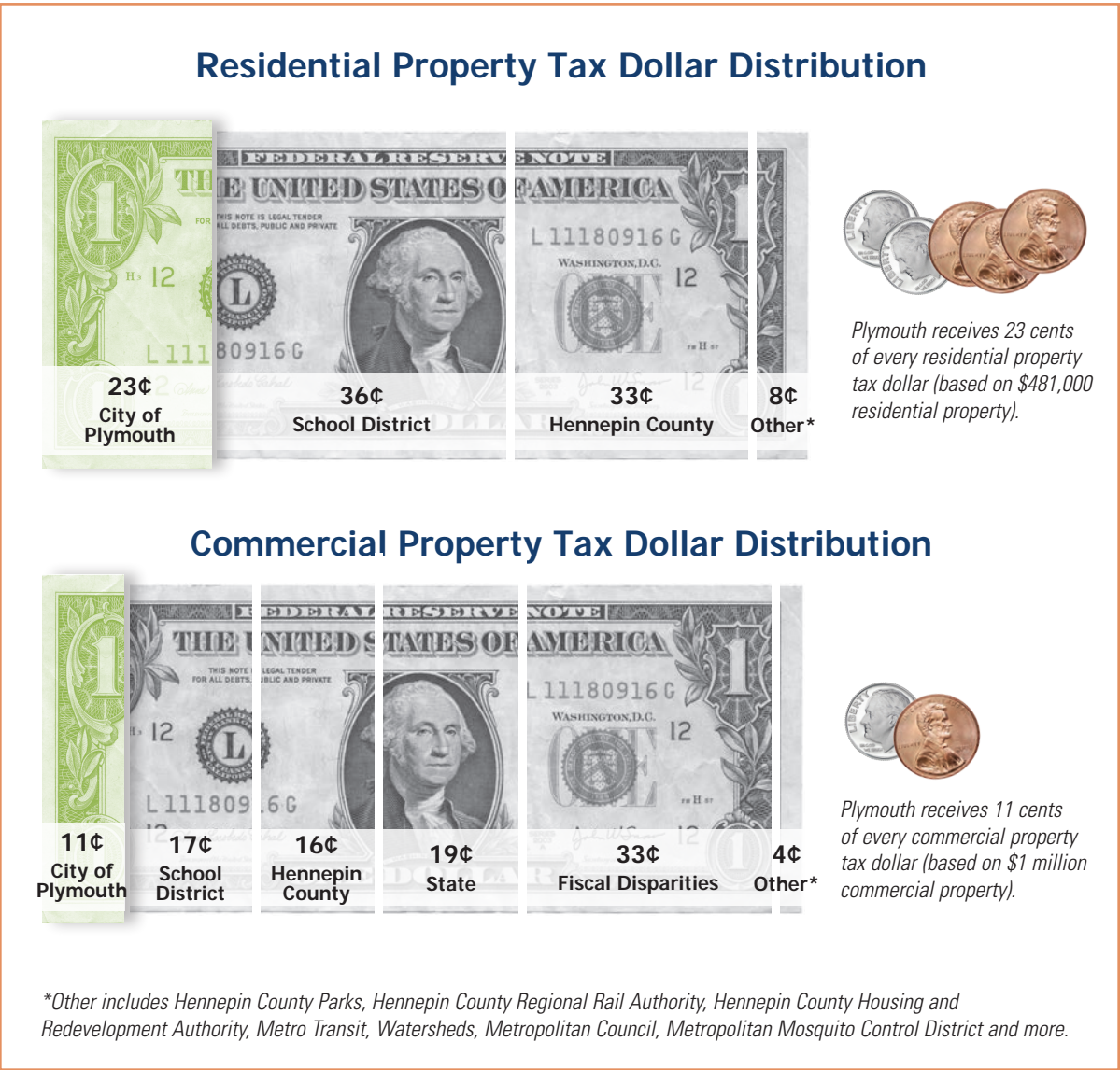
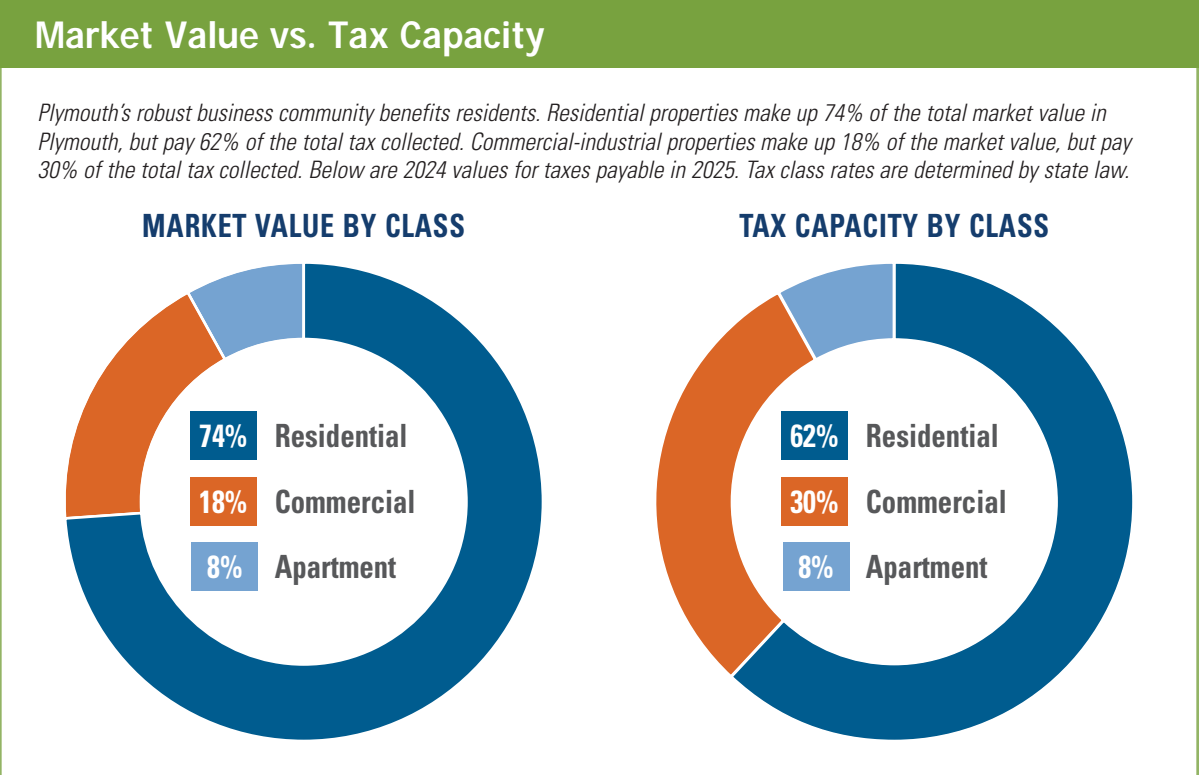
In addition to the budget, city staff also prepare the Capital Improvement Plan, a 10-year projection of upcoming capital replacement costs and additional capital needs, which assists with prioritizing large purchases, evaluating funding options and setting aside the necessary savings to plan for future needs.

