



STATE OF MINNESOTA
MUNICIPAL BOARD
Suite 225 Bandana Square
1021 Bandana Boulevard East
St. Paul, Minnesota 55108-5113

MEMORANDUM

TO: Parties of Record and Interested Parties

FROM: Christine M. Scotillo, Executive Director 

DATE: April 13, 1999

SUBJECT: C-28mm Winona/Goodview

The Municipal Board Order dated December 9, 1998 (effective November 13, 1998) consolidated the City of Winona and the City of Goodview subject to adoption by a majority vote of each of the respective city councils and approval by the voters pursuant to M.S. 414.041.

The Municipal Board's Order approving consolidation of the two cities is not effective due to the fact that:

- 1) the Cities of Winona and Goodview did not approve and accept the Board's Order; and
- 2) there was no petition by 10% or more of the residents voters of the cities not approving the Board' Order who voted for governor at the last general election petitioning the city council for a referendum on the consolidation within the time allowed by statute which expired April 8, 1999

CMS:sjh

BEFORE THE MUNICIPAL BOARD

OF THE STATE OF MINNESOTA

Andrew D. Hultgren	Chair
Paul B. Double	Vice Chair
Charles W. DeVore	Vice Chair
Jerry Heim	Ex-Officio Member
Judy Gilow	Ex-Officio Member

IN THE MATTER OF THE MOTION TO)	
INITIATE CONSOLIDATION PROCEEDINGS)	<u>FINDINGS OF FACT</u>
FOR THE CITIES OF WINONA AND)	<u>CONCLUSIONS OF LAW</u>
GOODVIEW PURSUANT TO MINNESOTA)	<u>AND ORDER AND</u>
STATUTES 414)	<u>MEMORANDUM OPINION</u>

The above-entitled matter came on for hearing before the Minnesota Municipal Board pursuant to Minnesota Statutes 414, as amended, on May 18, 1998 at Winona, Minnesota. The hearing was conducted by Andrew D. Hultgren, Municipal Board Chair, pursuant to Minnesota Statutes 414.01, Subdivision 12. Also in attendance were Paul B. Double, Vice Chair, Charles W. DeVore, Vice Chair, and County Commissioners Jerry Heim and Judy Gilow, Ex-Officio Members of the Board. Virginia Laken, Chair of the Consolidation Study Commission, represented the Consolidation Study Commission and submitted its report. Testimony was heard and records and exhibits were received. All persons desiring to be heard were heard.

After due and careful consideration of all evidence, together with all records, files and proceedings, the Minnesota Municipal Board hereby makes and files the following Findings of

Fact, Conclusions of Law, and Order.

FINDINGS OF FACT

1. On December 1, 1995, the Municipal Board by its own motion pursuant to Minn. Stat. Sec. 414.041 subd. 1(c), initiated consolidation proceedings between the City of Winona, hereinafter referred to as "Winona", and the City of Goodview, hereinafter referred to as "Goodview."
2. On February 8, 1996, the Municipal Board appointed the Consolidation Study Commission Chair, Virginia Laken, who is not a resident of the affected cities but who resides in Winona County; and the Consolidation Study Commission members from a list of candidates submitted by each city pursuant to M.S. 414.041, subd. 2.
3. On May 16, 1996, and again on October 4, 1996, the Municipal Board appointed replacement members to the Consolidation Study Commission.
4. On January 9, 1998, the Municipal Board granted the request of the Consolidation Study Commission Chair to extend the time, by two additional months, for the Commission to report back to the Board its Findings, Conclusions and Recommendations.
5. On April 14, 1998, the Municipal Board received the report of the Consolidation Study Commission which states, among other things, that it has studied the proposed consolidation, conducted public hearings, solicited public comments, considered the statutory factors, and based thereon, recommends consolidation of Winona and Goodview into a new city named Winona. The Commission's vote for consolidation was not unanimous. Some members testified that they voted "yes" in order to allow the process to go forward for consideration by the city councils and residents in each city.

6. Upon receipt of the Consolidation Study Commission Report, a hearing was held on May 18, 1998. Due, timely and adequate legal notice of the hearing was published, served, and filed.

7. In 1990, Goodview had a population of 2,878 and an estimated number of households of 1,072. In 1997, Goodview had a population of 3,280 and an estimated number of households of 1,251. Winona had a population of approximately 25,435 in 1990 and an estimated number of households of 9,348. In 1997, Winona had a population of 26,683 and an estimated number of households of 10,023.

