

TOWN OF ST. CLOUD RESOLUTION NO. 95-13

CITY OF ST. CLOUD RESOLUTION NO. 1995-10-296

**JOINT RESOLUTION AND AGREEMENT FOR MERGER BETWEEN THE  
TOWN OF ST. CLOUD AND THE CITY OF ST. CLOUD, MINNESOTA**

**WHEREAS**, the Town of St. Cloud (hereinafter the "Town") and the City of St. Cloud (hereinafter the "City") have had numerous discussions regarding the planning and development of land areas adjacent to the City; and

**WHEREAS**, the Town and the City have engaged since March, 1994 in an extensive joint mediation and long term planning study involving twenty (20) residents and officials of the Town and the City. A subsequent committee, composed of representatives of the Town and the City, continued the efforts of the first group. That committee has further refined an agreement for the merger of the two units of government; and

**WHEREAS**, the Town Board and the City Council have determined the merger of the Town and the City is of mutual benefit to both parties and the residents thereof; and

**WHEREAS**, the Town Board and the City Council desire to accomplish future planning and development of land areas adjacent to the City in an orderly fashion and, insofar as is reasonable and possible, to resolve any present and future differences between said Town and said City by mutual agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD AND THE CITY COUNCIL AS FOLLOWS:**

**1. Designation of Merger Area:** The Town and the City desire to designate, by joint resolution and agreement, the area encompassing the territory of the Town as described below ("Merger Area") as subject to merger and orderly annexation under and pursuant to Minnesota Statutes Sections 414.0325. The merger area is further described as that area set forth in the maps attached to this agreement as Exhibit A and incorporated as part of this agreement, and the legal description attached to this agreement as Exhibit B and incorporated as part of this agreement.

**2. Population of Merger Area:** The Town and the City state that the population of the merger area shown on Exhibit A and described on Exhibit B is 7,917 persons.

The population of the Town of St. Cloud as indicated by the 1990 census was 7,549 persons. Using 1990 census data, the population of that portion of the Town merging with the City of Waite Park was 379 persons, which represents approximately 5% of the total 1990 population of the Town. The 1993 State Demographer's estimate of the population of the Town is 8,335 persons. Applying the 5% factor to the 1993 population estimate results in a population estimate of 418 persons for that portion of the Town merging with the City of Waite Park. Subtracting that number from the 1993 population figure for the total Town results in an estimated population of 7,917 persons living in that portion of the Town that is being merged with the City of St. Cloud (8,335 - 418 = 7,917).

Following the merger, the estimated population of the City of St. Cloud will be 57,333 persons.

**3. State Agency Jurisdiction:** That upon approval by the respective governing bodies of the Town and the City. This Joint Resolution and Agreement confers jurisdiction upon the Minnesota Municipal Board so as to accomplish the merger and orderly annexation in accordance with the terms of this Joint Resolution and Agreement.

**4. No Alterations of Boundaries:** The Town and the City mutually state that no alterations by the Municipal Board of the boundaries of the area designated herein for merger and orderly annexation is appropriate.

**5. Review and Comment by State Board:** The Town and the City mutually state that this Joint Resolution and Agreement sets forth all the conditions for the merger of the area designated herein for such merger and orderly annexation, and that no consideration by the Municipal Board is necessary. The Municipal Board may review and comment, but must, within thirty (30) days of receipt of this Joint Resolution and Agreement, order merger and orderly annexation in accordance with its terms and conditions.

**6. Special Terms and Conditions for Merger:** The Town and the City mutually agree and resolve that the following terms and conditions govern merger and annexation under this Joint Resolution and Agreement:

**a. Agricultural and Rural Residential Zoning Districts -** A Zoning Plan must be created to allow for the continuation of farm activities in the merged Town area currently zoned for agricultural use. Additionally, the Zoning Plan must recognize the special needs and problems associated with residential development in a rural setting.

b. Sewer and Water Services - The priority listing set forth on the attached exhibit C describes the general order in which sewer and water extensions will be installed. The areas referenced in exhibit C refer to the numbered areas designated on the map attached as exhibit D. Exhibits C and D are incorporated as part of this agreement.

The goal is to extend sewer and water services to utility service areas 1-5, as shown on the map attached as exhibit D, over a 10 year period and in a logical, orderly, and cost efficient manner, consistent with sound financial management, including the City's debt. Emergency, accelerated, or delayed extension issues will be decided by the new City Council.

As with other issues, any individual citizen or group of citizens may petition for a change from the order in which the installation of sewer and water service extensions have been scheduled in this agreement. However, to provide a basis for effective planning by all citizens, it is hereby agreed that extraordinary support for altering the timing of sewer and water installation extensions must be demonstrated by the citizens residing within the area requesting a change, before the City Council must conduct a public hearing to consider a change in the schedule incorporated herein. This petition does not guarantee immediate extension of services.

A process must be designed by the new City Council to establish criteria for any sewer and water service extensions outside of the schedule, such as: (1) the development has minimal impact on natural surroundings; (2) the development follows the comprehensive plan; (3) the payment for the installations of services is made by the developer (4) no new development is allowed without provision of sewer and water; and (5) a preference is made for growth closer to existing sewer and water services; (6) a petition of affected property owners.