In recent years, Plymouth has implemented a digital budget book and CIP. The online platform is mobile-friendly, easier to navigate and enhances digital access for the public.

More information – including the full budget and CIP – is available at [plymouthmn.gov/financialreport](http://plymouthmn.gov/financialreport).

Budget Timeline Overview

- APRIL - AUGUST**
  - City Council adopts goals and priorities
  - City departments develop budgets
  - Finance Department prepares budget
- SEPTEMBER - NOVEMBER**
  - City Council holds budget study sessions, reviews budget documents
  - City Council adopts preliminary levy and budget
- DECEMBER**
  - City Council holds public hearing and adopts final levy and budget
  - Plymouth certifies final levy to Hennepin County



**Financial Awards**

42 years of recognition for transparency in financial reporting from the Government Finance Officers Association

Plymouth also received the Popular Annual Financial Report Award and the Distinguished Budget Presentation Award

**Fast Fact**

In 2024, Plymouth had the state’s **4TH LARGEST** city market value with **\$17.9B** for taxes payable in 2025



# Plymouth conservative when taking on debt

While issuing debt can be an integral tool for funding major capital investments, Plymouth’s careful financial stewardship and conservative approach to debt has kept the city’s debt levels well below state limits.

In 2024, Plymouth’s statutory debt limit was \$534.8 million, while its total outstanding debt was just \$51.4 million – only 9.6% of the city’s total debt capacity. According to state limits, Plymouth has approximately \$483.4 million in available debt capacity.

Plymouth doesn’t often issue debt. The city maintains a conservative approach – only issuing debt when necessary, and structuring it in ways that minimize impact on taxpayers.

The most recent bond issuances – the city’s only existing debt obligations – were for large facility renovation/ expansion projects for the Plymouth Community Center and Fire Stations 2 and 3. For other infrastructure needs, the city plans ahead and typically can avoid

issuing debt altogether. Projects such as the Plymouth Boulevard reconstruction (2024), the Public Works Maintenance Facility expansion (2016) and the Zachary Water Treatment Plant (2024) were primarily paid for with cash that had been set aside for capital improvements.

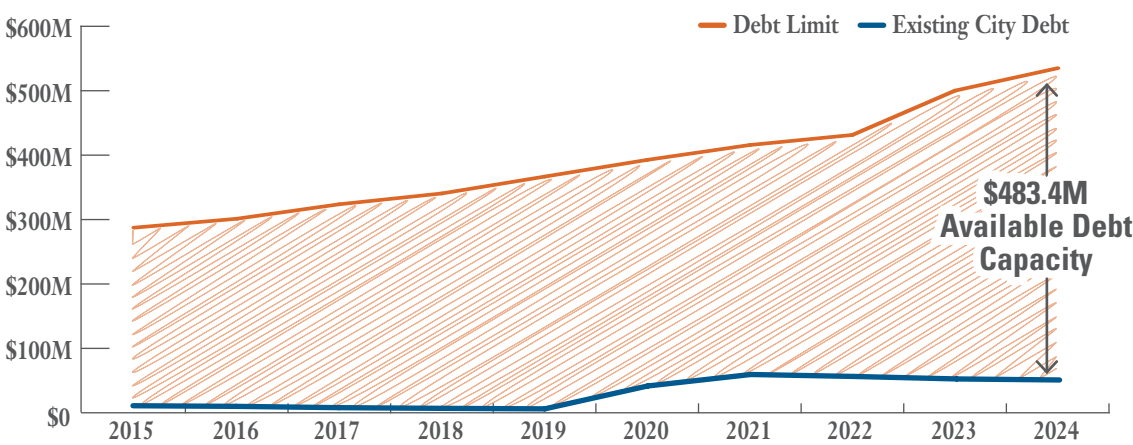
Debt management is a key component of Plymouth’s long-term financial strategy. Debt can be a flexible and useful tool, allowing cities to complete major capital improvements sooner than otherwise possible. It can also reduce long-term costs by mitigating future inflation, preventing lost opportunities and spreading costs equitably across current and future residents.

One of Plymouth’s main goals in debt management is to stabilize the overall debt burden and future tax levy requirements to ensure all issued debt can be repaid.

To view the city’s past comprehensive debt studies, visit [plymouthmn.gov/financialreport](http://plymouthmn.gov/financialreport).

