


2026 Preliminary Property Tax Levy

SEPTEMBER 22, 2025

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Preliminary Levy



Estimated amount of money the city plans to collect to fund budgeted expenditures not funded by other revenue sources



Levy amount used for truth-in-taxation notices to property owners to provide an estimate of taxes payable in 2026

County and School District Taxes also included on this notice.

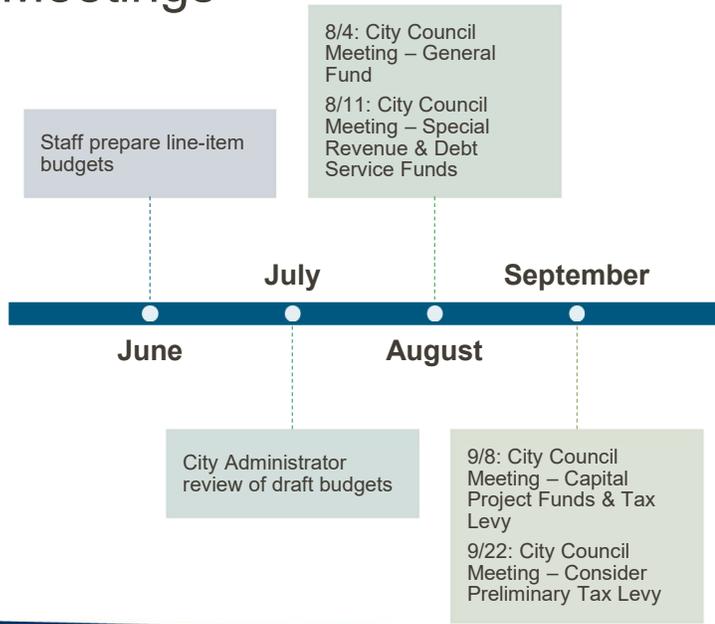


Final levy can be less, but not more



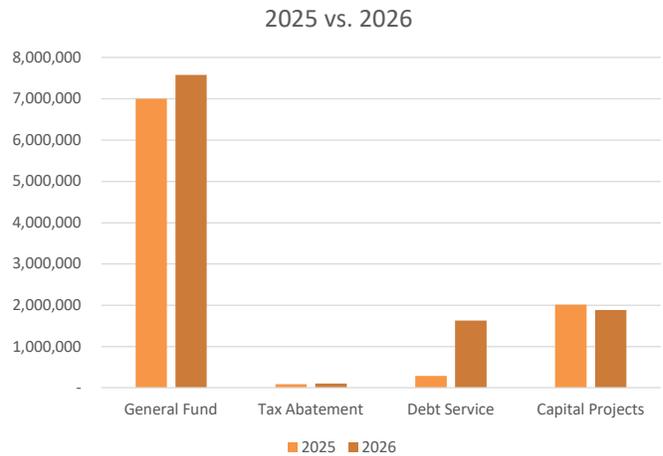
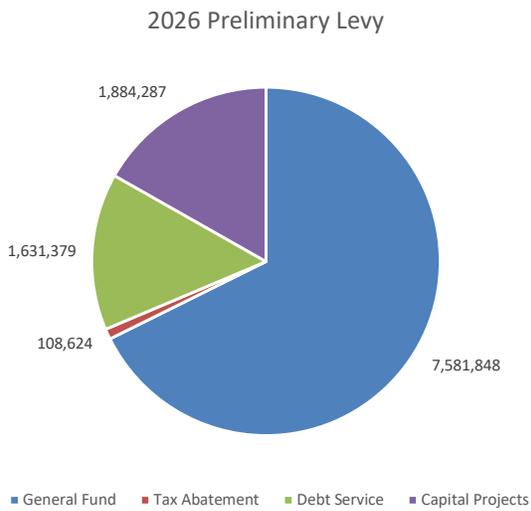
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Budget & Levy Meetings



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Preliminary Levy



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General Fund

Preliminary levy = \$7,581,848

Increase = \$581,848

Major Factors

- **Election Year** (\$76,808)
- **Contracts**
 - Law Enforcement (\$85,750)
 - Fire Protection (\$238,765)
- **Employees**
 - New Positions for IT & HR (\$144,677)
 - New Positions for Fire (\$173,325)



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Tax Abatement

Preliminary levy = \$108,624

Increase = \$21,188

Purpose

- City Investment in Public Infrastructure = \$949,187
- County Partnership of \$400,000
- Repayment of Infrastructure in 2028



