

**JOINT RESOLUTION FOR ORDERLY ANNEXATION BETWEEN THE
TOWNSHIP OF SIBLEY AND THE CITY OF PEQUOT LAKES, MINNESOTA**

WHEREAS, The Township of Sibley (hereinafter the "Town") and the City of Pequot Lakes (hereinafter the "City") have had numerous discussions regarding the planning and development of land areas adjacent to the City; and

WHEREAS, the Town Board and the City Council have undertaken a study of the factors impacting growth and development; 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 it is reasonable and possible, to resolve any present and future differences between said Town and City by mutual agreement.

NOW THEREFORE, BE IT RESOLVED, by the Town Board and the City Council as follows:

1. Designation of Orderly Annexation Area: The Town and City desire to designate by Joint Resolution and Agreement, the area encompassing the \ entire territory of said Town as subject to orderly annexation under and pursuant to Minnesota Statutes Section 414.0325. Said Orderly Annexation Area is further described as that area set forth in the map attached.
- 2.. Minnesota Planning Jurisdiction: Upon approval by the respective governing bodies of the Town and the City, this Joint Resolution and Agreement shall confer jurisdiction upon the Minnesota Planning Board so as to accomplish orderly annexation in accordance with the terms of this Joint Resolution and Agreement.
3. No Alterations of Boundaries: The Town and the City mutually state that no alterations by the Minnesota Planning Board of Boundaries of the area designated herein for orderly annexation is appropriate.
4. Review and Comment by Minnesota Planning Board: The Town and the City mutually state that this Joint Resolution and Agreement sets forth all the conditions for annexation of the area designated herein for orderly annexation and that no consideration by the Minnesota Planning Board is necessary. The Minnesota Planning Board may review and comment, but

shall within thirty (30) days order annexation in accordance with the terms and conditions of this Joint Resolution and Agreement.

5. **Special Terms and Conditions for Orderly Annexation:** The Town and the City mutually agree and resolve that the following terms and conditions shall govern annexation under this Joint Resolution and Agreement for Orderly Annexation.
6. **Transition Committee:** The City and the Town mutually agree to create a Transition Committee as a part of this Agreement. This committee will advise the Town Board and City Council on issues that affect the effective implementation of this Joint Resolution and Agreement. This committee will work closely with the City Council and Town Board as well as both Planning and Zoning Boards.
 - a. Membership of the Transition Committee shall consist of three of the members from each the City and the Town. Members will be appointed by the Town Board or City Council. These members may then select one additional member as chairperson. Initial membership on this committee may include members of the City Council, Town Board, and Planning and Zoning Commission, with no more than two representatives from any one Board.
 - b. The chairperson will only vote in the case of a tie, unless the vote is equally divided between representatives of the Town and the City. In such a case the decision will be returned to the City Council and Town Board identified as a tie vote.
 - c. Both the City Council and the Town Board will approve any change in the organization of the Transition Committee.
 - d. This Committee shall deal with transitional issues and make recommendations to the Town Board and City Council.
 - e. The City and the Town mutually agree that the Transition Committee will review, on a continuous basis, the factors impacting this orderly annexation and will report to the Town Board and the City Council its recommendations. The first such report shall be presented to the Town and the City thirty (30) days from the effective date of this resolution.
 - f. During the period of the transition from Town 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 township residents.