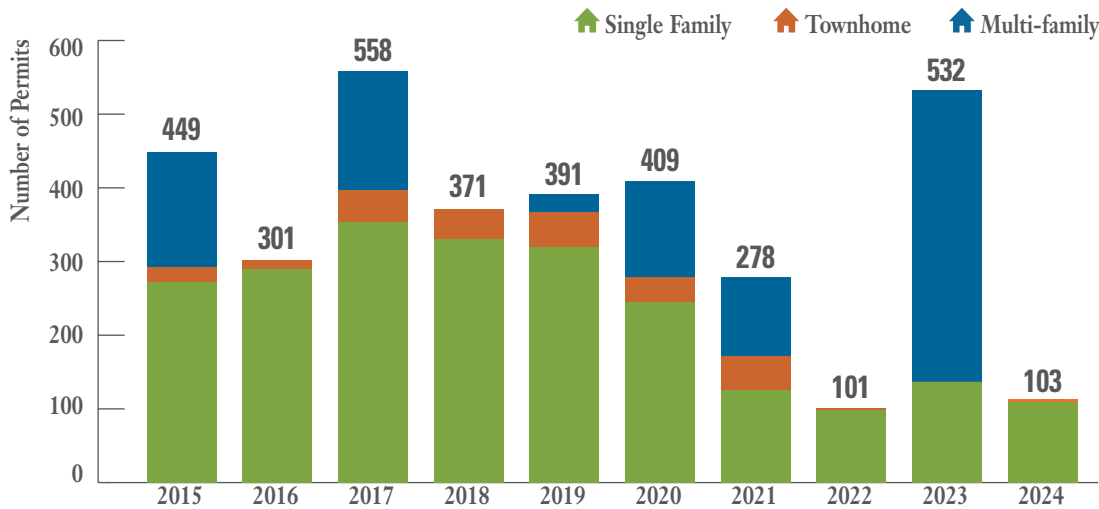
## Actual Debt vs. Statutory Debt Limit

Thanks to careful financial stewardship, Plymouth’s debt level is well below state limits. In 2024, Plymouth’s statutory debt limit was \$534.8 million, while its total outstanding debt was \$51.4 million, which reflects bonds issued for the Plymouth Community Center and Fire Stations 2 and 3.



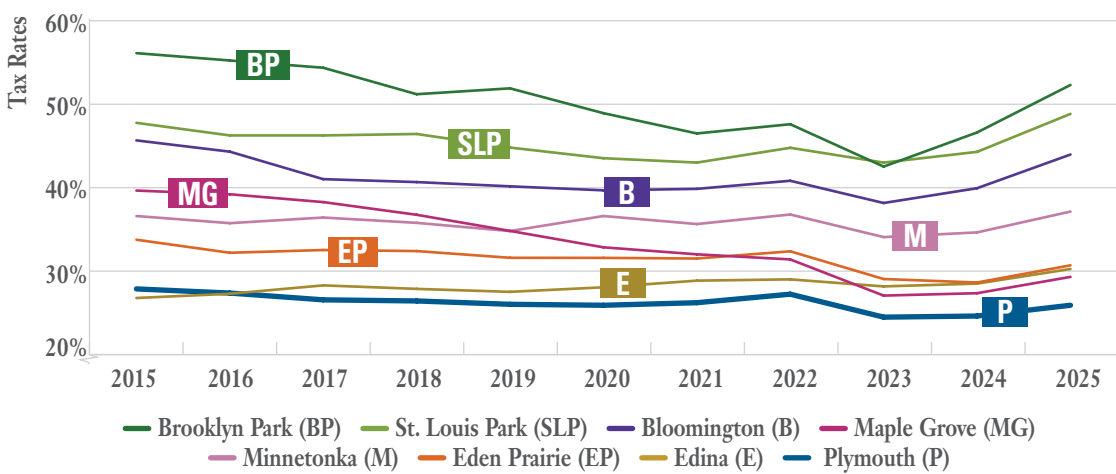
## Residential Building Permits

Residential building activity in Plymouth will continue to decline as the city approaches full build-out. A total of 103 residential building permits were issued in 2024. Future growth is expected to stem from redevelopment, multi-family housing and commercial projects.



