



City of Saint Paul

15 West Kellogg Blvd.
Saint Paul, MN 55102

Minutes - Final

Legislative Hearings

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Thursday, January 19, 2023

9:00 AM

Remote

Special Tax Assessments

9:00 a.m. Hearings

- 1 **RLH TA 23-37** Ratifying the Appealed Special Tax Assessment for property at 130 LEXINGTON PARKWAY NORTH. (File No. CG2204A3, Assessment No. 220115)

Sponsors: Balenger

Delete the assessment.

No one appeared

Staff report by Clare Pillsbury: The title representative stated that their firm sent a Republic a check for \$173.00 in the beginning of September that was cashed. Therefore, the property should not have been assessed for Quarter 3 2022. Hauler records show that the check for \$173.76 was deposited on September 7, 2022 and initially applied to a holding account as there was no indication as to where the payment should be applied. Since the hauler has been able to match the payment to the account for the property in question, they are requesting that staff remove the assessment. Therefore, staff recommend removing the assessment.

Moermond: this is one of two cases where the money went into a holding account where they couldn't identify. Questionable on their part. Yes, let's delete this one.

Referred to the City Council due back on 3/8/2023

- 2 **RLH TA 23-38** Ratifying the Appealed Special Tax Assessment for property at 676 YORK AVENUE. (File No. CG2204A1, Assessment No. 220113)

Sponsors: Yang

Reduce assessment from \$68.18 to \$59.30.

No one appeared

Staff report by Clare Pillsbury: Property owner stated that they have always paid their garbage bill on time. Their Quarter 3, 2022 invoice was paid with a check for \$62.26 that was cashed on August 26, 2022 by Waste Management. Therefore, they believe

that they should not have received an assessment for Quarter 3, 2022. Hauler records show that there was a payment for \$62.26 that was cashed on August 26, 2022 but was not applied to the account until October 14, 2022. This was due to the fact that the payment was hung up in "unidentified cash" because Waste Management was not sure where to apply the payment. It appears as though the property owner sent their payment to the P.O Box 42390, Phoenix, AZ 85080 instead of the correct mailing address listed on the invoice as P.O. Box 4647, Carol Stream, IL 60197.

Since the payment was applied to the account in October 14, it would have used to pay the October through December 2022 garbage invoice. There was also a payment applied to the account on October 18, 2022 for \$62.26, which was added as a credit to the account. Therefore, we cannot remove the assessment in full. However, since there was a delay in applying the payment to the account, we do recommend removing all three late fees of \$2.96. This would reduce the assessment to \$59.30.

Moermond: so recommended.

Referred to the City Council due back on 3/8/2023

10:00 a.m. Hearings

- 3 RLH TA 23-39** Ratifying the Appealed Special Tax Assessment for property at 329 AURORA AVENUE. (File No. CG2204A3, Assessment No. 220115)

Sponsors: Balenger

Reduce assessment from \$271.90 to \$203.18.

Joy Tesfaldet, daughter of David Hadgu, appeared via phone
David Hadgu, owner, appeared via phone

[Moermond gives background of appeals process]

Moermond: we'll start with 329 Aurora, then we'll switch to the Sherburne (note: said Winslow in hearing) property.

Staff report by Clare Pillsbury: the property owner stated they submitted an Unoccupied Dwelling Registration Form in July of 2022. Our records show that wasn't received until October 21, 2022 so our current recommendation is to approve the assessment.

Moermond: why are you appealing and what are you looking for today?

Hadgu: I bought this building in August of 2014. It is a duplex. The 237 side was empty, the other side was rented. Since I bought it a lot of things have happened. Sometime when it is empty I would call them and tell the hauler. The building has been empty almost half the time. When I got the number last October they never answer the phone. Between 7 and 3:30. 329 was empty from July through December 31. 327 was empty the last three months.

Tesfaldet: he did try to tell the garbage company. He did try to talk to the City. He couldn't get ahold of the garbage company and on top of that they told him he had to pay regardless. There was a deferral and then he had to file with the City and he did that.

Moermond: Ms. Pillsbury, do we have information from the hauler? \$271.90 seems like a large bill, we have a duplex but is that for two very large containers plus late fees? Why is that so high?