Use of public sewer and water systems is required. When public sewer service is extended and accessible to a building or premises then, as required by law, the wastes from the plumbing system in the building must be discharged into the public sewer. Similarly, when public water service is extended and accessible to a building or premises then, as required by law, the water distribution system must be connected to the public water supply. Private residential wells may continue to be used for law sprinkling systems.

c. Storm Sewer. Town areas will receive storm sewer, as deemed necessary by the new City Council.

d. Rural and Urban Tax Districts - The map attached as exhibit E generally identifies properties placed in the rural

tax district and properties placed in the urban tax district. The urban tax district includes all of the property within the corporate limits of the City as it exists on the effective date of the merger together with the properties existing within the Town on the effective date of the merger that are developed for commercial or industrial purposes.

The rural tax district includes all of the property existing within the Town on the effective date of the merger, except those properties developed for commercial or industrial purposes. Because of their size, the map attached as exhibit E does not show the properties within the Town that are developed for commercial or industrial purposes.

For property tax purposes, the tax capacity rate for the urban district portions of the present Town will be the City tax capacity rate, beginning with taxes payable in 1997.

For property tax purposes, the tax capacity rate for the rural district will be adjusted to the mid-point between the rate in the present City and the most recent Town tax rate for taxes payable in 1997. Thereafter, the differential between the Town tax rate and the City tax rate will remain constant.

All services will be extended in an orderly manner as currently provided by the City. The designation of specific urban and rural tax districts are based upon services that are enhanced and the differing burden placed upon the City to govern and maintain the respective tax districts. The tax rate for the rural tax district is reduced because the demands placed on the City to govern and maintain that area are anticipated to be less than in the urban tax district. Section 6b. discusses the extension of sewer and water services. It is also necessary to consider the impact of other City services. The tax rate in the urban district is higher than the rural tax district because certain services are provided at a higher level. Services that are enhanced in the urban district include, but are not limited to the following: Health, parks, recreation, roads, road maintenance, fire, and civil defense. Services that are anticipated to be provided at the same level in the urban and rural districts as are currently provided throughout the City include but is not limited to: Civic Center, Whitney Senior Center, snow plowing, building, housing, police, health inspection services, airport, maintenance, elections, purchasing, planning and zoning, human rights, engineering (storm and drain), assessor's office, traffic, finance, utility, personnel, legal and data processing.

Property designated as being in a rural tax district must be redesignated as being part of the urban tax district upon development inconsistent with its rural designation. In the

case of unplatted property, the redesignation occurs upon: (1) platting, in whole or in part, (2) whenever application is made for a permit for the construction of a commercial, industrial, or urban residential development or improvement on the property, or (3) when basic urban services such as sewer, water, or street improvements are extended to such property or portion. In the case of platted properties which were determined to be rural in character the redesignation occurs whenever: (1) any lot or portion of a platted property is developed for commercial, industrial or urban residential purposes, or (2) when basic urban services such as sewer, water, or street improvements are extended to any such lot or portion. All designations and redesignations of property must be consistent with the requirements of Minn. Stat. Sec. 272.67. It is the policy of the City not to make such street improvements prior to installation of water and sewer.

**e. Employee Transfer** - The City must assimilate current Town personnel in the City's work force, as follows:

1) Full Time Personnel:

NAME	TOWN POSITION	CITY SALARY	CITY POSITION
Nyla C. Olson	Town Clerk	\$30,096	Senior Acct. Clerk
Thomas J. Zabinski	Rd. Main. Sup.	\$30,096	Equip. Oper. II
Joseph N. Cordie	Constable	\$25,920	Comm. Serv. Officer
Mark A. Heinen	Asst. Rd. Main.	\$25,920	Equip. Oper. I

2) Part Time Personnel:

NAME	TOWN POSITION	CITY SALARY	CITY POSITION
Richard A. Schultz	Constable	\$12.25/hr.	Inspector (Fire)
		\$10.21/hr.	Inspector (Housing)
Leanarda I. Salzer	Deputy Clerk/Treas.	\$10.21/hr.	Program Coordin. (Recreation)

2) **Benefit Package:** Upon employment with the City, the four full time Town employees will receive the same benefit package that is provided to other full time City employees working in the same job classification with the exceptions described in subparagraphs 3), 4), and 5) below.

The part time positions are classified as Casual Employees within the City work force. Each of these Casual positions is currently limited to 1300 hours of work in a 12 month period. The weekly maximum for these Casual positions is 25 hours. Hours of work will vary with all part time positions.

Generally, part time employees are not entitled to any benefits except those mandated by state and federal law, i.e., PERA and FICA depending on hours worked.

3) **Limitation on Transfers:** The Town employees will not be allowed to transfer the seniority they earned while employed with the Town. The four full time Town employees will earn seniority with the City commencing on their first date of employment with the City. With the exception of vacation, all benefits associated with seniority will start to accrue commencing on their first date of employment.

4) **Limitation on Promotions:** The Town employees will not be considered for promotions during the first six months of their employment with the City.

5) **Transfer of Vacation Benefit:** Upon employment with the City, the four full time Town employees will be granted annual vacation with pay equivalent to the number of days they were entitled to during their last year of employment with the Town. With this exception, vacation will be earned and used in accordance with the Memorandum of Understanding between the City and the Union. The amount of vacation shall not again increase until time in service with the City entitles the employee to more days of vacation than were granted upon employment with the City.

f. **Representation on Governing Bodies** - The composition of the City Council must change in that total membership on the City Council will temporarily increase from seven (7) to ten (10). The three (3) additional Council positions will be the Town Supervisors holding office on the effective date of the merger. Two of the Town Supervisors will serve as resident members of the City Council and one Town Supervisor will serve as a member at large. The terms of these three individuals will continue until the regular City election in 1999. At that time, the Council will be reduced to nine members and thereafter will consist of nine members, six of whom shall be resident members and three of whom shall be members at large.