- g. The Transition Committee shall remain in existence for a period of one year from the date of annexation as specified in this Joint Resolution. Following annexation, the Committee's recommendations as described above shall be made to the City Council.
7. **Effective Date of Annexation:** The area proposed for annexation is presently urban or suburban in nature or is about to become so. It is in need of orderly annexation, and annexation would be in the best interests of the subject area. Therefore, the parties agree that the area encompassing the entire territory of the Township of Sibley be annexed effective the 1st day of November, 2002, pursuant to an Order of the Minnesota Planning Board.
8. **Agricultural, Forestry, Rural Preservation:** The City and the Town mutually agree that the preservation and protection of agricultural, forestry and the rural atmosphere is beneficial and shall take steps to establish a preservation policy. This policy shall include the following items:
- a. Items protecting these areas shall be included into the Comprehensive Plan and the Zoning Ordinances as necessary to ensure enforcement of this policy.
 - b. The property annexed to the City pursuant to this Joint Resolution shall continue to be designated as zoned in the Town immediately prior to the annexation.
 - c. Prior to the effective date of the annexation, modifications as necessary shall be made to the City Zoning Ordinance to allow for the continuation of activities in the Town area currently zoned for these districts – Agriculture, Forestry, 371 Corridor, Shoreland, Waterfront Commercial, Non-City Lakeshore Residential, Rural Residential and Residential Zoning Districts and will recognize the special needs and problems associated with residential development in these district.
 - i. The ordinance will include boundaries for each zoning district as agreed by both the City and Town. A map showing these boundaries is attached.
 - ii. The Town Board will approve the modifications prior to the effective date of annexation.
9. **Police Protection:** The property annexed into the City will be served by the City Police Department from the effective date of annexation.

10. **Assessments:** Town property that is annexed will not be assessed for City projects completed or embarked upon before the date of annexation. The City agrees that it will not charge any additional (above the going City rate) trunk fees or hook up fees to the annexed property unless service or hook up is requested.
11. **Assets:** Upon the effective date of the annexation of the Town, all of the assets and fund balances of the Town will become assets and fund balances of the City. All the records of the Town that pertain to the portions of the present Town being merged with the City will become records of the City. All rights and obligations of the Town existing on that effective date become the rights and obligations of the City as of that date. The Town will work with the City in obtaining financial assistance from the State to assist in funding the annexation.
12. **Dedicated Funds of the Town:** Any dedicated funds for roads or parks affected by annexation shall be turned over to the City within fifteen (15) days after the date of the annexation order. The Town shall forward any accounts receivable to be collected in the future for dedicated roads or park funds on annexed lands to the City. Future payments on any bond or other debt instrument related to a specific project on annexed property shall be made to the City.
13. **Rural Taxation District:** Pursuant to and consistent with the terms of Minnesota Statute Section 272.67, the City will establish a rural service district that includes all of the property included in this annexation. This district will cover all town areas not receiving City water and sewer services after annexation and will be taxed at the Township rate or until such time as sewer and water services are requested and hooked up. When such services are available, or upon rezoning of such property, the parcel shall be transferred from the rural service taxing district to the urban service taxing district. The City and Town agree that the tax differential ratio between the rural service district and the urban service district in existence at the time of the annexation shall be maintained.
14. **Sewer and Water Services:** The City shall adopt a sewer and water ordinance prior to the execution of this orderly annexation that requires appropriate sizing of trunk sewer lines and water facilities. This ordinance shall provide for anticipated development as described in the current Comprehensive Plan and Zoning Ordinance.
 - a. The goal is to provide sewer and water services to designated areas as necessary in a logical, orderly and cost efficient manner. Consideration shall be given to the following:
 - i. Use of public sewer and water systems is required when

public sewer service is extended and accessible to a building or premises. When the public water service is extended and available to a building or premises, it may be connected to the public water supply. Whereupon private residential wells may continue to be used for lawn sprinkling systems.

1. Existing and conforming individual septic systems will be granted not more than five (5) years to connect to the municipal system from the time municipal service is available.
 2. Existing non-conforming systems must connect within twelve (12) months of the municipal system becoming available.
- ii. A process will be designed by the City Council and Board of Supervisors prior to the annexation to establish criteria for any sewer and water extensions such as:
1. Development has minimal impact on natural surrounds;
 2. Development follows the Comprehensive Plan;
 3. The payment for the installations of the services is made by the developer;
 4. New development without provision for sewer and water is discouraged;
 5. A preference is made for growth closer to existing sewer and water services; and
 6. A petition of affected property owners.
- b. Cluster systems: When public sewer is not feasible, public cluster systems are preferred. Language allowing cluster systems will be written into the City's ordinances prior to the annexation.
- c. Individual systems: Individual systems will be allowed where a municipal system is not available, and where not practical for cluster systems.
- d. Storm sewer: Town areas will receive storm sewer as deemed necessary by the City Council.

