

RETTMAN'S RAMSEY REPORT

May/June/July - 2005

Dear District 3 Resident:

I hope this letter provides you with information on some of the issues being discussed by the Ramsey County Board of Commissioners. The views expressed in this newsletter are mine and/or my staff's and are provided to citizens as a part of my responsibility to keep you informed on what I am doing as your County Commissioner. If I, or my staff, can be of assistance to you please call us at 266-8360 or send an e-mail to www.janice.rettman@co.ramsey.mn.us.

Legislators Finally Agree

In one of the most contested legislative sessions in the state's history, senators, representatives and the governor were finally able to come to an agreement over how much will be raised in state taxes and how those dollars will be spent. Under the Minnesota State Constitution, the legislature is mandated to adopt a balanced budget by May 25 of the odd numbered year. That did not occur and a special session was called to complete the work that had not been done. The governor has indicated that a second special session may be needed if agreement can be reached on stadiums for the Minnesota Twins and the University of Minnesota.

Some Winners & Losers

Homeowners won a reprieve of sorts when the phase-out of limited market values was extended for another two years. Limited market values were adopted by the legislature several years ago to ease the impact of fast-rising property values. More recently the legislature decided to phase out the limited value law by 2007.

Under the law, restrictions were placed on the amount of increased value that could be

taxed each year. Long-term homeowners, especially those in popular neighborhoods, noted a big gap between limited (taxed) values and estimated values which means property taxes could rise dramatically when the phase-out is complete. The legislature believes that extending the phase-out two additional years will give property owners e more time to adjust to the effects of higher values.

Residential rental properties will benefit from the re-institution of the "4d" classification that provides some property tax relief for those serving low income residents and meet certain qualifications.

Homeowners with major mold damage will receive a one year valuation reduction equal to the cost of mold-related repairs that are at least \$20,000.

The (suburban) Ramsey County Library tax levy and the Regional Rail tax levy will now be listed as separate items on the property tax statement rather than as a part of the county tax levy.

Local units of government may now send supplemental information out with the county's proposed property tax statement

(truth-in-taxation statement). Previously this needed to be done as a separate mailing.

The so-called “turbo-charged” truth-in-taxation statement that would allow property owners to mail in their opposition to property tax increases was not adopted by the legislature, in part because of the additional cost to counties, but also because people who could not vote in a referendum election, such as absentee landlords, could help determine whether or not a justified tax increase should be adopted.

Transit Meetings Continue

Commissioner Janice Rettman continues to hold community meetings seeking input from citizens who live or work in the University Avenue corridor, which is roughly between I-94 and Thomas Avenue. Numerous meetings have been held at this point with each focusing on a different neighborhood. Hundreds of people have attended the meetings thus far to get more information and to share their thoughts on the proposed light rail transit or bus rapid transit line. Other meetings have also been scheduled.

Throughout the process the Commissioner has heard a variety of opinions ranging from “the \$840 million construction cost would be a very poor investment” to “light rail transit would be the best thing for St. Paul”. Some suggested more stops on University while others felt it would be more appropriate along I-94 running all the way to the Wisconsin border in order to get people out of their cars.

In the meantime, the Federal Transit Administration continues its review of the draft environmental impact statement (DEIS). They have asked several questions and the Metropolitan Council, through its hired consultants, is trying to answer them as well as attempting to put together a workable ridership model using the Hiawatha LRT line numbers. The current model does not fit into the new federal guidelines that require that cost effectiveness be demonstrated in the application for federal funding. Release of

the DEIS is not expected for some time putting the project several months behind schedule.

Ultimately, the Metropolitan Council will decide which alternative - light rail, busway or changes in the current bus system – would be best for the University Avenue corridor. The Ramsey County Regional Rail Authority, made up of Ramsey County Board members, will have to decide how much they will contribute to the local share as well as how much, if any, it will contribute to the annual operating costs.

Hennepin County currently pays 50% of the operating costs for its Hiawatha line and, without a dedicated source of funding for transit from the state, Ramsey County could expect to be called upon to pay for a share of the proposed central corridor line’s annual operating costs. Minnesota counties are not required to contribute to the annual operating costs of the bus system or bus rapid transit. Contributions to LRT expenses would be paid by county property owners.

According to the Commissioner, “In my opinion, input from the people who will be affected by the transit changes and who will live with light rail if it is built are the ones we need to hear from first, not last. We need to deal with their issues up front and also make sure there is funding set aside in the project to resolve them. Besides that, there is a wealth of knowledge in our neighborhoods that has not been tapped. Citizens and businesses need to be involved in a meaningful way in the design, concept, future land use and scheduling from the very beginning so that there are no surprises. There is too much at stake for these neighborhoods to leave anyone on the sidelines.”

Public Input Still Sought

Commissioner Janice Rettman is still seeking input from St. Paul citizens regarding the proposed transit changes in the central corridor. Attached is a comment sheet that can be filled out and mailed or citizens can respond by sending an email to her at janice.rettman@co.ramsey.mn.us

Is It A Fee Or A Tax?