The City of St. Cloud will be divided into six wards in accordance with the Charter. The Town area will form essentially the basis of two wards together with other areas in the present City. Six of the City Council members will represent wards, three will be members at large. Reapportionment of the wards will occur in 2001, following announcement of the population disclosed by the next federal decennial census.

A charter amendment question shall be placed on the ballot at the regular City election in 2003. The question shall state as follows:

"Shall the Council for the City of St. Cloud be reduced to seven members, effective at the time of the regular City election in 2007, four of whom shall be resident members and three of whom shall be members at large?"

If more than 50 percent of the votes cast on the amendment question are in favor of its adoption, then the language set forth in Sections 1.40A, 2.10A and 2.11A of the Charter shall become operative.

The City Planning Commission and City Park and Recreation Board will all temporarily increase their membership from seven (7) to ten (10) members. The City Zoning Board of Appeals will temporarily increase their membership from seven (7) to nine (9) members. The purpose for the temporary increase is to account for the addition of Town Planning Commission and Town Park Commission members. The permanent size of the Planning Commission, Park and Recreation Board and Zoning Board of Appeals will return to seven through attrition of members.

**g. Refuse and Garbage Collection and Disposal** - During the first year of the merger, private waste haulers must be allowed to continue servicing the merged Town area. Private haulers and residents will be subject to all City ordinances. Starting with the second year, refuse and garbage collection and disposal will be the responsibility of the City.

**h. Zoning and Planning** - Prior to the effective date of the merger, the City will adopt by ordinance, essentially in the form approved by the mediation team on March 16, 1995, provisions for an agricultural zoning district and a rural residential zoning district. No later than 60 days following the effective date of the merger, the City will adopt by ordinance zoning boundaries for each zoning district proposed in a plan jointly developed by the City Planning Commission and Town Planning Commission for the merged Town area.

**i. Town Liaison** - During the period of transition from town government to city government, the City will designate an employee whose duties will include providing information and acting as a liaison in respect to city government for former Town residents.

**j. Board of Innovation and Cooperation Merger Fund** - The Town agrees to work with the City in obtaining financial assistance from the State to assist in funding the merger.

**k. Implementation** - Minnesota Statutes Section 414.0325 will be followed with the understanding that it is the most streamlined process to accomplish the merger that is available. A merger accomplished under the provisions of

Minnesota Statutes Section 414.0325 allows the City to apply for financial aid under Minnesota Statute Chapter 465. It is intended that items 1-7 and item 9 of the Board of Innovation and Cooperation's procedures will be used as guidelines in the merger process in anticipation of an application for financial aid under Minnesota Statute Chapter 465. Those guidelines are attached to this agreement as Exhibit F.

1. Special Assessments - All properties will be assessed in accordance with adopted City policy, for a period of up to 20 years, at the option of the property owner, except as follows:

1) Large Tracts of Substantially Undeveloped Residential Land

At the request of the property owner, assessments for all but the first 200' of assessable frontage on unplatted, residential property will be deferred with interest waived for the first 5 years of the deferment period. Deferment will terminate and assessments with interest will come due when the property is subdivided or 20 years from the date of the improvement, whichever comes first.

2) Large Platted Lots for Single Family Dwellings

Platted lots of record for low density single family dwellings that exist at the date of the merger will be assessed for a maximum of 200' of assessable frontage. Should such a platted lot be split or subdivided in the future to create another buildable lot(s), each additional lot created will be charged a utility connection fee.

The new City Council must review the process of how special assessments are imposed, including special circumstances which would cause undue financial hardship for a property owner.

In the case of per front foot assessments, the combined sewer/water assessment rate in any year shall be the 1995 assessment rate of \$78.70 per front foot plus \$720 sewer stub in and \$860 water stub-in, adjusted for annual increases.

m. Fire Protection - The Town Fire Department will become a volunteer division of the City Fire Department, to be called the "City Volunteer Fire Department" upon the effective date of the merger. The following provisions must also apply to the City Volunteer Fire Department:

- 1) Retirement: The City accepts the accrued liability of the St. Cloud Township Firefighters Relief Association (SCTFRA) on the effective date of merger with these



assumptions:

- a. The assets level of the SCTFRA is equal to or greater than 105% of the accrued liability.
- b. Benefits level increases (per each year of service) will only be considered by the City Council, when funds are adequate and so stated by a letter from a Certified Public Accountant. Also, the SCTFRA Board of Trustees must recommend any such increase.
- c. The Board of Trustees will continue in its present format with two new City representatives to be appointed according to the SCTFRA by-laws.
- d. The SCTFRA by-laws must be updated by the Board of Trustees to reflect the involvement of the City as the governing body of the City Volunteer Fire Department.
- e. The City pledges sixteen percent (16%) annually of its total receipts from post-merger State Fire Insurance aid as the sole source of funding for the SCTFRA retirement program.
- f. After ten (10) years from the effective date of merger, the City Volunteer Fire Department will be evaluated by the City for purposes of downsizing. Any decision regarding the size and duration of services to be provided by the Volunteer Department will be reflected in an adjustment to the percent of State Fire Insurance Aid pledged by the City to the SCTFRA.
- g. Annually, the City and the SCTFRA will equally share the cost of an actuarial analysis or an equivalent analysis as prescribed in Minnesota law.
- h. Dissolution of the SCTFRA will follow procedures set forth in its by-laws.

2) Control of Town Fire Department: All current

operating procedures as currently implemented by the Town Fire Department, will be kept intact for the City Volunteer Fire Department. The persons serving as volunteers will be volunteer employees of the City and ultimately subject to the direction and control of the City of St. Cloud Fire Chief.