15. **Employees:** During the period from execution of this Joint Resolution until the annexation, the City and Town agree that neither will hire additional employees without first consulting the other. The City will assimilate personnel employed by the Town into the City's work force at the time of annexation. Upon employment with the City, former Town employees' salary and benefits will be the greater of the two governments. Employees of both the City and Town will retain their original hire date with the City or Town respectively for purposes of seniority.
 - a. The former Town employees will not be considered for promotions during the first six months of their employment with the City.
 - b. No employee will be terminated by the City due to elimination of their position within six (6) months of final annexation in accordance with this Joint Agreement and Resolution.
 - c. Upon employment with the City, Town employees will be granted all benefits and vacations with pay equivalent to the number of days they were entitled to during their last year of employment with the Town. The amount of benefits or vacation shall not increase until time in service with the City entitles the employee to more benefits or days of vacation that were provided by the Town prior to the annexation.
 - e. Nothing in this Joint Resolution shall be construed to in any way restrict the employer from terminating an employee for just cause.
16. **Firearms:** The City's ordinance restricting the use of firearms shall not apply to any portions of the City located within the rural service district.
17. **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.
18. **Severability:** 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 shall remain in full force and effect.
19. **Effective Date:** The Joint Resolution and Agreement shall be effective immediately upon its adoption by the respective governing bodies of the town and city.
20. In the event that the steps outlined in this Joint Resolution are not completed prior to the effective date of annexation, either the City Council or Town Board may withdraw from this Agreement upon forty-five (45) days

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written notice or the other. In such an event, the Minnesota Planning Board shall not order the annexation.

21. **Joint Planning and Land Use Control:** As authorized by Minnesota Statute Section 414.0325, Subd. 5, a board shall be established to exercise planning and land use control authority within the City and the Town, and joint planning and land use controls shall apply to all parts of the area designated for orderly annexation as well as the incorporated area of the City.
22. **Increase In Size of Council:** By ordinance adopted at least sixty (60) days before the next regular City election, the City shall submit to the voters the question of whether the City Council should be increased from five (5) to seven (7) members.
23. **Modification/Amendment:** This Joint Resolution shall not be modified, amended, or altered except upon the written joint resolution of the City and the Township duly executed and adopted by the City Council and the Township Board of Supervisors and filed with the Minnesota Municipal Board.

Adopted by the Town Board of Supervisors for the Town of Sibley
This 12th day of March, 2002.

Mary Zeffner
Chairman

David Spilard
Supervisor

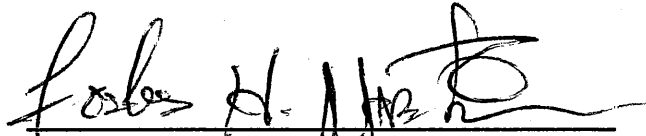
Dorothy Marchewick
Supervisor

ATTEST:

Emily Malecha
Town Clerk

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Adopted by the City Council for the City of Pequot Lakes this 12th day
of March, 2002.


Mayor


Council Member


Council Member


Council Member


Council Member

ATTEST:


City Clerk

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**AMENDED JOINT RESOLUTION FOR ORDERLY ANNEXATION BETWEEN THE
TOWNSHIP OF SIBLEY AND THE CITY OF PEQUOT LAKES, MINNESOTA**

WHEREAS, The Township of Sibley (hereinafter the "Town") and the City of Pequot Lakes (hereinafter the "City") have had numerous discussions regarding the planning and development of land areas adjacent to the City; and

WHEREAS, the Town Board and the City Council have undertaken a study of the factors impacting growth and development; 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

WHEREAS, the Town Board and the City Council each unanimously adopted a Joint Resolution For Orderly Annexation on the 12th day of March, 2002, and which was filed with the Office of Strategic and Long Range Planning, (hereinafter "Minnesota Planning") on March 14, 2002; and

WHEREAS, since the adoption and filing of the above-described Joint Resolution, the Town Board and City Council and their respective staffs have worked diligently to resolve issues which needed to be addressed prior to the effective date of the annexation; and

WHEREAS, the Town Board and the City Council have resolved the issues which were pending at the time they passed the Joint Resolution on March 12, 2002; and

WHEREAS, the Town Board and City Council are in agreement that it is appropriate to amend their original Joint Resolution and to obtain an Order from the Office of Strategic and Long Range Planning making the proposed annexation effective at the earliest possible date; and

WHEREAS, the Town Board and City Council have determined the immediate annexation of the Town is of mutual benefit to both parties and the residents thereof.