## Tax Rate History

Plymouth’s tax rate has historically compared favorably with other Hennepin County suburbs with populations of 45,000 or more.



## Top Bond Ratings = Savings

Plymouth has maintained top bond ratings from Standard & Poor’s and Moody’s Investors Service since 2010. Top bond ratings help Plymouth achieve the best possible interest rate when issuing bonds to pay for capital projects.

AAA  
Aaa

## A Look Ahead: Assessed Values for Taxes Payable in 2026

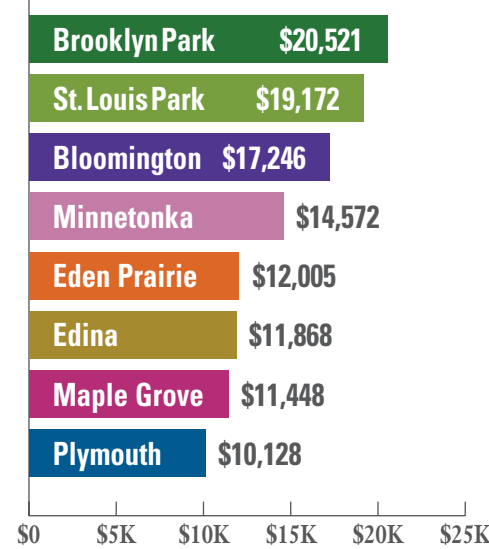
The 2025 assessed values for taxes payable in 2026 showed an overall gross increase of 1.9% for all properties. The table below also shows average value increases or decreases by property type for taxes payable in 2026.

Property Type	Average Value Increase/Decrease
Single Family Homes	+ 3.2%
Commercial	- 8.5%
Apartment	- 3.5%
Industrial	- 2.0%
Total Market Value: \$18,366,721,100	
New Construction Value: \$228,827,700	
Gross Percent Increase – All Properties: 1.9%	

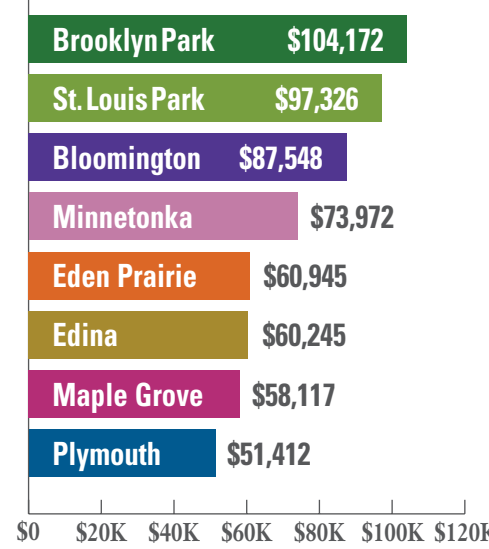
## How Plymouth Compares: Commercial City Tax Example

Compared to similar communities, Plymouth has the lowest city taxes on \$2 million and \$10 million businesses for taxes payable in 2025. For the sake of comparison, the figures below do not include Housing and Redevelopment Authority or market value levies, as not all cities have them. The comparison includes tax capacity levies.