- 3) Service Areas: The City Volunteer Fire Department will provide services to all merged Town areas that do not have City water service, excluding the properties annexed prior to the merger and all property east of County Road 75 extending to the southern boundary of the merged Town area. These areas will be served by the City's full-time Fire Department.

The fire station in the north part of the merged Town area will continue to be used by the City Volunteer Fire Department. This use will continue until fire hydrants are extended into the area. At that time, the full-time Fire Department will provide service for the area. After ten (10) years has elapsed the City Council may elect to close the Town North Fire Station and provide service out of the City Fire Station No. 2, currently located on 41st Avenue North.

In December of each year, representatives of the volunteer and full-time fire departments will meet and decide, in an orderly manner, which additional areas will be served by the full-time department because of extension of City water service. Ten years subsequent to the date of the merger, the Mayor will review the volunteer and full-time department service areas and recommend when to begin downsizing and eventually dissolve the volunteer department. Although the City may not commence downsizing before ten (10) years after the effective date of merger, the volunteer department may elect to do so if the circumstances warrant such action.

4. Equipment: All Town fire Department equipment owned on the effective date of the merger, must be maintained for and assigned to use by members of the City Volunteer Fire Department.

All equipment must remain at City Volunteer Fire Department's current stations.

5. Budget: The volunteer department will develop and submit its proposed budget in the format and time period prescribed by the City's Finance Department. The volunteer department budget and the full-time department budget will be jointly submitted to the finance department and subjected to the normal City process (see page 2, of the 1995 Budget for the City of St. Cloud).

6. Membership: The longevity and overall staffing of the City Volunteer Fire Department must be as defined herein with the following provisions:

a. City Employee Volunteers: Members of the City Volunteer Fire Department that are also employees of the City of St. Cloud will not be allowed time off with pay during working hours to respond to fires, emergencies, or other calls and situations.

b. Elimination of Volunteer Fire Department: Upon dissolution of the City Volunteer Fire Department, the City will request the Civil Service Board to modify its rules. The modification will be to give the then active members of the City Volunteer Fire Department preferential status over all outside applicants for city firefighter positions by providing that members of the City Volunteer Fire Department who are classified as active members at the date of dissolution shall be eligible to test once for City firefighter positions and receive preferential treatment within a period of four months following the dissolution of the City Volunteer Fire Department. An "outside applicant" is defined for the purposes of this paragraph as one who does not hold a current City civil service position.

c. Maintaining Membership: The City recognizes the need to maintain adequate volunteer membership to meet fire fighting needs until such time as a

decision is made to dissolve the department. To maintain membership the City will periodically approve new membership requests.

- 7. Contracts: The City Administration agrees to continue the existing fire contracts, mutual aid fire protection agreements, and the Minnesota Department of Natural Resources contracts currently in place with the Town. Upon expiration, renewal or extension, any current agreement must be subject to approval by the City Council. Additional contracts under which volunteer services are used may be negotiated from time to time by the City.
- 8. Voting and Appointments: The City Volunteer Fire Department must continue to be allowed exclusively to select officers and assignments by the current election method and rules.

n. Police Protection - The entire merged Town area will be served by the City Police Department, immediately upon the effective date of the merger.

o. Sewer District - The newly-formed City Council must recommend that a neutral body in a neutral setting address this issue in a public forum. The neutral body may elect to include representatives from the original St. Cloud Area Sewer Commission, the Area Planning Organization, or other organizations that represent a variety of viewpoints on this issue. The neutral body in a neutral setting would conduct a study and solicit feedback in a public forum. This body must have proportional representation so that the City is adequately represented.

p. Necessary Charter Changes - Amendments to the Home Rule Charter for the City of St. Cloud must be adopted to effectuate the terms of this Resolution and Agreement.

q. Town Assets, Fund Balances and Records - Upon the effective date of the merger, all of the assets and fund balances of the Town must become assets and fund balances of the City. Assets affixed to the earth in portions of the present Town not being merged with the City are excluded. All the records of the Town that pertain to the portions of the present Town being merged with the City must become the records of the City.

r. Rights and Obligations - All rights and obligations of the Town existing on the effective date of the merger, in respect to the merger area, become the rights and obligations

of the City as of that date.

**s. Boundary disputes with others.** It is desirable to have mutual agreement in the resolution of boundary or border issues. The City and the Town recognize the need for mutual respect for the jurisdictional rights of our neighbors and the rights of individual landowners.

**7. Authorization:** The appropriate officers of the City and the Town are hereby authorized to carry the terms of this Joint Resolution and Agreement into effect.

**8. Severability and Repealer:** All prior resolutions and ordinances of the Town and City, or portions of resolutions and ordinances in conflict herewith, are hereby repealed. Should any section of this Joint Resolution and Agreement be held by a court of competent jurisdiction to be unconstitutional or void, the remaining provisions will remain in full force and effect.

**9. Effective Date:** This Joint Resolution and Agreement is effective upon its adoption by the respective governing bodies of the Town and the City, as provided by law.

**10. Date of Merger:** Following approval of this agreement by the respective governing bodies, this resolution and agreement must be submitted to the Minnesota Municipal Board. The Town and the City mutually request that the Municipal Board issue its order establishing the effective date of this orderly annexation/merger as being December 30, 1995.

Adopted by the Town Board of Supervisors for the Town of St. Cloud the 16th day of October, 1995.