NOW, THEREFORE, BE IT RESOLVED, by the Town Board and the City of Pequot Lakes as follows:

1. **Amendment of March 12, 2002 Joint Resolution:** The Joint Resolution For Orderly Annexation adopted by the Town Board and City Council on March 12, 2002, is hereby amended, and this Amended Joint Resolution For Orderly Annexation supersedes and in all respects replaces the original Joint Resolution of March 12, 2002.

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2. **Expedited Review:** The Town Board and City Council respectfully request that this Amended Joint Resolution For Orderly Annexation be scheduled for expedited review by Minnesota Planning.
3. **Effective Date of Annexation:** The area proposed for annexation is in need of orderly annexation, and annexation would be in the best interests of the subject area. Therefore, the parties agree that the area encompassing the entire unincorporated territory of the Township of Sibley be annexed effective June 14, 2002, or as soon thereafter as it may be ordered by Minnesota Planning.
4. **Designation of Orderly Annexation Area:** The Town and City designate by this Amended Joint Resolution and Agreement the area encompassing the entire unincorporated territory of said Town as subject to immediate annexation under and pursuant to Minnesota Statutes Section 414.0325. Said Orderly Annexation Area is further described as that area set forth in the map attached, identified as Exhibit 1.
5. **Minnesota Planning Jurisdiction:** Upon approval by the respective governing bodies of the Town and the City, this Amended Joint Resolution and Agreement shall confer jurisdiction upon Minnesota Planning so as to accomplish orderly annexation in accordance with the terms of this Amended Joint Resolution and Agreement.
6. **No Alterations of Boundaries:** The Town and the City mutually state that no alterations by Minnesota Planning of boundaries of the area designated herein for orderly annexation is appropriate.
7. **Review and Comment by Minnesota Planning:** The Town and the City mutually state that this Amended Joint Resolution and Agreement sets forth all the conditions for annexation of the area designated herein for orderly annexation and that no consideration by Minnesota Planning is necessary. Minnesota Planning may review and comment, but shall within thirty (30) days order annexation in accordance with the terms and conditions of this Amended Joint Resolution and Agreement.
8. **Special Terms and Conditions for Orderly Annexation:** The Town and the City mutually agree and resolve that the following terms and conditions shall govern annexation under this Amended Joint Resolution and Agreement for Orderly Annexation.
9. **Transition Committee:** The City and the Town have created a Transition Committee to advise on issues that affect

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the effective implementation of this Amended Joint Resolution and Agreement. This committee will work closely with the City Council and the Planning and Zoning Board.

- a. After annexation membership on the Transition Committee shall continue to consist of three of the members from each the City and the former Town area.

All members already appointed, including the additional member selected to serve as chair, are hereby reappointed by both the Town Board and City Council.

- b. The chair will only vote in the case of a tie, unless the vote is equally divided between representatives appointed by the Town and the City.
- c. The City and the Town mutually agree that the Transition Committee will review, on a continuous basis, the factors impacting this orderly annexation and will report to the City Council its recommendations.
- d. The City will designate an employee whose duties will include providing information and acting as a liaison in respect to City government for former Township residents.
- e. The Transition Committee shall remain in existence for a period of one year from the date of annexation as specified in this Amended Joint Resolution. Following annexation, the Committee's recommendations as described above shall be made to the City Council.

