

RETTMAN'S RAMSEY REPORT

Spring 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.

Property Tax Statements Delayed – Then Sent In the Nick of Time

More than three years ago the Ramsey County Board authorized staff to work with a consortium of Minnesota counties to develop a more current software system for the property records and tax notification system. Despite repeated warnings and pressure by the Board, the system still was not operational by the time the county normally sends out notices in March. As a result, home owners were not able to apply for their property tax refund at the same time they completed and filed their income taxes.

This has caused a hardship for many home owners. First, people who depend on the property tax refund to pay bills or apply to their property tax bill due in May would not receive the refund for several weeks and too late to help.

Secondly, people who pay tax preparers to do their filing will now require an additional meeting and perhaps an additional charge for that service. Plus, people who use that refund to

help pay for their tax service may have had to pay upfront and out-of-pocket..

Third, volunteer tax preparation advice is usually no longer available after April 15 so people who use those services will likely need to make other arrangements.

Commissioner Janice Rettman made her concerns well known from the beginning. "I was very wary of this plan when it was brought in because of the many problems and additional expense we have experienced with other software systems. Plus, staff did not make a case that our urban county needs were comparable to the very small –population rural counties that are also part of the consortium. I think we end up subsidizing the other counties." For its part, Hennepin County did not join the group.

"In addition, it seems like every time we enter into an agreement with software vendors it takes a lot longer and costs a lot more than the estimates. But once you make the decision to move forward you are stuck with that vendor

until the product is done, even though they keep adding costs. Unfortunately, I doubt that we will ever be successful in collecting or enforcing a penalty. I apologize for any inconvenience residents may experience but I also assure you that I won't support this type of contract in the future."

By state law, property tax notices do not have to be sent out until May 1 for the May 15 deadline, or 15 days before the taxes are due if they are sent later than May 1. August 15 is the last day to apply for a property tax refund.

For their part, county staff issued a statement that, in part, read "Ramsey County greatly regrets the inconvenience caused by the late mailing of our tax statements this year. We are diligently working to insure the Ramsey County property tax statements in future years are mailed in the timely fashion in which you are accustomed." Commissioner Rettman later made a visit to the staff and personally thanked each of them because they had been inundated with calls and handled every one of the professionally while under stressful conditions.

Ramsey County Property Tax Refund Help Available June 7th and June 9th 2010

Due to the lateness of the property tax statements, AARP and Ramsey County announced recently that it will be sponsoring special M1PR Property Tax Refund clinics staffed by AARP tax volunteers. Usually these refunds requests are prepared by a resident's income tax preparer at the same time their income tax returns are prepared.

Although the Property Tax Refund applications are not due until August 16 this year, Ramsey County recognizes that problems may have been created in the implementation of the Manatron Tax System and the related late notices. Therefore, Ramsey County is offering these clinics. The special clinics will be held to help only Ramsey County residents and only with the preparation of their 2009 Minnesota Property Tax Refund Applications (Form M1PR). Other tax preparation help will be available from AARP next year.

The clinics will be held at 90 West Plato Blvd in St Paul on June 7th and 9th from 9am until 2pm

each day. The clinics will operate on a first-come, first served basis and no appointments will be taken.

To speed up the process, each homeowner or renter seeking assistance should attend the PTR clinic in-person and bring:

- A copy of their 2009 Federal Tax Return (including the M1PR form if it was previously partially completed).
- A copy of their 2010 Ramsey County Property Tax Statement.

Reuse, Recycle... and Renovate For Reinvestment

On Tuesday, April 27 the Ramsey County Board of Commissioners authorized staff to move forward with a new program to assist in getting tax-forfeited properties back to paying property taxes as quickly as possible.

Properties become tax-forfeited when the owners fail to pay the property tax due and fail to initiate a redemption plan as authorized under state law. The properties then become the property of the state and each county is required by statute to secure, maintain and dispose of the properties in order to pay the delinquent tax debt and return it to its best use. Upon sale, each taxing jurisdiction (city, county and school district) receives their percentage of the proceeds based on the tax owed and the purchase price.