The *No New Taxes!* pledge that the governor and some legislators are promoting has created some interesting twists as leaders try to balance the state budget. The cost of government is rising due, in part, to health insurance costs, construction costs and inflation, but also because people demand more but are not willing to give up what we already have. For instance, we all want roads that are in good condition and with limited traffic tie-ups but the huge construction costs would require cuts somewhere else – or new taxes.

In addition, many legislators want to return to their district with “some of the bacon”. This may mean new local services, aid to local businesses or road construction to name a few. Because there are no new dollars and because the economy is currently dragging, there is insufficient sales and income tax revenue to fund all current activities. The Governor and legislators have turned to fees in order to say they did not raise taxes. The problem lies in the definition of a “fee”.

The recent practice of passing some state expenses down to local units of government, along with increased property taxes to pay those costs, has brought the discussion on fees or taxes to virtually every level of government. The issue may seem trivial but the public policy question is important to the extent that the charge is fair, relates to the service provided and whether or not it is one of the essential priorities for the state. The state’s income tax is based on the ability to pay but fees are set regardless of income. In the past they tended to be directly related to a service, such as entrance to a state park.

Much of the discussion now centers on whether or not the charge is “optional”. In the past, Minnesota has taken great pride in its schools, parks and lakes, in addition to lending a hand to those in need. This is demonstrated not only in our school funding but also policies that try to keep our

roadways, parks, forests and lakes open and accessible to all citizens, regardless of income or ability to pay.

Some now claim that auto licenses and gas taxes are actually fees because they are optional. However, if you need to get to work, and public transportation won’t get you there, that argument doesn’t hold water. Trips for basic necessities, like food, also are not optional. Similarly, if you are assessed for tree trimming (a fee), but do not have a tree on your boulevard, you must still pay. That charge also is not optional.

Most of the state’s license fees are a little different because they help pay the cost of managing some of the privileges we have, such as driving a car or fishing, or that require state regulation, like daycare facilities. These fees help pay to protect the public’s resources and safety, as well as inspections and monitoring uses. In these cases, the out-of-pocket costs are both a fee and a tax.

Then there is the truly optional fee. The Legislative Commission on Minnesota Resources (LCMR) distributes funds to help support our parks, trails and natural resources. These funds come from a portion of the lottery saving income and sales tax dollars for other uses, but participating in the lottery is entirely voluntary.

Finally, the IRS has its own set of rules about taxes, assessments and fees. In general, some taxes you pay, like property taxes are deductible while others, like sales taxes, are not. Assessments may be deductible unless they pay for improvements to your property (like new sidewalks), while fees are usually not deductible unless they are a legitimate business expense.

So you see, there is no boiler plate definition for a fee or tax. The bottom line is that citizens can decide for themselves whether a new charge is a fee or a tax, whether the new charge is fair and reasonable and then hold their elected officials accountable.

Public Works Update

The Ramsey County Public Works Department will be busy in District 3. Minnehaha Avenue from Dale Street to Como Avenue will receive a mill and overlay by the city of Saint Paul assisted by county aid funds. This process is used to resurface streets that have a good base and involves grinding down the surface to get it reasonably uniform and then adding a layer of asphalt driving surface. Area residents should immediately notice less noise and vibration in their homes. The project is set to begin about August 1 and should be completed by the end of November.

Jackson Street from Maryland to Pennsylvania will also receive an overlay by the city, again with the help of county funds, while the County will resurface Como Avenue from Dale Street east to Rice Street in early September.

Finally, residents in the Galtier/Edmund area of St. Paul will be getting new storm sewers, streets, curbs, gutters and driveway aprons as a part of the residential street paving program. That \$1.75 million project started in May and should be finished by the end of October.

COMMUNITY UPDATES

District 5 (651-774-5234)

Community Planning Committee
October 4, 6:30 p.m.
@ Arlington Library

Neighborhood Action Committee
October 18th, 6:30 p.m.
@Arlington Library

Neighborhood Cleanup
October 22
TBA

Board of Directors
October 25th, 7:00 p.m.
@ Arlington Library

Ramsey County Judges Forum
October 27th, 7:00 p.m.
@Arlington Hills Lutheran Church

District 6 (651-488-4485)

Loeb Lake Small Area Plan Task Force-
October 13th, 5:30 p.m.
@ North End Multi-Service Center

District 7 (651-298-5068)

Board of Directors Meeting
October 11, 7:00
689 N. Dale Street

District 8 (651-228-1855)

Neighborhood Issues Committee
- Review of the Summit-U District Plan
October 6, 7:00 p.m.
@ Hallie Q. Brown Center

District 10 (651-644-3889)

Annual Meeting & Elections
October 18, 7:00 p.m.
St. Timothy's Church

District 11 (651-646-1986)

Board Meeting
October 18, 6:30 p.m.
1564 Lafond Avenue

Lexington-Hamline (651-644-3207)

Annual Dinner
Oct. 24, 2005, 6:30 p.m.
@ Dunning Recreation Center

Snelling-Hamline (651-644-1085)

SHCC Board Meeting
October 6th, 7: p.m.
@ Associated Bank Building

City of Falcon Heights (651-792-7600)

Human Rights Commission
October 3rd, 7:00 p.m.

Community Meeting on the Bell Museum of
Natural History
October 18th, 7:00 p.m.