Founded in 1854, Winona experienced rapid population growth reaching approximately 25,000 in the 1930's. Winona's population has grown very little since then and only increased 4.77% from 1990 to 1997.

By contrast, Goodview has grown at a steady pace since its birth in 1946. Since 1990, Goodview has experienced a 12.25% growth in population.

There was no information on the projected population growth for a combined city.

8. Winona and Goodview are located between the Mississippi River and the limestone river bluffs which reach an elevation of approximately 600 feet above the river. The carbonate bedrock in these elevations is conducive to the land condition called karste geology. Most areas in Goodview and Winona are developed on gravel, sand, and glacial outwash terraces along the Mississippi River. These areas are unconsolidated deposits over bedrock and are completely surrounded or covered by alluvium flood plain sediment.

Both cities have bluffland development. Winona has pursued development on top of the river bluffs.

9. Both cities are landlocked and have little land to develop. Winona's land use pattern is limited by the physical restraints of its geography. Winona has a parallel pattern of land development along the narrow sandbar corridor of the river bottom. Goodview's land development is similar with development occurring along old Highway 61, and the new Highway 61 which is on the south side of the city.

Growth to the east and west of the two cities is limited by the neighboring municipalities of Minnesota City and Homer, to the south is Wilson Township and to the north is the Mississippi River.

10. Because geography of the area has dictated development resulting in long narrow communities, the primary transportation routes of the two cities run east to west parallel to the river. Riverview Drive, Samia and Sixth streets are the main arterials for both cities bearing the brunt of city traffic flow during peak periods. Highway 61 is the main north/south arterial through both cities with Highway 43 is also a north/south arterial through Winona. The collectors of Fifth Street, Theurer Blvd./Riverview Drive, and Sixth Street; and Samia Streets/Gilmore Avenue/Service Drive reinforce this traffic network of roads.

Amtrak, Union Pacific, Canadian Pacific, and the DM&E railroads serve both Goodview and Winona. The Winona Municipal Airport serves the area with regular cargo and limited passenger flights.

A consolidated city would be eligible for an estimated additional \$100,000 each year for road maintenance and would allow for additional designation of state-maintenance roads.

The combination of staff, equipment, and facilities can avoid the duplication and

expense in the construction and maintenance of existing transportation systems.

11. Winona's comprehensive plan was prepared in 1995 and covers development for the next ten to fifteen years. Winona's plan was based on an interdisciplinary approach with input from surrounding communities including Goodview. Goodview does not have a comprehensive plan. However, Goodview does have a subdivision ordinance which was approved in 1987. Both cities have zoning ordinances but Winona's is more complex with more categories and requirements than Goodview's.

The uniqueness and character of each city can be preserved through land use planning. A consolidated planning effort provides administrative efficiencies and predictability for local government.

Standardizing the zoning ordinances of the two cities will enhance the overall environment of the larger community.

12. Goodview and Winona have separate water supply systems which have adequate capacity to meet the needs of the residents of both cities. In 1997 Goodview constructed a new 1,000,000 gallon water tower. Based on daily water capacities, Goodview uses 27% of its maximum capacity. Winona's daily water capacity is at 59% of its maximum.

A merger of the Goodview and Winona water systems would not produce a single, completely-connected system due to the different elevations involved. Goodview would have to operate as a subsystem. The two existing water service structures have adequate capacities to serve a consolidated city.

13. Winona has the only sewer treatment facility and Goodview currently contracts with Winona for sewer service. The current sewer contract will terminate in 2004.

The Winona Waste Water Treatment Plant has current capacity up to 6,500,000 gallons per day and excess capacity of 2,000,000 gallons per day. A \$5.3 million dollar upgrade is under construction and will boost capacity to 9,600,000 gallons per day.

The projected 1998 residential sewer rates are 33% lower in Winona than in Goodview. Projected 1998 commercial sewer rates are 18.35% lower in Winona at the general usage level and 23.51% lower at the wholesale level use.

A consolidated sewer system is already in place with additional improvements already underway. Goodview users could expect to receive sewer service at a lower rate under consolidation.

14. Winona's fire rating is 3. Winona has a professional fire department two fire stations and 21 full-time and 24 part-time firefighters. The department covers a 37.5 square mile area. The department operates with two front line pumpers, two backup pumpers and one aerial truck of 100 feet in length.

Goodview's fire rating is 6. Goodview has a volunteer fire department consisting of 32 volunteer firefighters and is in the process of buying a new fire truck.