Under this program, the Public Health Department and the Records and Revenue Department will work together to evaluate each tax-delinquent parcel, including an environmental assessment to determine any pollutants and health dangers, and then develop a plan to correct the deficiencies when it makes fiscal sense. The ultimate goal is to get the highest return on the parcel.

Properties that can be rehabbed will be repaired and new basics, such as furnaces, plumbing and electrical replaced as needed. Lead paint can be an environmental hazard so that may also be corrected. Once repaired the properties will go on sale, typically at auction, or may be

purchased at cost by the city in which it is located.

In some cases, buildings may be beyond repair and will need to be removed. In the past the building typically would be razed and all of the rubble carried to a landfill. Under this program the razed buildings will first be “deconstructed”. That means all reusable materials such as woodwork, cabinets, hardwood flooring, doors and windows will be taken out for reuse while plumbing, wiring, etc. will be recycled. Construction lumber will be separated and shredded for District Energy’s co-generation plant and only a limited amount of materials will end up in a landfill.

Commissioner Janice Rettman met with staff on the basic concept of the program to staff more than a year ago but it took some time to identify resources and review current statutes and ordinances to confirm the county’s authority. She stated that “This is an exciting program that helps meet the county’s environment goals and allows us to get the most return for these properties. The ultimate goal is to get the back on the tax rolls as quickly and efficiently as possible.”

It seems our grandparents’ philosophy of saving and reusing whenever possible has come full circle.

Historical Society Research Center To Open

Are you curious about your home’s history? Do you have questions about your neighborhood, who Edmund Rice was, or perhaps who was Simonitch (as in Simonitch’s subdivision)? Beginning in mid-June you can research many of your questions about your home and community at the new Ramsey County Historical Society Research Center.

The Center, located in the lower level of the Landmark Center will give citizens a chance to look at old business and church records as well as stories from many people who lived here even before Minnesota became a state. The Society’s archival collections are being brought together in a climate-controlled atmosphere so it should be a one-stop experience. And unlike the Minnesota State Historical Society, the center includes photo copies of local building permits

so you can discover when that addition was put on or when your home may have been converted from coal to natural gas heat.

The Center was made possible through the generosity of the Huss Family Foundation, the McCarthy-Bjorklund Foundation and the Scrooby Foundation along with help from Laurie Murphy. A Grand Opening is set For June 10.

And while you are at the Landmark Center take some time to look at the current exhibit about baseball and the history of Negro Baseball and local African American baseball players. The exhibit runs through August 20th with discussion events on some Thursday evenings.

Sheriff Will Purchase Patrol Boat

That won’t be the U.S. Navy’s patrol boat you see going up and down the river this summer. The Ramsey County Sheriff’s Office has been given approval by the Board of Commissioners to purchase a new boat for “port security”. The total cost of the 25-foot boat with two 225 horsepower engines, an array of electronic equipment and other amenities such as sonar and “shock mitigating seats” is \$178,557.69. In addition, a new 4-wheel drive vehicle will be needed to pull the boat to its point of entry adding \$34,312 or more to the bill.

The Department will also be purchasing a remote controlled underwater vehicle with video and imaging sonar (estimated at \$109,419) and 10 sets of scuba gear estimated at \$47,401 as part of the \$463,702 port security package.

Funds for the purchase will come from a U.S. Homeland Security Grant specifically for this purpose. According to the application the grant will “cover the costs related to enhancing the Nation’s port and maritime infrastructure to prevent, protect, respond to, and recover from threats or acts of terrorism.” Funds will be used “for the purchase of technology and equipment that will provide the wherewithal to detect, prevent, protect and respond to the threat posed by improvised explosive devices (“IED’S”) to the Port of St. Paul and the surrounding Upper Mississippi River.” Because the Mississippi River is navigable waters through Saint Paul it is considered a port and thus falls under the

jurisdiction of the U.S. Coast Guard. However, according to the Sheriff's Department, the Coast Guard apparently has limited capacity and, to this point in time, limited visibility to perform those duties.