- 10. **Agricultural, Forestry, Rural Preservation:** The City and the Town mutually agree that the preservation and protection of agricultural, forestry and the rural atmosphere is beneficial and have taken steps to establish a preservation policy. This policy includes the following items:

- a. Items protecting these areas are, and shall continue to be included in the Comprehensive Plan and the Zoning Ordinance as necessary to ensure enforcement of this policy.
- b. The property annexed to the City pursuant to this Amended Joint Resolution shall continue to be designated as zoned in the Town immediately prior

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to the annexation.

- c. Prior to the effective date of this Amended Joint Resolution, modifications as necessary have been made to the City zoning ordinance to allow for the continuation of activities in the Town area currently zoned for these districts - Agriculture, Forestry, 371 Corridor, Shoreland, Waterfront Commercial, Non-City Lakeshore Residential, Rural Residential and Residential Zoning Districts. The City recognizes the special needs and problems associated with residential development in these districts. The ordinance includes boundaries for each zoning district as agreed by both the City and Town. A map showing these boundaries is attached, marked as Exhibit 2.
11. **Police and Fire Protection:** The property annexed into the City will be served by the City Police and Fire Departments from the effective date of annexation.
12. **Assessments and Bonded Indebtedness:** The City agrees that it will not charge any additional (above the going City rate) trunk fees or hook up fees to the annexed property unless service or hook-up is requested. Neither the Town nor the City is making any levy for bonded indebtedness for projects completed or embarked upon prior to the date of this Amended Joint Resolution.
13. **Assets:** Upon the effective date of the annexation of the Town, all of the assets and fund balances of the Town will become assets and funds balances of the City. All the records of the Town that pertain to the portions of the present Town being annexed will become records of the City. All rights and obligations of the Town existing on that effective date become the rights and obligations of the City as of that date. The Town will work with the City in obtaining financial assistance from the State to assist in funding the annexation.
14. **Dedicated Funds of the Town:** Any dedicated funds for roads or parks affected by annexation, shall be turned over to the city within 15 days after the date of the annexation Order. The Town shall forward any accounts receivable to be collected in the future for dedicated roads or park funds on annexed lands to the City. Future payments on any bond or other debt instrument related to a specific project on annexed property shall be made to the City.
15. **Rural and Urban Service Districts:** The City shall be divided into an urban service district and a rural

service district with boundaries as shown on the attached Exhibit 3. Because Sibley Township will not be benefited to the same degree as other lands by municipal services financed by general taxation, the rural service district shall include all of Sibley Township except those parcels classified for tax purposes as Commercial, Industrial, Utility or Seasonal Commercial. Those parcels so excepted are designated herein as "Area A" and are described on the list attached hereto and made a part hereof, marked as Exhibit 4. The parcels in "Area A" shall be included in the urban service district. The urban service district shall include all lands within the boundaries of the City which are not included in the rural service district. The approximate ratio which in the judgment of the Town and City exists between the benefits resulting from tax supported municipal service to parcels of land of like market value situated in the urban service district and the rural service district is 2:1, respectively.

16. **Sewer and Water Services:** The City has adopted a sewer and water ordinance which requires appropriate sizing of trunk sewer lines and water facilities. This ordinance provides for anticipated development as described in the current Comprehensive Plan and Zoning Ordinance.
- a. The goal is to provide sewer and water services to designated areas as necessary in a logical, orderly, and cost efficient manner. Consideration shall be given to the following:
 - i. Use of public sewer and water systems is required when public sewer service is extended and accessible to a building or premises. When the public water service is extended and available to a building or premises, it may be connected to the public water supply. Whereupon private residential wells may continue to be used for lawn sprinkling systems.
 - 1. Existing and conforming individual septic systems will be granted not more than five (5) years to connect to the municipal system from the time municipal service is available.
 - 2. Existing non-conforming systems must connect within twelve (12) months of the municipal system becoming available.
 - ii. Criteria for any sewer and water extensions

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outside of the schedule may include the following:

1. Development has minimal impact on natural surroundings;
 2. Development follows the Comprehensive Plan;
 3. The payment for the installations of services is made by the developer;
 4. New development without provision for sewer and water is discouraged;
 5. A preference is made for growth closer to existing sewer and water services; and
 6. A petition of affected property owners.
- b. Cluster systems: When public sewer is not feasible, public cluster systems are preferred. Language allowing cluster systems is included in the City's ordinances.
- c. Individual systems: Individual systems will be allowed where a municipal system is not available, and where not practical for cluster systems.
- d. Storm sewer: Town areas will receive storm sewer, as deemed necessary by the City Council.
17. **Employees:** The City will assimilate personnel employed by the Town into the City's work force at the time of annexation. Upon employment with the City, former Town employees' salary and benefits will be the greater of the two governments. Employees of both the City and Town will retain their original hire date with the City or Town respectively for purposes of seniority.
- a. The former Town employees will not be considered for promotions during the first six months of their employment with the City.
 - b. No employee will be terminated by the City due to elimination of their position within six months of final annexation in accordance with this Amended Joint Agreement and Resolution.
 - c. Upon employment with the City, Town employees will be granted all benefits and vacations with pay equivalent to the number of days they were entitled

to during their last year of employment with the Town. The amount of benefits or vacation shall not increase until time in service with the City entitles the employee to more benefits or days of vacation than were provided by the Town prior to the annexation.

- d. Nothing in this Amended Joint Resolution shall be construed to in any way restrict the employer from terminating an employee for just cause.
18. **Firearms:** The City's ordinance restricting the use of firearms shall not apply to any portions of the City located within the rural service district.
19. **"Area A" Phase-in of Property Taxes:** The tax rate of the City on all parcels in "Area A" as identified on Exhibit 4 shall be increased in substantially equal proportions over six (6) years to equality with the local tax rate on property already within the City in the same tax classification.
20. **Authorization:** The appropriate officers of the City and the Town are hereby authorized to take appropriate and necessary steps to implement the terms of this Amended Joint Resolution and Agreement.
21. **Severability:** Should any section of this Amended Joint Resolution and Agreement be held by a court of competent jurisdiction to be unconstitutional or void, the remaining provisions shall remain in full force and effect.
22. **Effective Date:** This Amended Joint Resolution and Agreement shall be effective immediately upon its adoption by the respective governing bodies of the Town and City.

Adopted by the Town Board of Supervisors for the Town of Sibley this 4 day of June, 2002.


Chairman


Supervisor

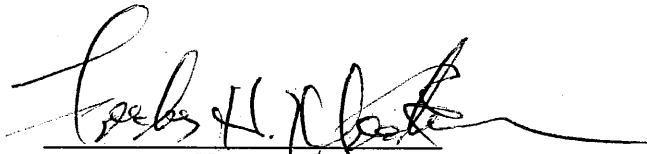

Supervisor

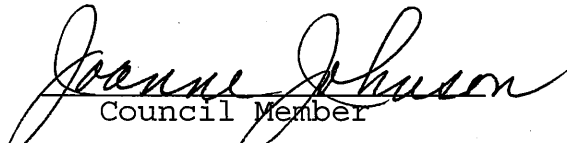
Attest:


Town Clerk

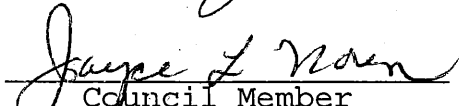
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Adopted by the City Council for the City of Pequot Lakes this
4 day of June, 2002.


Mayor


Council Member


Council Member


Council Member


Council Member

Attest:


City Clerk

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This is a detailed plat map of Sibley Township, Rice County, Minnesota. The map shows a grid of 36 sections, numbered 1 through 36. Major roads are labeled, including County Road 16, County Road 112, County Road 107, and County Road 7. Smaller roads like Hurvig Rd, S Sluetter Rd, N Sluetter Rd, and Sibley Lake Rd are also shown. The map includes several lakes: Sibley Lake, Mayo Lake, Twin Lake, Cloverleaf Lake, Rice Lake, and Middle Cullen Lake. The map is oriented with North at the top, and the township and range are indicated as 18N and 10E. The map also shows various other features like roads, trails, and land parcels.