Goodview and Winona have a mutual aid agreement. One contract is for fires and another contract is for specialized services including hazardous materials, confined spaces, jaws of life, and high angle rescues. Goodview also holds two training sessions each month for its volunteer firefighters.

A single consolidated fire protection services would improve the fire rating for the Goodview area, as well as overall safety of residents.

15. Goodview's police department operates with four full-time and five part-time

officers. Of the five part-time officers, two are licensed for part-time and three are licensed for full-time. Goodview has police protection seven days a week, twenty-four hours a day. Goodview has a volunteer reserve officer group who are required to ride with officers eight hours a month, and attend training and meetings.

Winona has a police department with 38 officers and includes criminal, evidence and death investigation teams. Each police shift includes one car assigned to each of three sectors and more than half of the time a roving car or special detail is also on assignment.

Consolidation of administration of police services for a combined police protection system would generate savings.

16. Both cities have policies and ordinances concerning street maintenance and snow removal that reflect differences in priorities and policy. Winona currently has a shortage of street maintenance equipment.

17. A combined street maintenance and snow removal system would generate program and financial efficiencies.

A consolidated city could expect a savings of approximately \$172,000 over time by eliminating the duplication in program heads for city administration, public works and police.

18. There are presently no existing or potential environmental problems in either city.

19. NSP and Tri-County Electric and TCI of Southern Minnesota are the only utility service providers which distinguish between the residents of Goodview and Winona.

NSP provides gas and electric service to all of Goodview and to approximately 1500 customers of Winona. The service is provided by franchise contracts to each city, which expire in the year 2002.

By city ordinance, Winona's contract with NSP includes a 4% usage fee which is passed on to the city. Goodview's contract with NSP does not contain a usage fee clause. Revenues from providing electric service to Winona averages \$2,400,000 per year. An additional \$96,000 revenue would be generated with consolidation if the same 4% usage fee was charged to Goodview area residents users.

Tri-County Electric Co-op provides electrical services to the Wincrest, Pleasant Valley, West Burns Valley and portions of the former Winona Township neighborhoods.

20. TCI Cable provides television cable service to both Goodview and Winona under individual franchise contract. Goodview has a 3% usage fee while Winona has a 5% usage fee. Approximately 80% of residents of the two cities subscribe to cable services. An additional \$8,149 in revenue would be generated for the consolidated city by maintaining the 5% cable usage fee.

21. Intergovernmental aid represents a significant part of both cities budgets. Both cities receive Local Governmental Aid (LGA) and Homestead Agricultural Credit Aid (HACA).

Consolidation would have minimal effect on allocation of these aids which would be combined pursuant to applicable funding formulas. In general, estimated amounts to a consolidated city are expected to increase.

22. Winona's city tax rate for 1996 was 31.65, its school district tax rate was 53.58, and its county tax rate was 37.59. Goodview's city tax rate for 1996 was 32.82, its school district tax rate was 51.49 and its county tax rate was 41.43. On a city tax rate averaged over ten years, Winona's tax rate has been lower than Goodview's.

The city tax rate for Goodview in 1997 was 29.708. Winona's city tax rate for

1997 was 31.32. Goodview has a higher commercial tax rate as well.

Winona's 10-year average tax rate is lower than Goodview's by approximately \$3.50 per \$1,000 of valuation.

23. Goodview's 1996 bond indebtedness was \$727,894 and 29% of the total city tax levy is used to service that debt. The tax capacity for Goodview has increased 16.7% since 1989.

Winona's 1996 bond indebtedness is \$1,843,539 and 11% of the total city tax levy is used to service that debt. The tax capacity for Winona has experienced a decline of 12% since 1989.

24. If the combined outstanding indebtedness for Goodview and Winona would be allocated across the entire property base of a consolidated city, the city tax rate for former residents of Goodview and Winona would be approximately the same.

If the outstanding indebtedness for Goodview and Winona were apportioned according to the boundaries of the former cities, Goodview area residents would see a significant property tax increase.

25. Winona's bond rating is Aa, and Goodview's bond rating is A.

26. The two cities share the same school district.

27. Both cities have adopted and currently implement the state building code requirements.

CONCLUSIONS OF LAW

1. The Minnesota Municipal Board duly acquired and now has jurisdiction of the within proceeding.

2. Consolidation will offer residents of both cities the opportunity to exert control over development in the entire Winona/Goodview area and better accomplish the shared goals of coordinated development and preservation of the natural beauty of the area.