The Board had many questions about the proposed purchase and some members were concerned about the cost, the size of the boat and the need. Commissioners Jan Parker and Janice Rettman voted against the expenditure. Commissioner Parker believed that the boat was "overkill" for the intended use and even though the grant was federal dollars, it was "still taxpayers' money". Commissioner Rettman concurred but also wanted to know where the boat would be stored and what the extra on-going costs would be.

To date, the sheriff has not provided further information on where it will be stored, what storage will cost and what the annual maintenance and operating costs will be.

New Patrol Contracts Approved

Also from the Sheriff's Office, on March 14 Ramsey County Commissioners approved contracts for the Department to patrol and provide police protection services for seven Ramsey County communities. The services include regular patrols, traffic enforcement, crime prevention programs, investigations and other activities typical performed by local police departments. In this case, the cities have found it more cost-effective to hire an established department, in this case the Sheriff's Office, rather than creating their own unit. Other communities use departments from neighboring cities, like Falcon Heights who contracts with Saint Anthony for their services.

Costs for the services are paid for by the communities and are not part of the County's overall tax levy. However, by agreement, the county accepts responsibility for personnel matters including assignments and performance as well as liability for the actions of the officers.

The cities agreeing to terms are Arden Hills, Gem Lake, Little Canada, North Oaks, Shoreview and Vadnais Heights along with White Bear Township.

Volunteers Always Needed

Ramsey County is always looking for people to serve on various advisory committees or assist departments in their work. Some current Ramsey County needs include the Workforce Investment Board, the Food & Nutrition Commission and the Community Human Services Advisory Council.

For a list of service opportunities in your area of interest check out the Ramsey County website at www.co.ramsey.mn.us/cm/volunteer/index.htm Or call 651-266-8014 for committee vacancies.

Are Reverse Mortgages the Next Fiasco?

Just when you think we learned our lessons about loose rules from the mortgage fiasco we are hearing that reverse mortgages are being hyped for seniors who own their homes but may need or want a little extra cash.

Minnesota Attorney General Lori Swanson recently reported that the Deficit Reduction Act of 2006 actually encourages senior citizens to use reverse mortgages and that Ginnie Mae, a government authorized financing agency, has begun developing secondary markets for the loans (i.e. buyers, such as investment funds, rather than the bank that makes the loan). In fact, one Ginnie Mae executive trying to push new products stated that "...81% of seniors own their homes, controlling more than \$4 trillion in home equity, an amount that could grow to \$37 trillion by 2030". That is a lot of money locked up in residential property.

A reverse mortgage allows people to borrow against the equity, or value, in their homes and carry that debt until the home is sold. Basically, the owner must be 62 or older and own their home outright, that is, with no mortgage or other debt against the property. Instead of a lump sum payment, the owner may choose to receive a monthly check.

The problem is that interest accumulates against both the principal and the interest. If too much is taken out or the loan is started too early in life people could end up with nothing to pass on to their heirs or losing their homes outright. Because there are so few rules, impatient loan holders may be able to force a sale of the home

to pay the debt, especially if it appears that the debt will climb beyond the value of the house, or, worse, the home's value drops. Imagine reaching the age of 85 or 90 only to lose the one thing of value you own, and with no place to go.

During the past legislative session Senator Tarryl Clark and Representative Jim Davnie sponsored one of the few pieces of legislation having strong support from both sides which would require lenders to follow basic suitability standards before issuing loans. Unfortunately, the governor vetoed the bill because he believed the standards, similar to those required of others in the financial industry, were "too onerous".

If you are looking at a reverse mortgage the Attorney General recommends that you understand all of the ramifications and, as with all financial decisions, consult with those you know and trust before putting your future at risk. If you have problems with a lender already, you can contact the Attorney General's Office at 651-296-3353.

District Council News and Schedules

DISTRICT 5 (651-774-5234)
www.paynephalen.org

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.
@ West Minnehaha Rec Center

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.hamlinemidwaycoalition.org

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

DISTRICT 12 (651-649-5992)
sapcc.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

COMMUNITY EVENTS

Rice Street Festival and Parade
July 29 – 6:30 P.M. on Rice Street

Falcon Heights Ice Cream Social
July 29 – 6:00 P.M. at Community Park
Cleveland and Roselawn Avenues