

RETTMAN'S RAMSEY REPORT

Winter 2008/2009

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, send an e-mail to janice.rettman@co.ramsey.mn.us or send a note to us, Room 220 ,City Hall/Court House, 15 West Kellogg Boulevard, St. Paul, MN 55102.

State Budget Puts County On The Alert

The state of Minnesota's recent announcements about its \$5 billion deficit and looming cuts to balance its budget has local governmental units (LGU's), primarily cities and counties, very concerned that the loss of state funding for mandates, state programs and local aids will put additional pressure on to property tax payers at a level rarely seen.

The severity of the current state problem needs to be addressed immediately. The governor has the power to take action and, in addition to reducing allocations for 2009, he has directed departments to collect unspent funds from 2008, change the dates of payments to LGU's and unallot (keep and transfer to the state) funds that may have been spent but have not been reimbursed. While communities will have some difficulty meeting their budgeted expenses if the payment dates change, it is the last category that have local units of government most concerned. LGU's, including Ramsey County, receive a variety of grants and aid payments from the state that have been allocated by law. In many cases

the LGU's spend their reserve dollars on mandates and other activities as specified in the law and then request reimbursement or are reimbursed on a state schedule.

The Ramsey County Board recognizes that cuts in state support will occur and it will be working to sort out its priorities and options. The issue is complicated by the fact that the state mandates, or requires, certain levels of service and certain activities by the LGU's. In theory, these mandates should assure that counties handle their own business and not push problems on to other counties or insure that there is no advantage to move from one county to another because there are better services or payments.

During a recent county board discussion District 3 Commissioner Janice Rettman stated that "some people seem to be in a state of denial about the size of the state deficit and its impact on the county. I will work very hard to minimize the impacts on property taxes and I am willing to say that if the state reduces support for mandates we should do the same. That might result in some job losses but with retiring workers and

retraining we could keep our staff working for the people.”

More Aid for Returning Veterans

Minnesota veterans with service-connected disabilities (rated 70% or higher) and who have been honorably discharged can receive up to \$300,000 in market value exclusions on homesteaded property saving them a substantial amount in property taxes.

Applications must be made by July 1 to qualify on the current year's market value for taxes payable next year. Because property taxes are based on the previous year's valuations in Minnesota, property taxes paid in 2009 are based on the estimated market values were set in 2008.

Veterans who are totally and permanently disabled need to apply just once and the exclusion will continue automatically until the property is sold or the use changes. Should the veteran die, the surviving spouse will continue to receive the exclusion until the home is sold, ownership transferred or the use changes. Veterans with a disability rating of 70 percent and above must apply for the exclusion each year and the exclusion cannot be transferred to a surviving spouse.

For more details, questions about who may qualify and an application form contact the county assessor's office at 651-266-2000. The Veterans Administration Veteran's Service Office will assist in acquiring the necessary documents for the application. On the web, look for Property tax fact sheet number 13 at www.taxes.state.mn.us.

Once the application has been made be sure to check that the exclusion has been properly applied when you receive your tax statements next year.

And for all returning veterans, the County Board and staff thanks you for your sacrifice and your commitment to service.

Truth-In-Taxation Hearing

The annual Ramsey County/St. Paul Joint Truth-In-Taxation Hearing was held on December 11, 2008 giving the public an opportunity to let the

county board, the Saint Paul school board and the city council hear their thoughts on the 2009 budget and spending plans. Over 275 people attended and about 45 of them spoke during the meeting. Some were in support while many expressed fear and frustration as the falling economy continues to show its affects.

County staff was also available to meet with property owners to discuss specifics about their property and 253 people signed up to talk to appraisers. They walked through the information on file upon which values are determined including such information as the size of the property, the number of rooms, number of bathrooms, presence of a garage, etc. It is important that this information be accurate so that property owners do not pay more property tax than they should. Some people were able to clear up discrepancies and most left with a better understanding of how market values are established and how their taxes are calculated.

It should be noted that property taxes may not go down even if the value declines. Taxes are calculated based on the value of all properties in the county so if all go down in value there could be little change from one year to the next. Minnesota has a very complex way of determining taxes because of the number of property classifications and rates assigned to each as established by the legislature.

2009 Budget Adopted

On Tuesday, December 16 the County board adopted its 2009 budget and property tax levy. For 2009 the total county budget was set at \$590,238,750 which is 3.4% (\$19,293,030) more than in 2008. The board-adopted levy was set at \$235,013,187 which is 4.5% more than the 2008 levy. Of that amount, \$10,950,137 will be levied for suburban communities to support the library. The city of St. Paul has its own library and related separate tax levy.

Commissioner Janice Rettman was the lone vote against the budget and levy in part because the budget did not adequately address expected losses in revenue from the state and because she believed the levy increase could be reduced to less than 3% without impacting services. During the meeting she stated that “there is a world of hurt out in our neighborhoods” and that the county needs to recognize that layoffs will occur when, not if, the state reduces its aid, its

programs and its financial support for mandate. Earlier Rettman had introduced a number of ways to reduce the levy without layoffs but could not get the needed support.

Regional Rail Levy Adopted

Also on December 16, the Ramsey County Board, acting as the Regional Rail Authority, approved that budget and property tax levy for 2009. The levy was set at \$19,938,811.

Recently, the Rail Authority voted to support an increase in the state sales tax by .25% to support transit and transportation in the metropolitan area. In doing so it is prohibited from spending property tax dollars on the operation and maintenance of the bus system and the proposed Central Corridor Light Rail Transit line down University Avenue.