3. Consolidation will allow zoning policies and decisions to be made for the entire area rather than for just individual cities.

4. Consolidation will generate higher revenues and greater efficiencies of scale in many areas and will eliminate duplication of costs for provision of the same services.

5. Fire and police protection would be greatly enhanced for a consolidated city.

6. A consolidate city would be eligible for more State aid money to meet existing needs of both cities. In addition, there would be significant savings accruing to the residents as the result of consolidation of city programs and services and from the reduction of duplication of costs and infrastructure.

7. Consolidation is in the best interests of the area residents, the City of Goodview, and the City of Winona.

8. The Minnesota Municipal Board should accept the Report of the Consolidation Study Commission and issue an order approving the consolidation, request the city councils of the Cities of Winona and Goodview adopt said order, and establish a date for an election on the Consolidation.

ORDER

1. IT IS HEREBY ORDERED: That the Minnesota Municipal Board hereby accepts the Report of the Consolidation Study Commission.

2. IT IS FURTHER ORDERED: That the City of Goodview and the City of Winona,

located in Winona County, Minnesota, be and the same hereby are consolidated to form a single city subject to adoption by majority vote of the respective city councils and approval by the voters pursuant to M.S. 414.041.

3. IT IS FURTHER ORDERED: That the consolidated city shall be named the City of Winona.

4. IT IS FURTHER ORDERED: That the mayor and six city council seats be elected at large. That the current ward system of the current city of Winona is hereby abolished.

5. IT IS FURTHER ORDERED: That the ordinances of each city shall continue in effect within the former boundaries until repealed by the governing body of the new City of Winona.

6. IT IS FURTHER ORDERED: That all license privileges be maintained as permitted by each city including the number of liquor licenses already authorized by the State of Minnesota until repealed by the governing body of the new City of Winona.

7. IT IS FURTHER ORDERED: That upon consolidation, all money claims or properties including real estate owned, held or possessed by the former cities, and any proceeds or taxes levied by such cities, collected and uncollected, shall become the property of the new City of Winona with full power and authority to use and dispose of for such public purposes as the council deems best subject to claims of the creditors. This will include cash reserves/fund balances of each city and all public property and equipment held by each city.

8. IT IS FURTHER ORDERED: That former outstanding indebtedness, prior to consolidation, will be the financial obligation of property owners within these former tax districts. However, the cities may, by resolution of their governing bodies, agree that the new city shall

assume the bonded indebtedness of the former units of government existing and outstanding at the time of consolidation.

9. IT IS FURTHER ORDERED: That the City of Winona and the City of Goodview report their latest Population and Household Estimates to the Minnesota State Demographer.

10. IT IS FURTHER ORDERED: That the Executive Director or Assistant Director of the Minnesota Municipal Board shall cause copies of this Order to be transmitted to the city councils of the Cities of Goodview and Winona for their approval and adoption; that upon receipt of such approval and adoption, the Executive Director or Assistant Director shall issue a Supplemental Order setting an election in each city.

11. IT IS FURTHER ORDERED: That the ballot shall contain the words: "shall the consolidation of the City of Winona and the City of Goodview be approved?"

Yes

No

12. IT IS FURTHER ORDERED: That if a majority of the qualified voters of each city approve the consolidation order herein, the Executive Director or Assistant Director shall cause a further Supplemental Order for the election of new city officers.

13. IT IS FURTHER ORDERED: That if either of the city councils of the Cities of Goodview or Winona fail to approve and adopt this Order by January 8, 1998, it shall be deemed disapproved by that city council.

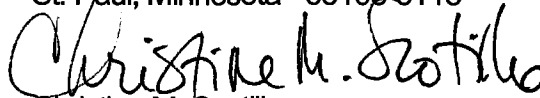
14. IT IS FURTHER ORDERED: Notwithstanding a disapproval of the Board's order for consolidation by the city councils of either the City of Winona or the City of Goodview, the Board's order for consolidation shall nevertheless be deemed approved by a city council if ten percent or more of the resident voters of that municipality who voted for Governor at the last

general election petition the city council for a referendum on the consolidation and a majority of those voting in that municipality approve the Board's order for consolidation.

15. IT IS FURTHER ORDERED: That the effective date of this order is November 13, 1998.

Dated this 9th day of December, 1998.

MINNESOTA MUNICIPAL BOARD
Suite 225 Bandana Square
1021 Bandana Boulevard East
St. Paul, Minnesota 55108-5113

A handwritten signature in cursive script that reads "Christine M. Scotillo".