### CITY TAXES ON A \$2 MILLION BUSINESS



### CITY TAXES ON A \$10 MILLION BUSINESS

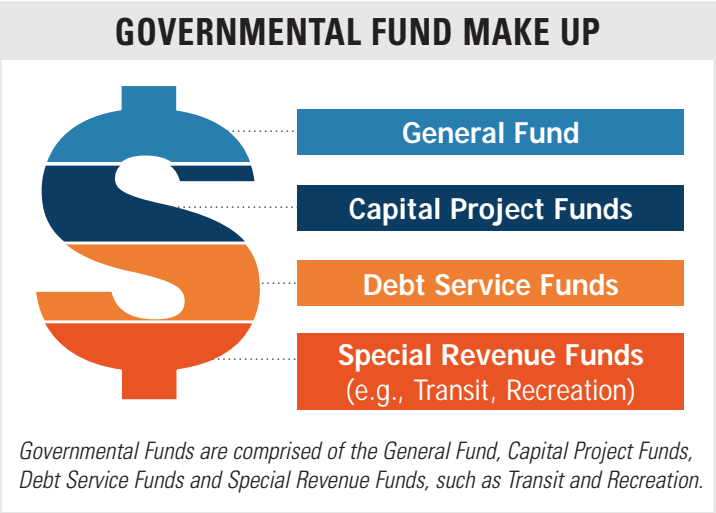


# Year in review: 2024 city finances

Plymouth publishes financial year-end results in the Annual Comprehensive Financial Report (fiscal year end of Dec. 31, 2024), which is available for viewing at [plymouthmn.gov/financialreport](http://plymouthmn.gov/financialreport).

While the data on this page is derived from the ACFR and consistent with generally accepted accounting principles, the following information is summarized and represents select funds.

The presented data includes a snapshot of revenues and expenditures of Governmental Funds, with a focus on the General Fund, which contains basic services (e.g., Public Safety) primarily funded by property taxes.



## General Fund revenue – where the money came from

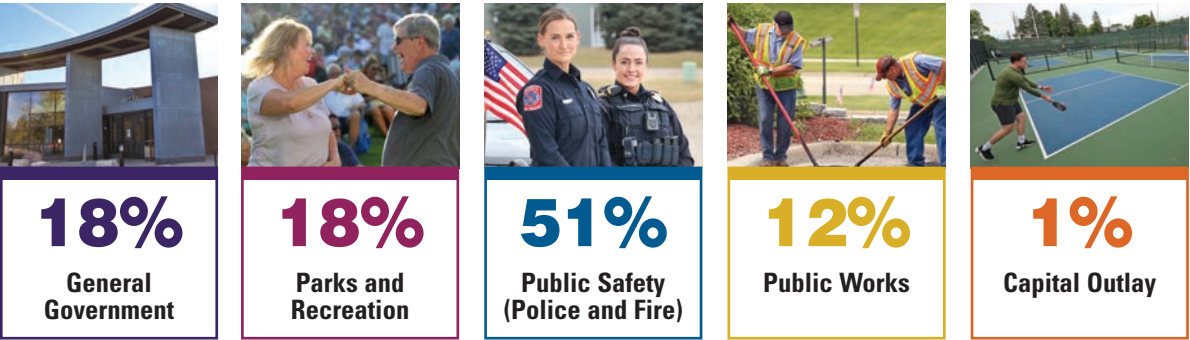


Revenues	2022	2023	2024
Property Taxes	\$35,700,992	\$37,402,355	\$41,153,479
Licenses and Permits	\$3,935,053	\$5,877,665	\$5,844,075
Intergovernmental	\$10,400,260	\$7,605,037	\$4,113,257
Charges for Services	\$3,395,976	\$3,417,832	\$3,480,210
Other	(\$14,398)	\$1,731,312	\$2,074,182
Total	\$53,417,883	\$56,034,201	\$56,665,203

Budgeted Revenue: \$53,486,849 | Actual Revenue: \$56,665,203

General Fund revenue, excluding transfers: Actual revenue was 106% of the budgeted amount, which was primarily driven by revenue exceeding budgeted amounts for “Licenses and Permits” and “Other” revenue. Revenue from “Licenses and Permits” was driven by strong development/redevelopment in the city. “Other” revenue increases were driven by \$850,000 of pass-through developer application payments to the state’s Low Income Housing Tax Credit program used to advance affordable rental housing (the city collected fees from developers that were subsequently paid to the state). In comparison to prior years, “Intergovernmental” revenue decreased (in 2023, the city received \$3.6 million in one-time Public Safety Aid from the state and in 2022, the city received one-time American Rescue Plan Act funding of \$7 million).