Dewayne F. Mareck  
Dewayne F. Mareck, Chairman

Roger J. Robinson  
Roger J. Robinson, Town Board Member

Harold J. Salzer  
Harold J. Salzer, Town Board Member

Attest:

Nyla C. Olson  
Nyla C. Olson  
Town Clerk/Treasurer

Approved as to form:

Frank J. Kundrat  
Frank J. Kundrat  
Town Attorney

Adopted by the City Council for the City of St. Cloud the  
30th day of October, 1995.

Larry Meyer  
Larry Meyer, Council President

Sonja H. Berg  
Sonja Berg, Council Member

Woody Bissett  
Woody Bissett, Council Member

Gerry Donlin  
Gerry Donlin, Council Member

John D. Ellenbecker  
John Ellenbecker, Council Member

Sue Hess  
Sue Hess, Council Member

John Severson  
John Severson, Council Member

Chuck Winkelman  
Chuck Winkelman - Mayor

Attest:

Gregg Engdahl  
Gregg Engdahl, City Clerk

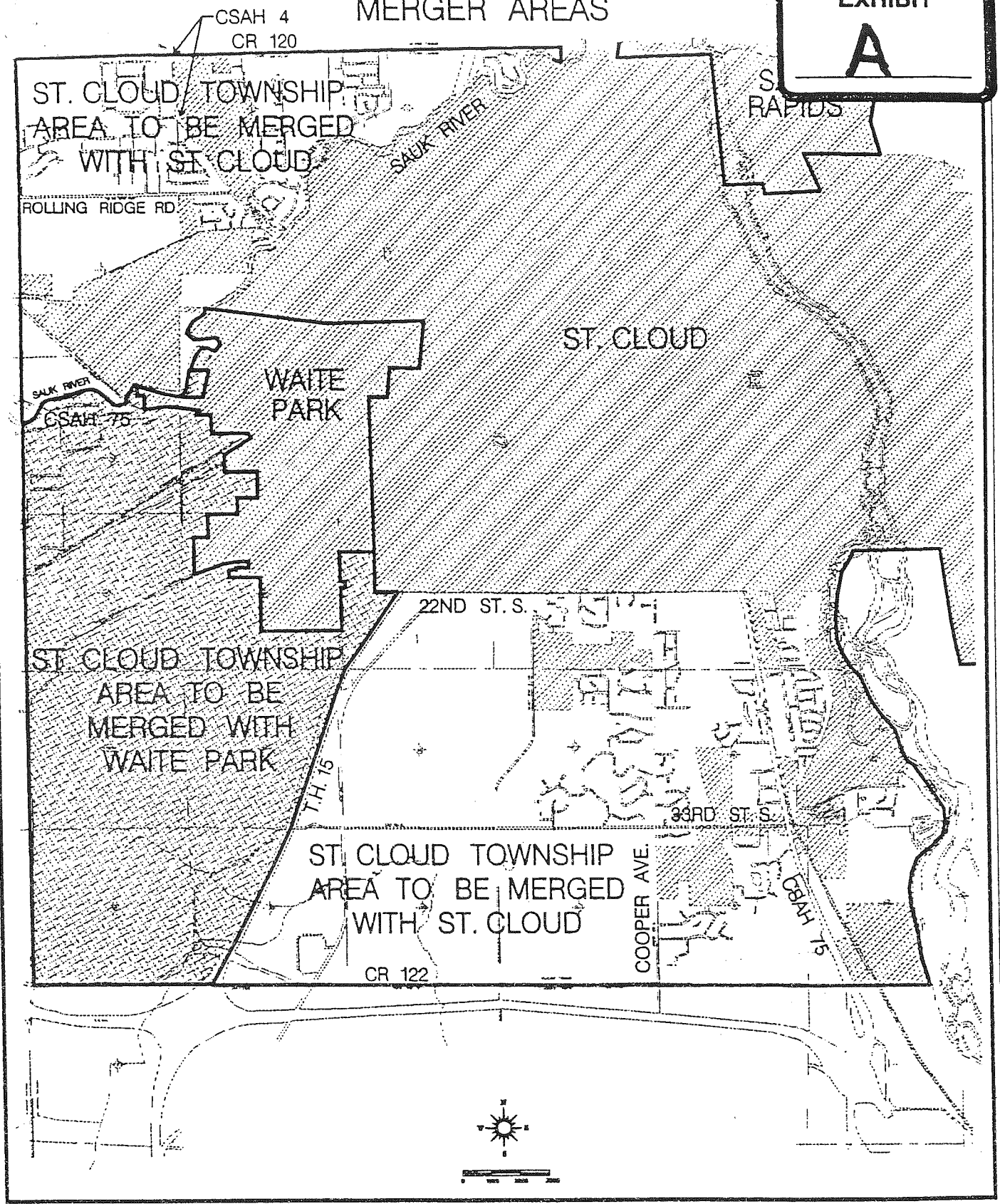
Approved as to form:

Jan F. Petersen  
Jan F. Petersen  
City Attorney

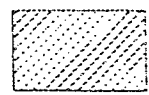
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# MERGER AREAS

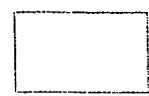
EXHIBIT  
**A**



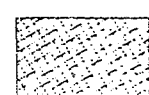
PRESENT CITY AREAS



TOWNSHIP AREA TO BE MERGED WITH ST. CLOUD



TOWNSHIP AREA TO BE MERGED WITH WAITE PARK



REC'D. BY  
M.A.C. OCT 3 1995

APPROX. 7,750 ACRES

APPROX. 3,750 ACRES

DESCRIPTION OF ST. CLOUD TOWNSHIP LANDS TO BE MERGED WITH THE  
CITY OF ST. CLOUD:

Tract A:

All that part of St. Cloud Township, Stearns County, described as follows:

All of the unincorporated parts of Sections 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 35 and 36, Township 124 North, Range 28 West, that lie easterly of the westerly right-of-way line of Minnesota Trunk Highway No. 15.