Christine M. Scotillo
Executive Director

MEMORANDUM

The Municipal Board today has ordered the consolidation of the Cities of Goodview and Winona. The Municipal Board also notes that how the consolidated city handles outstanding indebtedness will have an impact on the tax rate for residents of the former city of Goodview, and therefore recommends, that this issue be given the due consideration it deserves from the council of the consolidated city.

Based on the population of a combined City of Winona and Goodview, the new city may be eligible for up to approximately \$100,000 each year for up to four years of grant money from the Board of Government Innovation and Cooperation if certain statutory criteria are met. Minnesota Statutes 465.87.

While the Board recognizes that the consolidation does not meet with the unanimous approval of all citizens of Goodview and Winona, the Board feels that it does reflect the opinion and desire of a large majority of the citizens and would certainly be in the best interests of the entire area and the larger "Winona community".

Election of the new city council "at large" was central to the Board's decision in this matter. To review: the law requires that the new consolidated city assume the governing structure of the more populous of the included municipalities - in this case the City of Winona. Minn. Stat. Sec. 414.041 subd. 5. The City of Winona is governed by a charter and a six member city council; four elected from four wards and two members elected at large, plus a mayor.

The Report of the Consolidation Study Commission suggested that the council of the consolidated city be increased to an eight member city council, plus a mayor with two members of the city council still elected at large but that the wards be increased from four to six. The

Report did not include a proposed amendment to the Winona charter, which could have been placed on the ballot with the question of consolidation. There was no evidence or testimony regarding enlarging or redistricting the existing wards. While the Board has the authority to establish a ward system it cannot do so without information and evidence presented at the hearing as to demographics and geographic boundaries of proposed wards. (Additionally, without such evidence how would potential candidates know which wards they would be eligible to represent.) Accordingly, the Board cannot, by order, direct that the existing government of the City of Winona be increased by two council members. The authority to do so would lie with the city council of the consolidated city through charter amendment.

At the deliberation meeting in Winona on August 27, 1998, the Executive Director carefully outlined for the Board the limits on its authority to enlarge the governing structure of Winona absent specific evidence in the hearing record, as outlined above. When the Board had discussed the issues and a motion for consolidation was on the table, Mr. Double offered an amendment consistent with the Board's authority that the motion for consolidation be contingent on abolishing the existing ward system of Winona with the election of a six member city council and a mayor at large. The amendment failed as did the motion for consolidation.

At the final meeting on this matter held in St. Paul (after proper and public notice) on November 13, 1998, several Board members were still troubled by the outcome of the preliminary vote at the deliberation meeting in Winona. Some of the Board members felt strongly that the Board's preliminary decision had circumvented the local governments' and the citizens' opportunity to consider the findings of the Consolidation Study Commission. After review and discussion of the draft order in this matter which had been written to reflect the

Board's preliminary decision, Mr. DeVore moved that the draft order be amended in favor of consolidation. Mr. Double noted that this motion was a continuation of the discussion raised at the deliberation meeting in August and again offered his previous amendment that the motion to consolidate be contingent on an election at large of the new city six member council and mayor. This time the amendment and the motion passed on a 3-2 vote.

The Board commends the Consolidation Study Commission members and its Chair, Virginia Laken, as well as all of the other volunteers who gave freely of their time and talents. The Board recognizes that the appointed Consolidation Study Commission members from each city and Ms. Laken devoted many hours attending meetings and hearings. They spent considerable time researching data and taking into consideration questions and comments from the citizens. They prepared an excellent and very professional Consolidation Report to the Municipal Board.

Ms. Laken did an outstanding job chairing the commission, marshaling additional resources, bringing in external resource people, guiding the process in a timely and efficient manner, overseeing the report, and testifying before the board.

Without this kind of volunteer support, these consolidation efforts would not have been possible.

The Board wishes to acknowledge and thank the Cities of Goodview and Winona, other contributors whose financial support assisted the commission throughout its work. The Board notes with regret that during the 1997 legislative session, its staff lobbied successfully on behalf of the Cities of Goodview and Winona so they would be eligible to apply for study grant money from the Board of Government Innovation and Cooperation. For reasons unknown to

the Board, the Consolidation Study Commission failed to take advantage of that opportunity.

The consolidation of these cities should increase planned, coordinated, and economic delivery of services and serve the best interests of the entire community.

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