Pillsbury: I would have to reach out to the hauler. The cost of two large 96-gallon containers with late fees is \$245.66.

Moermond: we need to figure out why they're proposing something even higher than that. Mr. Hadgu you were telling me it is empty half the time. That is unusual for a rental duplex, can you tell me how that comes to be?

Hadgu: When I bought it one of the sides was a section 8 lady. They destroyed the house when they left. I had to fix it. The garbage people told me I had to pay no matter what. If it is empty why do I have to pay? I didn't get the section 8 money.

Tesfaldet: to reiterate what he is trying to say is the amount of money he's had to put in is a lot because a lot of section 8 renters damage the property. It has been empty to do work on the house.

Moermond: you're saying the house has been empty since July?

Hadgu: yes, they left June 30th. The other side has been empty the last 3 months. I bought another house May 2. I pay \$2,500 just for garbage.

Tesfaldet: for his garbage needs, he doesn't use the residential garbage. He usually buys a huge container while it is being remodeled. He rarely uses the residential garbage which is why he's talking about—

Hadgu: now the City wants me to pay.

Moermond: I'm not understanding the last piece you asked.

Tesfaldet: he is saying before he bought the house on Sherburne, the other property—

Moermond: let's just talk about Aurora right now.

Hadgu: what more do you want to know?

Moermond: is that the property with section 8 tenants who left and the whole thing has been vacant?

Hadgu: 329 she left June 30. 327 side she left in November. I have homeless people breaking in. I don't want to pay for garbage for 9 months.

Moermond: looking at the situation it sounds like one was occupied but the other was empty for July through September, is that correct?

Tesfaldet: yes.

Moermond: I'm hearing you haven't tried to fill out an Unoccupied Dwelling Registration Form, is that right? This is your first time?

Hadgu: I didn't know where to go.

Moermond: sounds like you've had a couple properties, the garbage hauling program has been around for 4 years. I just wanted to confirm this was your first time trying to go through this process.

Tesfaldet: yes. He hasn't tried to fill it out in the past since he was unaware. Once he talked to the garbage they told him he had to pay regardless. He feared not paying for it since his credit would be affected. He was unaware of the vacant dwelling application.

Moermond: the first thing I want to say that for garbage hauling services in the city if the bill goes unpaid it comes to the City for collection as an assessment on the property taxes. In no way will that affect your credit rating. It will show up on your property taxes, but to put your mind at ease there. The second thing is we have a total bill of \$271.90 for services for both units for the entire quarter. I understand you to say only one of the units was occupied during that third quarter. Your tenants in 329 were gone June 30th. I understand there may not have been the best communication with Republic about the form and the proper process. I do know there are contact numbers on there so I'm going to split the difference. I'm going to say you are half responsible and because there may have been communication issues the city will pick it up. That brings your bill down to \$203.18. The \$203.18 covers all of 327 and half the bill for 329. That's what I will propose to Council on Aurora.

Hadgu: whatever you propose now I will pay it, but it isn't right.

Referred to the City Council due back on 3/8/2023

4 RLH TA 23-40

Ratifying the Appealed Special Tax Assessment for property at 1255 SHERBURNE AVENUE. (File No. CG2204A3, Assessment No. 220115)

Sponsors: Jalali

Reduce assessment from \$122.83 to \$61.42.

*Joy Tesfaldet, daughter of David Hadgu, appeared via phone
David Hadgu, owner, appeared via phone*

Staff report by Clare Pillsbury: the property owner stated they submitted an Unoccupied Dwelling Registration Form to the City in July 2022. Our records show that wasn't received until October 21, 2022 so our current recommendation is to approve the assessment.

Hadgu: I bought it in May 2022. It was empty when I bought it. I paid \$2,500 three times for dumpsters. When I went to pay my property taxes in October they said I had to pay the garbage. Why do I have to pay for garbage when I didn't own the house? January 1 the house is rented. Why did I have to pay garbage when it was empty and I didn't own it?