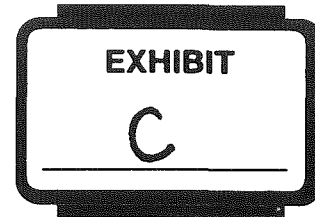
Tract B:

All that part of St. Cloud Township, Stearns County, described as follows:

All of the unincorporated parts of Sections 3, 4, 5, 6, 7, 8, 17 and 18, Township 124 North, Range 28 West, that lie northerly of the thread of the Sauk River.



REC'D. BY  
OCT 3 1995



## **PROPOSED SEWER & WATER EXTENSION TIMELINE**

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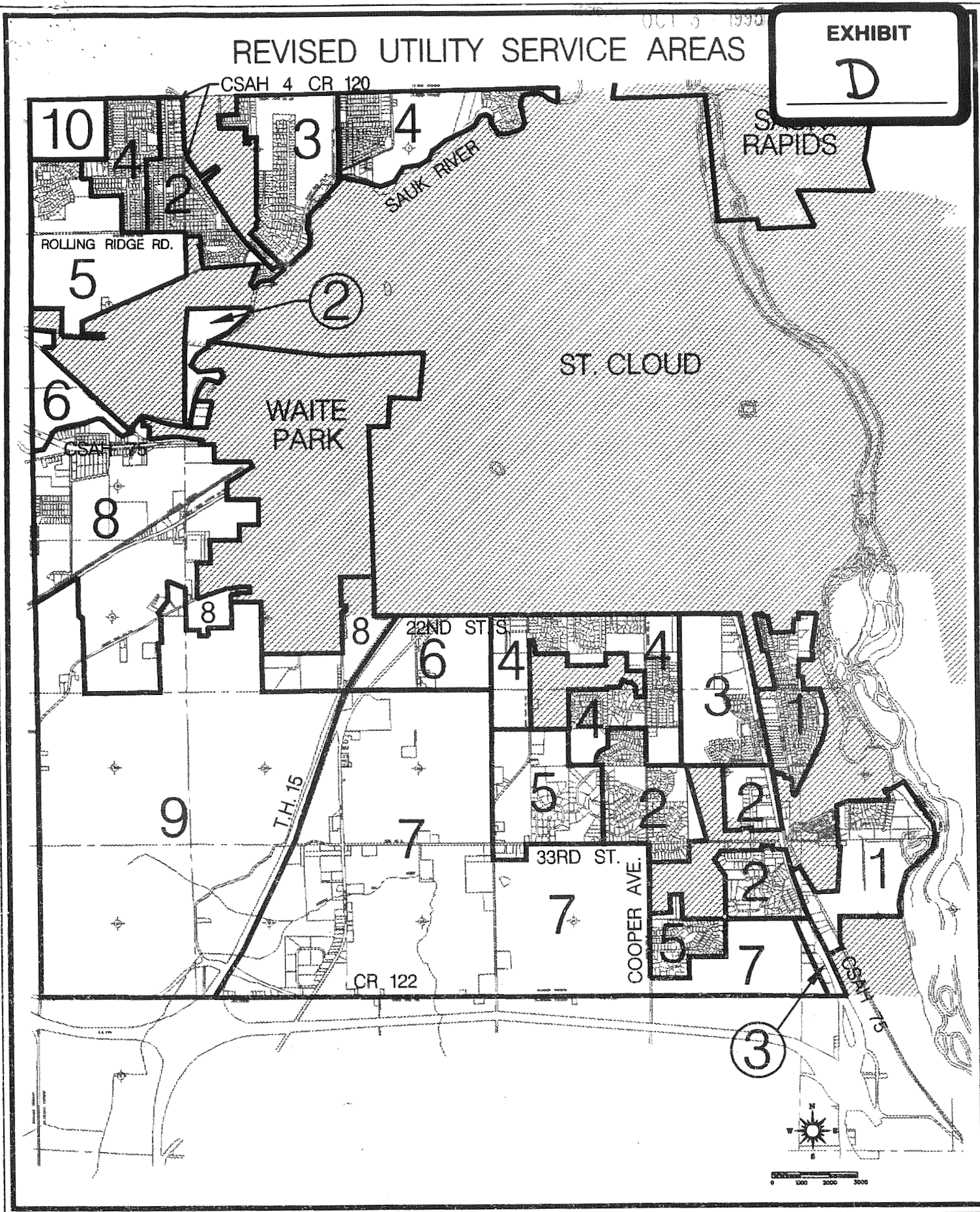
- AREA 1: YEARS 1 THROUGH 2 FOLLOWING MERGER**
- AREA 2: YEARS 2 THROUGH 4 FOLLOWING MERGER**
- AREA 3: YEARS 4 THROUGH 6 FOLLOWING MERGER**
- AREA 4: YEARS 6 THROUGH 8 FOLLOWING MERGER**
- AREA 5: YEARS 8 THROUGH 10 FOLLOWING MERGER**
- AREA 6: YEARS 10 THROUGH 12 FOLLOWING MERGER**
- AREA 7: BEYOND 12 YEARS**
- AREA 8: TO BE SERVED AND SCHEDULED BY WAITE PARK**
- AREA 9: AGRICULTURAL AREA - SOUTHERN PORTION  
TO BE SERVED AND SCHEDULED BY WAITE PARK**
- AREA 10: AGRICULTURAL AREA - NORTHERN PORTION**