## General Fund expenditures – how the money was spent



Expenditures	2022	2023	2024
General Government	\$7,250,036	\$8,324,016	\$9,775,040
Economic Development	\$35,799	\$84,262	\$121,231
Parks and Recreation	\$7,400,565	\$8,285,552	\$9,255,672
Public Safety (Police and Fire)	\$24,196,642	\$24,878,183	\$26,685,917
Public Works	\$6,417,076	\$6,691,282	\$6,412,749
Capital Outlay	\$287,002	\$244,922	\$752,744
Total	\$45,587,120	\$48,508,217	\$53,003,353

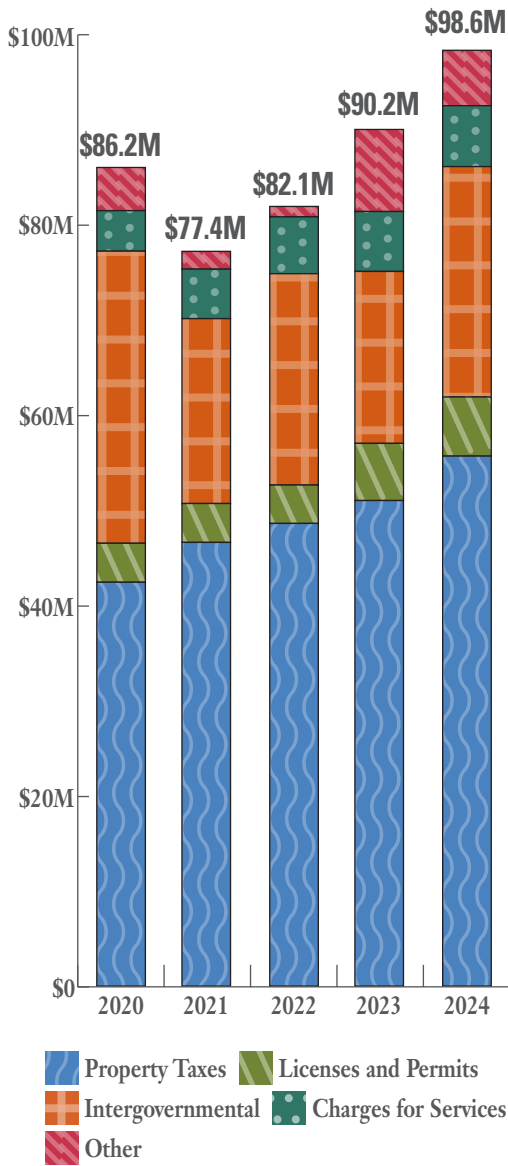
Budgeted Expenditures: \$53,728,983 | Actual Expenditures: \$53,003,353

General Fund expenditures, excluding transfers: Actual expenditures were 99% of the budgeted amount. Overall favorability is attributable to staffing vacancies exceeding budget assumptions, lower snow plowing expenditures due to less snow and elimination of Hennepin County assessing fees in the second half of the year. However, these lower-than-budgeted expenditures were partially offset by the pass-through developer application fee payment of \$850,000 (the city collected fees from developers that were subsequently paid to the state).

## Governmental Funds Revenues and Expenditures

Revenues for Governmental Funds totaled \$98.6 million in 2024, an increase of 9.2% over the previous year. The change is largely due to budgeted service increases and an increase in intergovernmental reimbursement for capital projects (Station 73 TRIP, Plymouth Community Center expansion). Expenditures for Governmental Funds totaled \$109.5 million, a 16.5% increase over the prior year due to budgeted service increases, return of excess tax increment and capital outlay (The Meadows Playfield, Schmidt Woods Park).

### 5 YEAR REVENUE COMPARISON



### 5 YEAR EXPENDITURE COMPARISON

