

RETTMAN'S RAMSEY REPORT

Winter 2009/2010

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.

2009 Annual Property Tax Hearing

On November 30th approximately 200 people attended the County Board's public hearing on the proposed budget and levy for 2010. Twenty-four people spoke on a variety of concerns ranging from cuts to specific programs to taxes in general. While many spoke to support programs and requested that funds be found to keep them operating, all appeared to understand that cuts from other levels of government mean direct impacts to citizens in need of services.

For instance, Ramsey County receives about 30% of its annual operating funds from other sources including the state, the federal government and foundations. Of these, many foundations have been hard hit by the stock market drop and, in some cases, abuses by those who invest and monitor funds. As a result, they have reduced or eliminated funding grants or are evaluating the most effective use of their limited resources. For its part, the state's budget problems and related cuts are well documented.

On this night, the greatest request was for CCSA-funded vocational services. This is part of a larger budget line that, even with the reduction, the total budget will go up 14%, or \$4.2 million for 2010, and then be virtually the same for 2011.

Others spoke against property tax increases in general while still others suggested the levy be reduced due to the strain on already struggling families and businesses. Small business owners and owners of commercial properties appear to have been hit this year because their property values have remained stable while residential property values have decreased significantly. This places a greater share of the tax levy on them, but they also saw some savings as residential properties increased in value over the previous years. That issue demonstrates part of the problem with Minnesota's complex property tax laws that can create an inconsistent distribution of the levy.

Finally, a number of people had some concerns about their specific situation. In those cases

County staff stepped forward immediately after the speaker's time at the microphone to help identify the problem, resolve it if needed, make sure the speaker had all correct information on record or inform them of the appeals process if they disagreed with their assessment.

2010-2011 Budget Adopted

On December 15 the Ramsey County Board of Commissioners adopted the 2010/2011 budget and the 2010 property tax levy. This is the second two-year budget the Board has used as a way to streamline the budget process and help plan for future years. The levy, however, must be adopted annually so the 2011 budget could see some adjustments, primarily on the basis of state actions.

For 2010, the levy will increase \$6,957,862 or 2.7% over 2009. In addition, \$10,012,731 will be levied to suburban communities to pay for the suburban library system. The city of Saint Paul levies separately for its libraries. As for the spending plan, the 2010 budget is a 1.3 % increase over 2009.

While noting that the Board and staff did a strategic effort to offer more opportunities for input, Commissioner Janice Rettman voted against the increase after she identified specific cuts to reduce the proposed levy increase to 1.9% without additional staff layoffs. In her remarks she also said that "The next two to three years are going to be grim. I think we should have made additional cuts now". During the budget process she stressed "pain management now versus real pain in 2011". She also said that now is not the time to be raising taxes when people are hurting financially and many are struggling just to keep their homes.

In the 2010 budget 89 positions have been lost but only about a dozen actual layoffs resulted. Unlike some counties with smaller staff or a younger workforce, Ramsey County has been able to deal with the remainder through attrition. Commissioner Rettman is concerned that the positions remain on the books as a 1.5% vacancy rate rather than an actual reduction and that departments may try to fill those positions with other funding that could be temporary.

As Budget Committee Chair, Commissioner Reinhardt pointed out that most of the cuts are due to cuts by the state legislature and unallotments by the governor. She stated that "We need to work with the state legislature" and "We have time to deal with this."

She also noted that the governor allowed cities and counties to replace unallotted state dollars with local levy dollars (property taxes) above what the lawful levy limits allow, an action the county chose not to use.

In addition to adopting the budget and levies, the Board, acting in its other capacities, adopted a Regional Rail levy that is the same as last year, and approved the Housing and Redevelopment Authority Budget for 2010. While it has taxing authority, the County HRA has never exercised that option.

Library Construction Update

While the wet fall created some problems outdoors, the delayed winter made it possible to catch up on work at the Roseville Library where an \$18 million expansion and upgrade is in progress.

Outside, the fall paving projects have been completed with a final layer of paving applied in the spring followed by parking lot striping. Some of the scheduled fall plantings have been delayed due to neighborhood concerns. Tree trimming and/or removal will be dealt with after a final meeting with neighbors and the arborist.

On the building exterior, infill masonry has been completed, the exterior stud system has been waterproofed and insulation will follow, the exterior wall covering will be installed when that is completed. Window frames were delivered to the site, glazing will follow frame installation and final roofing should have been done in December.

On the interior, wall framing is moving forward on the first floor and second floors, work continues on the elevator hoistways, and infill floor slab work is complete. For the mechanical systems, the chiller pad is finished, the new transformer is operational, work continues on the new air handler and ductwork and electrical

rough-in will occur as interior partitions are built.

When the renovation is complete, the new library will occupy 73,000 square feet, 30,000 square feet more than the old library, including a new second floor. The building will also meet Gold LEED certification requirements for its environmentally friendly and energy-efficient building design. This added about \$780,600 to the cost but some will be recovered over time and it demonstrates the County's commitment to saving energy.

A grand opening has been set for July 10th. In the meantime, library users can find the facility's collection and services at a temporary location located at 2680 Arthur Street (near County Road C) in Roseville.

Former Falcon Heights mayor Sue Gerhz has done a phenomenal job on this project as the new director of the Friends of the Ramsey County Library. They are in the midst of a capital campaign to raise \$500,000 to purchase items needed to support or improve all of the county libraries. If you want to help support that organization you can contact them at 651-486-2213. In addition to financial aid, you can donate new or "gently used" books. All donations are tax deductible.