Moermond: I see on your taxes there were a lot of property cleanup assessments on the taxes when you acquired it. There's a delinquent water bill for \$1,400. Another cleanup of \$1,600. You bought a property with a lot of assessments hanging on it. I assume that was discussed at closing, any pending assessments. Right now, I see we have the third quarter garbage bill we're talking about today, as well as the fourth

quarter bill for \$34.23. There's a lot going on assessment-wise historically. I legally cannot open books on what is on your 2022 taxes. Once it is sent to the County and it is on your statement your appeal time is over with. Mostly people deal with these at closings. The seller would need to disclose any of these pending assessments or bills that could become assessments. If they didn't, that is something you should work with your realtor or title company on. Are they morally responsible? Yes. Unfortunately, that bill attaches to the property, not a person. You are left holding the bag, basically. About the bill today, which is the third quarter, July through September 2022. I am hearing the house was empty. I also noticed that you ordered a TISH inspection in September. Are you trying to sell the house now?

Hadgu: no, I paid for that. The garbage from May 2 when I bought it was empty. January 1 I rented to my cousin, they just moved in. I don't want to pay the garbage from before I owned the house.

Moermond: I'm going to take a detour here and tell you I think you got the wrong inspection. You ordered a TISH report. That report is where a private inspector writes up Code issues with the house so that any potential buyer is made aware of any issues. You should have seen one of those purchased because one was done on March 28, 2022. The TISH form September isn't the inspection you need to have this be a rental property. The one you need is the Fire Certificate of Occupancy. There are forms for that and a different kind of inspector. When I say rental, I mean non-owner-occupied. It could be a relative, but it isn't the owner living there. I need you to know you need to do that paperwork and do that inspection. That is an FYI, you could look at that September report and be aware of the kinds of things the fire inspector may look at. Glancing at it just now I saw 7 items your private inspector identified as hazardous. I'm reasonably sure the fire inspector would also call those out. If you get ahead of it that may be helpful.

You bought a property, it was empty, you didn't know about this form. The form wasn't filled out by the seller. The City was unaware it was empty. I struggle with this. How many properties do you own?

Hadgu: I have others.

Tesfaldet: he owns about 4 properties. He lives in one.

Moermond: all three should have a Certificate of Occupancy then. Aurora does have one. You need to take care of that. The hauling assessment for quarter 3, I struggle with this because you acquired it and knew it was empty. It wasn't vacated after you owned it a long time. Against my better judgment I am going to split this and consider it was perhaps miscommunication with Republic. I won't have that consideration for the 4th quarter assessment.

Hadgu: this house on Sherburne, it is a 3-bedroom big house. Section 8 since 1945. I told my cousin to move in, he is paying---I've owned rental properties since 2011.

Moermond: my recommendation to the Council will be they reduce the assessment down to \$61.42. We will refer this property to the Fire Certificate of Occupancy program to make sure you get inspected for those. Those hazards are a concern.

Referred to the City Council due back on 3/8/2023

WINSLOW AVENUE. (File No. CG2204A1, Assessment No. 220113)

Sponsors: Noecker

Delete the assessment.

Annemarie McDonald, owner, appeared via phone

[Moermond gives background of appeals process]

Staff report by Clare Pillsbury: the property owner stated they already paid this late fee. I reached out to the hauler and they show payment made for \$96.56 on August 10, 2022 but this only covered the initial invoice and not the late fee of \$4.83. Staff recommends approving the assessment.

McDonald: was that assessment included in the next payment to Republic?

Pillsbury: the last record from the hauler on payment history was that for quarter 4, 2022 the invoiced amount on December 21 was \$96.56 plus \$9.66 for a late fee. There had been no payment received from the hauler at that point, but again that was from December.

Moermond: what are you looking for today?

McDonald: I followed up with the trash hauler and didn't know the City involved itself in my bill paying. When I called Republic they said I didn't owe any late fees. I usually check with the company first. I'm still confused as to how the City handles garbage collections and payments. Who, in fact, these payments are going to. I haven't made any payments since that time because of this issue with the late fee going to both the hauler and the City.

Moermond: let's square this away. I'm looking at the bill for quarter 3, 2022, July through September. That bill was due July 25. It looks like Republic shows your check arriving August 10th. Two weeks late, so they put a late fee on it. When the time ends for the quarter at the end of September if they haven't received that fee from you, they close out their books and send it to the City and say, "we didn't collect this amount for the 3rd quarter, City take it over and you collect it."

McDonald: that's not what I got—

Moermond: that's why they say there is a zero balance.

