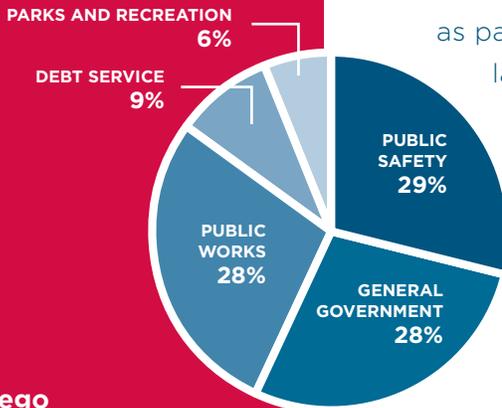


State Budget Issues Effect Property Taxes

The State has eliminated the market value homestead credit (MVHC) program as part of its efforts to address the State's reoccurring budget issues. The law changes enacted by the State have made budgeting for all cities even more challenging than usual in these difficult economic times.

Previously, residential homesteaded properties valued between \$76,000 and \$413,800 were eligible for a State paid credit on their annual property taxes. The MVHC was \$304 for residential homestead property valued at \$76,000 and declined to zero when property values reached \$413,800. Under the MVHC program, qualifying property owners paid a reduced property tax and the State was to pay the City an amount equal to the MVHC credit. However, for the last three years the State has been giving the credit to property owners while withholding the MVHC payments of \$237,000 per year to Otsego.

The elimination of the MVHC program is forcing residents and businesses to bear the burden of the State's on-going budget shortfalls through higher property taxes. The State has implemented a new Market Value Homestead Exclusion (MVHE) program that will exclude a portion of homestead market value from taxation. The effect of ending the MVHC program and adding the MVHE program is higher property taxes overall and a shift of the property tax burden to high value residential, commercial, and industrial property.



Otsego 2012 Budget

The preliminary levy is based on a budget to finance the City's general government operations, public safety including police and fire services, public works including maintenance of streets, trails and parks, and recreation services. The City has certified a preliminary tax levy of \$4,261,000 for taxes payable in 2012. This is an increase of approximately one percent for the same services in 2011. This preliminary levy can be reduced but cannot be raised when the City Council adopts the final tax levy on December 12, 2011.

MVHE Impacts

The impact of the new MVHE program will vary among cities but will generally reduce the overall value of property within the City that will cause an increase in the City's tax rate to maintain the same services. This is because the City's portion of property taxes for a given year is based on several factors:

First is market value, which is the assessor's estimate of what the property would be worth if sold. Second is class rate, the percent of market value set by state law used to determine the value of the property for calculating taxes known as its tax capacity, which is the third factor. The City's tax rate is determined by dividing the cumulative tax capacity of all properties into the fourth factor, the tax levy, or the amount of tax revenue the City needs to fund its annual budget. The property tax for an individual property is calculated by multiplying the City tax rate with the tax capacity of the property.

Otsego's TAX CAPACITY

Property Type	2011	Preliminary 2012	% Change
Residential Homestead	\$7,547,244	\$6,400,635	-15.19%
Commercial & Industrial	1,917,554	1,861,218	-2.94%
Non-homesteaded Property	1,251,967	1,167,033	-6.78%
Agricultural	606,587	544,344	-10.26%
Personal Property	283,499	279,502	-1.41%
Other	53,275	53,371	0.18%
Total	\$11,660,126	\$10,306,103	-11.61%

The largest reduction in tax capacity valuations is in the residential homestead property classification. While some of this reduction is due to declining property tax values, the majority is the result of the new MVHE program. **Below is an example of how a residential homestead property's value for tax purposes will change under the new MVHE program:**

	Property Tax Capacity Valuation	
	2011	2012
Estimated Market Value	\$175,600	\$175,600
Market Value Exclusion	—	21,436
Taxable Market Value	\$175,600	\$154,164

**THE PUBLIC IS INVITED
TO PROVIDE INPUT ON
THE BUDGET MEETING
7:00PM AT CITY HALL**

Notes from the Mayor

Greetings Neighbors!