- SPECIAL NOTES:**
- 1) Hillside Oaks & Victoria Heights can be serviced in the first and second year (Area 1).
  - 2) Part of the Agricultural area is proposed for merger to and service from Waite Park. (See Map 1 for further information)

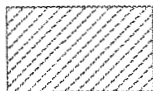
OCT 5 1998  
REVISED UTILITY SERVICE AREAS

EXHIBIT

D



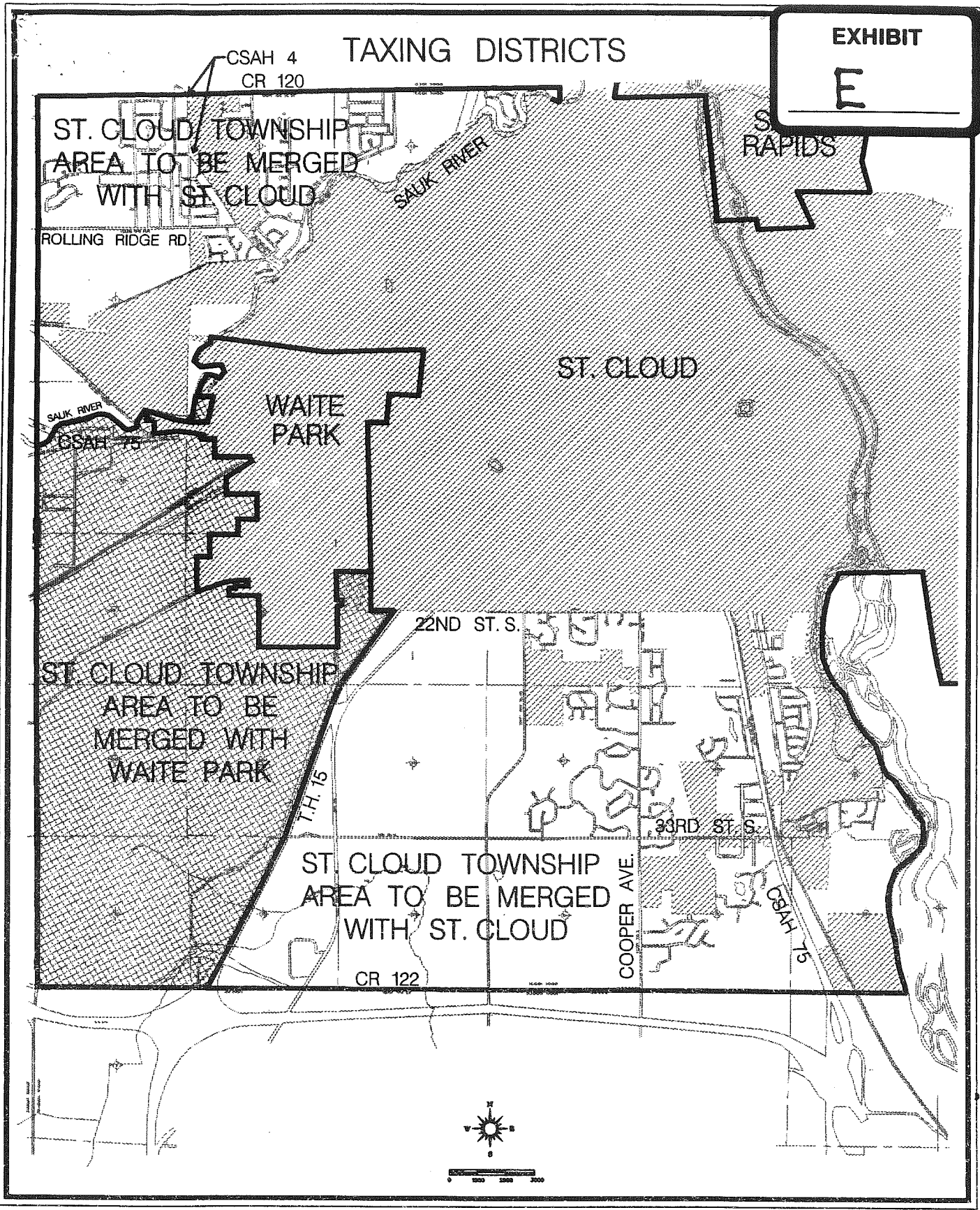
PRESENT CITY AREAS



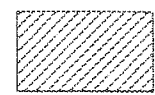
NOTE: SEE NEXT SHEET FOR ESTIMATED TIMELINE OF UTILITY EXTENSIONS AND DISTRICT INFORMATION CONCERNING THE AREAS OUTLINED ABOVE

# TAXING DISTRICTS

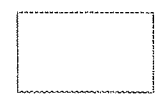
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**E**



URBAN DISTRICT

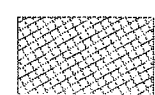


\* RURAL DISTRICT



\* EXCEPT COMMERCIAL & INDUSTRIAL DEVELOPED PROPERTIES

TOWNSHIP AREA TO BE MERGED WITH WAITE PARK



MINNESOTA  
BOARD OF GOVERNMENT INNOVATION AND COOPERATION

**Combination Program**

**Who is eligible for the program?**

Counties, cities, or towns that are willing to develop a plan to provide combined services during an initial two-year cooperation period and then to merge into a single unit of government over the succeeding two-year period may apply to the Board.

Counties may combine with one or more other counties. Cities may combine with one or more other cities or with one or more towns. Towns may combine with one or more other towns or with one or more cities. Units that combine must be contiguous.