McDonald: that's exactly what I heard from the collector, exactly what you said. They said I didn't owe it, but I have documents saying I do. Where am I at then?

Moermond: sounds like you may have gotten some mixed messages, I can totally understand that. If you ask any random person there they will just see it was zeroed out. Ms. Pillsbury, are there any future issues?

McDonald: I have one sitting in front of me, I'm in arrears.

Moermond: you didn't pay it while this was getting sorted out. Are you paying now?

McDonald: no. I'm showing three late fees on my bill. Then I have the bill plus the arrears in the amount of \$111.05 from the City. My bill with Republic is \$104. Now they corrected it. But my bill shows 3 late fees.

Moermond: I'm thinking they forwarded your quarter 4 already for the City to put as an assessment. Ms. Pillsbury?

Pillsbury: our records do show—

Moermond: do you do have a fourth quarter assessment. Are you willing and able to pay your first quarter bill that's due January 25?

McDonald: and these are separate things.

Moermond: they are the exact same thing. We have three bills I want to talk about. The first is your bill that covers July through September. Because it was 2 weeks late. You haven't had a problem before; it was just a little late. We'll recommend that is deleted, so we'll take care of that. October through December you didn't pay, Republic zeroed out your account and sent it to the City for collection. You will get another bill from the City. The bill for January through March the costs have gone up, if you pay by January 25 there won't be a late fee attached. You did get all those late fees for the fourth quarter. Staff, did I miss anything?

Pillsbury: that is correct. You do have a pending assessment for Quarter 4 for \$105.

McDonald: are you from Republic?

Moermond: no, it is all City people.

McDonald: I have the bigger cart but I want a smaller cart now. I was going to make the call. Nothing with trash is changing now?

Moermond: no changes until October. It will be this way until October 1. You'll get information on that.

McDonald: too much for simple minded people. I will take that assessment off from 2022 and try and move forward. I do owe on a bill January 5—are we paying forward?

Moermond: yes, the bill you get in January covers January through March.

McDonald: I see four late fees through November, December, and January. I believe Republic got on board. The first time I had no idea when I called. They said no late fees. They messed up too. Then I had this letter for \$4 and some cents. I figured I still had this one to pay. I'm now on board. The garbage company is on board. By the 25th I will have the \$104.26 paid. Then they need \$111.05.

Moermond: hold on. The amount for quarter 4 you will get a letter from the City that you pay the City. You don't owe Republic for the fourth quarter. You should only be writing a check for the January amount.

McDonald: none of that is here. I would have been paying that. I'm glad we did this. Not to argue the bill but to satisfy this bill for myself. So pay that, but I'll be paying more for first quarter?

Moermond: no, you have a bill now and that covers the first three months. You pay ahead. You said you'd go to a smaller cart?

McDonald: yes I have to with my bill. It is too high.

Moermond: I can ask staff to process that so you will get a new one with the new size.

McDonald: is this how we're going to handle this in the future? With the City?

Moermond: after October, yes.

McDonald: I don't know how we got into this. I knew this was coming from neighbor conversations. Only people with the City understand this.

Moermond: you have a good day. Put your cart out so they will trade it out and your bill will go down. You pay that bill—

McDonald: no.

Moermond: you do what you need to do?

McDonald: can you tell me how much I owe now? Do I need four people to tell me how much I owe?

Moermond: more people are involved because you didn't pay that bill and it got sent to the City. I'm the hearing officer and that's why we are talking. Because you appealed. Because we have staff on the line we'll do those people extra services for you.

McDonald: what do I owe?

Moermond: you'll have two bills now. You have a bill from republic for Jan through March.

McDonald: no, I haven't gotten that yet.

Moermond: it would have been mailed Jan 5th, and its due January 25.

McDonald: \$104.

Moermond: you didn't pay October through December and they sent it to the City for collection. When does the notice go out on those?

Pillsbury: they will send it within the next two days, so you should have it by early next week.

Moermond: so that will be the bill for October through December. You will have two bills: one to pay the City for last year, and one to pay Republic for current services.

McDonald: I appreciate it even though I don't understand any of it. I have to stay with those collection people? We can't change, right?

Moermond: that's up in the air right now.

Referred to the City Council due back on 3/8/2023