Snowmobiling continues to be an enjoyable, safe winter activity in Otsego due to the efforts of the Otsego River Riders, a local club having over 80 members with new members being added as the new season approaches. The Otsego River Riders work together with the City and local land owners to answer questions or address concerns related snowmobiling in the community. The Otsego River Riders also maintain 17 miles of groomed trails within Otsego including posting all directional and warning signs. A new overland trail extending from Odean Avenue/CSAH 37 all the way to the Waterfront commercial area at TH 101/CSAH 39 is planned to add to the trails already available to provide needed and convenient access to gas and local restaurants.

Education about snowmobiling is also an important part of the Otsego River Riders activities. The Otsego River Riders annually host youth safety classes at the Otsego Public Works Facility to teach about safe snowmobile operation as well as provide information about local and state laws. Snowmobilers are responsible for informing themselves about local regulations for snowmobiling including areas of Otsego where snowmobiling is allowed. A summary of Otsego's City Code regulating snowmobiling follows:

-
- Persons under 14 years of age may ride on City streets only when accompanied by an adult. Minors age 14 years but under 18 years of age may ride on City streets with a valid snowmobile certificate in their possession.
 - Snowmobiles are prohibited from riding upon public sidewalks and paved trails or within City parks or other properties.
 - On City streets with curb, snowmobiles must be ridden on the street, single file in the direction of traffic as close as practical to the curb; where no curb exists, snowmobiles may ride off of the paved surface but not more than six feet from the edge of the pavement.
 - Snowmobiles may only be operated in the City between the hours of 8:00 a.m. to 11:00 p.m. Sunday through Thursday and between 8:00 a.m. and 1:00 a.m. on Friday and Saturday.
 - The City has designated residential areas where snowmobiling upon City streets is prohibited except to go to/from your property to a designated trail. Snowmobiles may not exceed 10 MPH within these designated residential areas. A map of the designated areas is available on the City website or from the Otsego River Riders.
 - Information statewide snowmobile trails and regulations can be found at <http://www.dnr.state.mn.us/snowmobiling/index.html>.
 - If you have any concerns about snowmobiling in Otsego please do not hesitate to contact City Hall or Otsego River Riders President Pat Hilden at 763.274.0229.
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The City Council greatly appreciates the efforts of the Otsego River Riders and would encourage snowmobilers in the community to support them. Information regarding the Otsego River Riders is available at their website at www.otsegoriverriders.com. The City Council also appreciates that all snowmobilers in the community be safe and respectful of their neighbors while enjoying their rides.

~Jessica Stockamp

WRIGHT COUNTY DRUG TAKE BACK PROGRAM

The Wright County Sheriff's Office in cooperation with Wright County Environmental Health has instituted a household pharmaceutical waste Drug Take Back Program. Residents are encouraged to bring their unused or expired medications to the Sheriff's Office and place them in the secure repository. The Drug Take Back Program was established in an attempt to reduce the volume of unused medications being flushed down the sewer systems as these compounds are increasingly being found in our lakes, streams, and rivers. Research has shown that flushing medications can damage the environment as the current technology at wastewater treatment facilities is unable to remove these compounds from the wastewater or would be untreated in an on-site septic system. If you have any further questions regarding the Drug Take Back Program, please call the Wright County Sheriff's Office at 763.682.1162.

WINTER RULES IN EFFECT



The City of Otsego has adopted several regulations as part of the City Code to protect public safety and aid the Public Works Department in maintaining streets during winter that residents need to be aware of, which include:

- There is no parking on any public street between **2:00 a.m. and 6:00 a.m. between November 1 and April 30**. Vehicles parked on public streets during these hours are subject to immediate ticketing and/or towing.
- There is no parking on any public street **after a snowfall of 2.5 inches or more** until after the street has been plowed to its full width. Vehicles parked on public streets during a snow emergency are subject to immediate ticketing and/or towing.
- **Snow from private property may not be deposited on the traveled portion of any public street, sidewalk or trail.**
- Property owners are responsible for **removal of snow, ice and other debris** from concrete sidewalks adjacent to their property **within 12 hours** after the snowfall has stopped.
- Property owners are responsible for **clearing snow from around fire hydrants and mailboxes**. Mailboxes can be especially vulnerable to damage from snow removal operations. The City assumes liability for mailboxes damaged during plowing **only** if it is determined that the plow made direct contact with a mailbox that was properly placed in accordance with City standards.
- The City is **not responsible for damage to plantings other than grass within the boulevard** portion of the yards. The boulevard is the area within the public right-of-way that is approximately 16 feet behind the curb along local urban streets (or between the curb and sidewalk), 10 feet behind the curb for cul-de-sacs and that part of the ditch approximately 18 from the edge of pavement or gravel of local rural streets.