**What is the process for developing and approving a plan?**

1. The entities jointly develop a plan for cooperation and combination.
2. Each entity adopts the plan by resolution.
3. If the entities are located in the metropolitan area, they submit the plan to the Metropolitan Council.
4. The Council reviews the plan and comments upon it. The Council points out any resources or technical assistance it may be able to provide the entities.
5. The entities simultaneously submit the plan to the Board of Government Innovation and Cooperation.
6. The Board reviews the plan and comments upon it. The Board requests the entities to submit any additional information it deems necessary to evaluate the plan.
7. The entities make any necessary revisions to the plan.
8. The entities submit their revisions to the Board and the Council, if appropriate, for review and comment.
9. The entities publish in the official newspaper of each entity at least a summary of the adopted plan, each significant revision, and the results of the reviews by the Board and Council, if appropriate.
10. The Board votes whether to approve or disapprove the plan. The Board considers whether the plan is complete, and whether the combined unit is likely to provide services in a more efficient or less costly manner than the separate units would provide them.
11. If the Board disapproves the plan, the entities may attempt to resolve the issues that resulted in disapproval.

- 12. If the Board approves the plan, the entities are not required to apply to the Minnesota Municipal Board to accomplish the combination.

**What must be contained in the plan?**

The plan must be specific for any item that will occur within three years and may be general or set forth alternative proposals for an item that will occur more than three years in the future.

The plan must include:

- 1. The specific cooperative activities the entities will engage in during the first two years of the venture;
- 2. The steps to be taken to effect the merger of the entities, beginning in the third year of the process, with completion no later than four years after the process begins;
- 3. The steps by which a single governing body will be created;

*Note: Other laws notwithstanding, all current members of the governing bodies of the entities may serve on the initial governing body of the combined unit, until a gradual reduction in membership is achieved by foregoing election of new members when terms expire, until the number permitted by other law is reached.*

- 4. Changes in services provided, facilities used, administrative operations, and staffing to effect the preliminary cooperative activities and the final merger;
- 5. Treatment of employees of the entities, specifically including provisions for reassigning employees, dealing with unions, and providing financial incentives to encourage early retirements;
- 6. Financial arrangements for the merger, specifically including responsibility for debt service on outstanding obligations of the entities;
- 7. Two, five, and ten-year projections of revenues, expenditures, and property taxes for each entity if it combined and if it remained separate, prepared by the Department of Revenue at the request of the entities;
- 8. Procedures for a referendum to be held prior to the year of the proposed combination to approve combining the entities, specifically stating whether a majority of those voting in each district proposed for combination or a

majority of those voting on the question in the entire area proposed for combination would be needed to pass the referendum; and

- 9. A time schedule for implementation.

**What are the requirements for a referendum?**

The entities conduct a referendum on the question of combination during the first or second year of cooperation, and after the plan has been approved by the Board. The entities set the date for the referendum; referendums are conducted on the same date in all entities.

The referendum is conducted according to the Minnesota election law, as defined in Minnesota Statutes 200.01.

If the referendum fails, the entities may submit the same or a similar question the following year. If the referendum fails again, the same question may not be submitted.

**What happens to the debts of the current entities?**

Subject to Minnesota Statutes 475.61, the entities specify in the plan how debt service for bonds outstanding at the time of the combination will be levied. The primary obligation to pay the bonded debt outstanding on the effective date of combination remains with the entity that issued the bonds, but the combined entity may make debt service payments on behalf of a pre-existing entity.

**What technical assistance is available to entities proposing to combine?**

After the entities have adopted resolutions to cooperate and combine, they may request the county auditor to prepare a plat that shows the boundaries of each of the present units, the boundaries of the proposed unit, the boundaries of the proposed election districts, and other pertinent information.

LIST HERE OTHER RESOURCES AVAILABLE. IDEAS: BOARD'S STAFF AND WORKBOOK, LEAGUE OF MINNESOTA CITIES, ASSOCIATION OF MINNESOTA COUNTIES, EXTENSION SERVICE GUIDEBOOK, OTHERS ?

**What financial assistance is available to entities proposing to combine?**

The Board pays aid to the entities beginning in the year during which substantial cooperative activities initially occur under the plan. If these activities begin after July 1, the initial aid payment is made in the following calendar year. Aid is paid on the same dates that local government aid under Minnesota Statutes 477A.013 is paid; these dates are currently July 20 and December 26.

The Board calculates the amount of aid to be paid on a per capita basis based on the combined population of the entities. The total payment cannot exceed \$100,000 for any entity.

<u>Combined Population after Combination</u>	<u>Aid Per Capita</u>
0 - 2,500	\$25
2,500 - 5,000	20
5,000 - 20,000	15
over 20,000	10

Legislative clarification is currently being sought regarding the ending date for combination aid.

Aid payments are terminated under the following circumstances:

- If the initial referendum fails and the entities do not schedule a second referendum within a year after the first one fails.
- If a second referendum fails.
- If one or more entities terminates its participation in the cooperation and combination plan.

An entity must repay aid paid by the Board if it acts to terminate its current level of participation in the plan. The aid is repaid in annual installments equal to the total amount paid to the entity for all years divided by the number of years when payments were made.

ADD A DESCRIPTION OF WHAT HAPPENS TO REGULAR STATE AID WHEN ENTITIES CONSOLIDATE. ADD A DESCRIPTION OF HOW AID WORKS FOR ENTITIES CONSOLIDATING UNDER THE MUNICIPAL BOARD.

WHAT ELSE NEEDS TO BE ADDED?