County Buys Downtown Building

On August 21st the Ramsey County Board of Commissioners authorized staff to negotiate for the purchase of the Metro Square Building in located at 121 East Seventh Street in downtown Saint Paul. For a number of years the Board has been trying to sell most of its property on the riverfront but due to the economy and other factors, two potential buyers have failed to get their projects off the ground.

County staff, primarily Community Corrections and the County Attorney's Office will be moved to the Metro Square Building once the deal is finished and renovations are complete. Records and Revenue, Elections and Health Department staff have already moved to offices at 90 West Plato Boulevard across the river from the Court House.

The expected purchase price is \$4,000,000 with an additional \$16,701,600 needed for building

improvements. While the move takes one building off of the tax rolls, the purchase would make it possible to vacate the old jail and former West Publishing buildings and make them available for immediate demolition.

Commissioner Janice Rettman supported the decision noting that "we have made the decision to move from the riverfront so we need to vacate the West Building soon. The thing that makes this site attractive is that we can pick it up for a low price and it has a parking ramp and leasable space to generate some revenue. Now we need to work on getting the riverfront properties into the hands of a responsible developer which should more than make up for the lost tax revenue from the Metro Square Building." The Commissioner has consistently advocated that this property must return to the tax rolls.

Frogtown Square Construction Underway

The old Belmont Club building on the northeast corner of Dale and University is now a hole in the ground and along with it went a piece of Frogtown's history. The Club was once a popular night spot for Saint Paul residents but most of you remember the community's efforts to get rid of the vice and the blight on the corners of that intersection that cropped up in the '70's and 80's. Those efforts included complaints to city officials, organized picketing that went on for several months, building condemnations and even a new police department office in what was once a strip club.

On a windy December day Frogtown residents, activists, business people and a variety of guests help break ground for a new residential and commercial building that should help Frogtown and Summit-University area seniors stay in their community. The 4-story structure is expected to include senior housing, a major restaurant, a grocery store, and a barber shop.

The joint effort for this project includes the Greater Frogtown Community Development Corporation, the Aurora/St. Anthony CDC, Model Cities and Presbyterian Homes. Ramsey County provided funds to help clean up pollution on the site.

Unfortunately, Frogtown landmark Lendway's Lounge will also be demolished for this project. Many will remember the warm hospitality of the

Iggy Theisen and his family as they served lunches and dinners to neighborhood residents, labor leaders, legislators, business owners, and an occasional major league baseball player or coach, all sitting side-by-side and all treated equally special.

Property Values Decline In Ramsey County

Most of us have seen a decline in property values in the last couple years after dramatic increases for several previous years. The Ramsey County Assessor's Office reported earlier in 2009 that the total estimated market value for all taxable properties in the county has declined 4.98% last year from \$48,682,290,900 to \$46,255,290,900. A \$2.427 billion decline.

Residential property values are determined based on sales of similar properties in a neighborhood. Commercial properties take other factors into consideration such as location and gross sales. Because there is great variation in the condition of properties this is a difficult science but, by state law, the values must be nearly 100% accurate and the results are carefully studied by the state for accuracy.

So why haven't taxes gone down? Minnesota has a very complex property tax system that involves multiple classifications and multiple tax rates. The bottom line is that the local government levies are divided among all properties using the state formula. If one class rises significantly, or another falls, you would see a change in your property taxes. If all properties stay relatively the same in value, you would see little change in your tax even though your own value might have gone down a little.

This is also the year that the limited market value disappears. This was an effort by the state a number of years ago to control the rising values and help limit tax increases. If you have been in your home for over ten years you will have experienced the good and the bad of the policy. In the early years your estimated value would have been artificially low and would have saved you some money. As the program was phased out your estimated value would have increased significantly over the last few years to catch the true value. This catch-up action would have increased your taxes more than your neighbors who bought their home recently.

Stand Up and Be Counted

While it is still a few months away, Ramsey County is already developing plans for its participation in the 2010 census. By federal law, a census count is taken every 10 years to determine how many people live in the country but, more importantly, how many people live in each state and community. Why is this important?

The census is used to determine the number of representatives to Congress each state is allotted. Each of the 50 states has two senators but the number of representatives varies greatly. Minnesota currently has 8 representatives while New York has 29 and neighboring North Dakota (and 6 other states) has but one. Minnesota once had 10 representatives but lost a seat in 1930 and another in 1960. At this point it appears Minnesota could lose one of those eight seats to another state – unless everyone is counted.

Over the years the census has also asked a number of questions about each household in addition to how many people live in a unit. Some questions, such as household income, are used to determine how public dollars are distributed. For instance, if you live in an area that has a large population of people with incomes below the metropolitan average, additional federal funds may be available to help the community. Surprisingly, "low income" areas often actually include large populations of retired citizens who had successful working careers but are now on fixed incomes.

If you live in a small town in need of an expensive sewer system and waste treatment facility, income determines how much aid the community can get to help pay for it. Other questions are sometimes asked to get a sense of a community's standard of living. All of your answers are, by law (Title XIII), strictly confidential with criminal penalties for anyone who mis-uses any information. If any person violates this law, it is a federal crime and they will face severe penalties which could include a federal prison sentence of up to five years, a fine of up to \$250,000, or both.

So make your presence heard – stand up and be counted!