Motorists are also urged to use caution during winter weather conditions and be aware of possible City, County and MN/DoT snow plowing operations. **Slow down and stay behind the snowplows. Drivers should allow at least five car lengths between their vehicles and snowplows. The street behind the plow will be the safest place to drive: Stay back stay alive.**

The Otsego City Code is available for review on the City's website at www.ci.otsego.mn.us. If you have any questions regarding the information at left, please do not hesitate to contact City Hall at 763.441.4414.

Your cooperation in following these rules this winter season is greatly appreciated to ensure the safety of Otsego residents and motorists within the community.



Report Street Lights Out

With the end of Daylight Savings Time more people notice when a street light is not working. If you observe a street light not working, please contact City Clerk Tami Loff at 763.441.4414 to report it. City staff will contact the appropriate utility to have the street light repaired to ensure the safety of motorists and pedestrians.

EMERGENCY SIRENS

The City has installed new outdoor emergency warning sirens to increase public safety. The existing siren near Otsego Elementary has been replaced and sirens installed at new locations at City Hall and the West Waste Water Treatment Facility. The City located these new sirens in consideration of coverage areas for the existing sirens and those in adjacent cities to provide coverage to almost all of the residential areas within Otsego. The sirens are operated by Wright County and sounded in the event of severe weather or other public emergency. There are two additional sirens in the City operated by Xcel Energy with one located west of CSAH 19, north of 80th Street and the other at Lilly Pond Park. Outdoor emergency warning sirens are not intended to be audible within homes or businesses so people are encouraged to purchase a weather alert radio.

OTSEGO FACTS SAND/SALT MIX

The Public Works Department uses about **800 TONS OF SALT** and **200 TONS OF SAND** each winter season to keep Otsego's streets clear of snow and ice. About **TWO-THIRDS OF THE SALT SUPPLY USED IS IN NOVEMBER AND DECEMBER** as drivers are again getting used to winter conditions through the Holidays. The City's newest plow truck, which is assigned to plow collector streets, is equipped with tanks to **PRE-TREAT THE SALT TO START THE MELTING PROCESS QUICKER** as well as allowing melting at lower temperatures. The **PRE-TREATMENT PRODUCT MADE OF A BYPRODUCT OF BEET PROCESSING (ESSENTIALLY BEET JUICE)**.

RECYCLE YOUR HOLIDAYS

Don't know what to do with those old or non-working holiday lights? Making the switch to energy efficient LED holiday lights? Recycle your old lights with our unique holiday light recycling program!

The City is participating in Recycle Your Holidays, which is a one-of-a-kind statewide holiday light recycling program in Minnesota. Residents can drop off their unwanted light strands at Otsego City Hall starting November 15 and running through the end of January.

This program employs over 200 individuals with developmental disabilities at vocational centers throughout the State of Minnesota. Every bulb of the light strand is dismantled by vocational center clients and then properly recycled in Minnesota.

Santa Day

Santa Claus is coming to town on Saturday, December 10 from 10 a.m. to 1 p.m. at City Hall!

This annual event hosted by the Parks and Recreation Commission is in its ninth year. Planned activities include children visiting with Santa Claus, cookies and hot chocolate and horse drawn sleigh rides for the whole family. Quality Photo will also be present to take pictures of your children with Santa for purchase or you may bring a camera and take your own. People attending are also encouraged to bring food goods for donation to CAER in the spirit of the season.



CITY HALL:
8899 Nashua Avenue NE
Otsego, MN 55330

PHONE NUMBERS

Main/Administration: 763-441-4414
Building Dept.: 763-441-2593
Utility Billing: 763-441-2310
Fax: 763-441-8823

OFFICE HOURS:

Administration
Mon-Thu: 8 a.m. – 6 p.m. Fri: Closed

Building Department

Mon-Thu: 8 a.m. – 6 p.m. Fri: 8 a.m. – Noon

Utility Department

Mon-Thu: 8 a.m. – 5 p.m. Fri: 8 a.m. – Noon

CITY COUNCIL:

Jessica Stockamp (Mayor)
Tom Darkenwald
Vern Heidner
Dan Scharber
Doug Schroeder

City Website

www.ci.otsego.mn.us