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Debt Service

Preliminary levy = \$1,631,379

Increase = \$1,341,071

Projects Financed

- **Fire & Emergency Services Facility**
- **2018 Road Improvements**
 - Neighborhood Street Reconstruction
 - Kadler Avenue Construction
- **2007 Road Improvements**
 - Queens Avenue Construction
 - CSAH 42 Reconstruction



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Capital Improvement Plan

Preliminary levy = \$1,884,287

Decrease = \$130,839

Infrastructure Investments

- **Parks & Trails**
- **City Streets**
- **Vehicles & Equipment**
- **City Buildings & Properties**



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Tax Capacity



Residential Homestead^(b)

Up to \$500,000 ^(c)	1.0
Over \$500,000	1.25

Commercial-Industrial-Public Utility

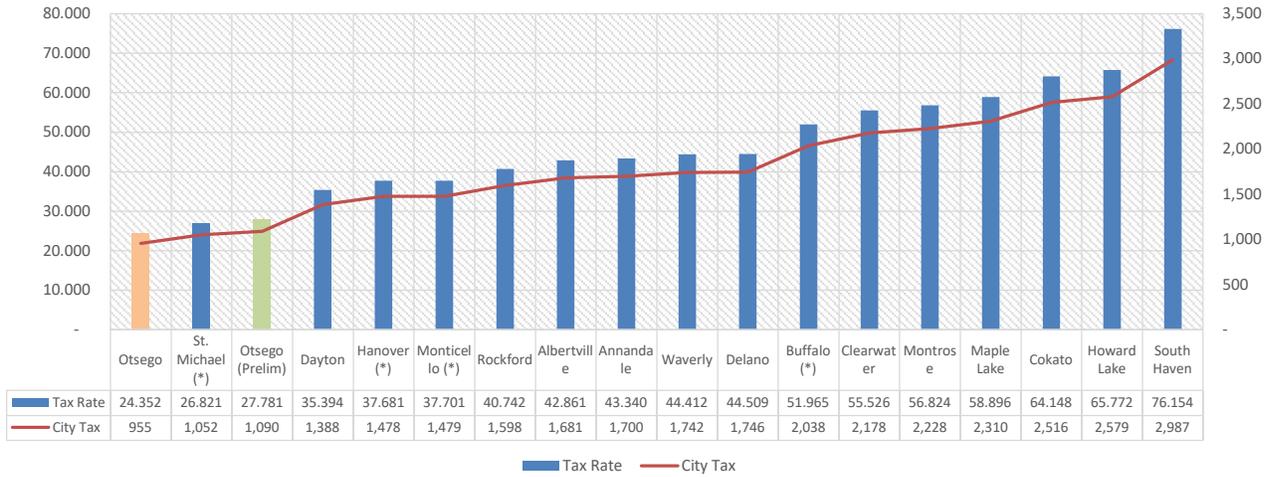
Electric generation machinery	2.0
Other:	
Up to \$100,000	1.5
\$100,000 - \$150,000	1.5
Over \$150,000	2.0



Tax Rate



Wright County Cities - Tax Rates



Notes:

(*) Indicates a City has either an EDA or HRA Tax Levy in addition to the tax rate included above.

Tax Rate is Final Tax Rate for Taxes Payable 2025.

City Tax Calculation Assumes Residential Value of \$402,500 (Otsego median appraised value for taxes payable 2026).



2026 Estimated Taxes - Calculation

	Payable 2025	Preliminary Payable 2026	(%) Change	Comments
Residential				
Median Appraised Value	\$ 386,400	\$ 402,500	4.17%	Source - Wright County
Less: Market Value Exclusion	(11,774)	(10,325)		Max Benefit = \$30,400 / Phase Out = \$517,200
Taxable Market Value	374,626	392,175		Subtract MV Exclusion from Estimated MV
Class Rate	1.00%	1.00%		Set by Legislature (Over \$500k is 1.25%)
Tax Capacity	3,746	3,922		Taxable MV Multiplied by Class Rate
City of Otsego - Tax Rate	24.352	27.781	14.08%	Tax Levy Divided by Tax Capacity * 100
City of Otsego - Estimated Taxes	\$ 912	\$ 1,090	19.42%	Tax Capacity Multiplied by Tax Rate



Looking Forward



**CAPITAL
IMPROVEMENT
PLAN**



**UTILITY FUND
BUDGETS**



FEE SCHEDULE



**TRUTH IN
TAXATION
MEETING**



**FINAL BUDGET &
LEVY ADOPTION**



Questions:

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