Commissioner Janice Rettman, made an unsuccessful effort to reduce the Regional Rail levy because of those requirements

She stated that she believed the board had made a commitment to the property tax payers when it adopted the special sales tax and that by keeping the levy the same as last year did not live up to that expectation. She also said that property taxpayers are hurting because of the economy and “this would be a way to give them a small break.”

The Rail Authority is a separate taxing entity that focus’ strictly on public transportation improvements in the county and several Minnesota counties have rail authorities. For information on the Regional Rail Authority check the website at www.regionalrail.org.

For information on transit issues in the metropolitan area go to the Metropolitan Council webpage at www.metrocouncil.org/ccorridor/centralcorridor.htm. Because they are the managing partner for LRT, they are also the entity to deal with for the Central Corridor LRT.

And speaking of the Central Corridor ...

The Federal Transportation Authority is currently reviewing the Final Environmental Impact Statement (FEIS) on the Central Corridor submitted by the Metropolitan Council early last year. The review was to be completed by late

fall or early winter but the FTA extended its review in order to look at a number of issues raised in the process. For instance, Minnesota Public Radio has been very vocal about its belief that noise and vibration will have a serious impact the use of their facility on Cedar Street.

At the same time, University Avenue neighborhoods have been united in their belief that light rail will impact their community both during and after construction. Some businesses may be forced to close and some property owners could see dramatic changes in value forcing long-time residents out.

Earlier last year the Met Council announced that about 85% of the parking along University – parking that small businesses need for their customers – would be lost permanently. Residents and businesses alike were under the impression that less than 25% would be lost and that would be at station areas. Much of the retained parking is located west of Fairview where the street is wider but businesses do not generate much traffic or have off-street parking.

New County Manager Hired

The Ramsey County Board of Commissioners did not have to look very far when former manager David Twa moved to a similar position in California. After a search process that lasted several weeks Julie Kleinschmidt was offered and accepted the position. Ms. Kleinschmidt is the first woman to serve in the position but has served as the county’s budget director for eight years so she know not just the fundamentals of each department but also where the dollars are spent.

During the search some Commissioners believed that salary limitations imposed by state law would limit both the number and quality of the applicants. Others believed that, despite salary limitations, the job was highly desirable. It is one of the few in the nation of its size in population, density and budget yet with the diversity of the community. It also comes with a AAA bond rating that few counties have achieved across the nation.

The county manager reports directly to the Board and directs the operations and some 4,000 employees based on the Board’s directives and adopted spending plans. Ms. Kleinschmidt’s

most immediate concerns will be directly related to the state's efforts to balance its own budget in a time of shrinking revenue and increased costs and demands. If the state fails to fully fund mandates or decreases the services it pays for the county will need to cut services and possibly lay off employees.

For certain, the county cannot increase the 2009 property tax levy to help pay for state shortfalls. Starting February 24, 2009 the Board will review options and give direction for the 2010/2011 budget years.

New Veterans Officer Joins Ramsey County

Speaking of new hires, on January 20 the Ramsey County Board of Commissioners approved the hiring of Maria Wetherall to a four-year term as the Director of the Veterans Service Office. Ms. Wetherall, who will begin on February 23rd, will have an early challenge in bringing the office back up to full speed because staffing has been inconsistent recently due to a variety of reasons. Her prior work included a 6-year stint in the U.S. navy.

District Council News and Schedules

District 5 (651-774-5234)
www.paynephallen.org/index.html

Board of Directors
4th Tuesday, 7:00 p.m.
@ Arlington Library

Neighborhood Action Committee
3rd Tuesday, 6:30 p.m.
@ Arlington Library

District 6 (651-488-4485)
www.district6stpaul.org/

Board of Directors
1st Monday, 6:30 p.m.
North Dale Recreation Center

Land Use Task Force
4th Tuesday, 6:30 p.m.

District 7 (651-298-5068)
www.d7mix.org/

Board of Directors Meeting
2nd Tuesday, 6:30 p.m.

@ 533 N. Dale Street

District 8 (651-228-1855)
www.summit-u.com/

Board of Directors Meeting
4th Tuesday, 7:00 p.m.
@ Hallie Q. Brown Center

District 10 (651-644-3889)
www.comopark.org/

Board of Directors Meeting
3rd Tuesday, 7:00 p.m.
@ Como Park Historic Street Car Station

District 11 (651-646-1986)
www.hamlinmidwaycoalition.org

Board of Directors Meeting
3rd Tuesday, 6:30 p.m.
@ 1564 Lafond Avenue

District 12 (651-649-5992)
www.district6stpaul.org/

Board of Directors Meeting
2nd Thursday, 7:00 p.m.
@ 890 Cromwell Avenue

District 13 (651-645-6887)
www.unionparkdc.org/

Board of Directors Meeting
1st Wednesday, 7:00 p.m.
Merriam Park Community Center

City of Falcon Heights (651-792-7600)
www.ci.falcon-heights.mn.us

City Council Meeting
2nd and 4th Wednesdays, 7:00 p.m.
@ Falcon Heights City Hall

Volunteers Needed

The Ramsey County Board of Commissioners is always looking for volunteers to assist various programs and advise the board on issues affecting citizens and departments. Contact the Ramsey County Human Services Volunteer Services about their volunteer opportunities at 651-266-4090 or check the website at www.co.ramsey.mn.us/cm/volunteer/index.htm for the full list.