

**MINUTES OF A SPECIAL CITY COUNCIL MEETING HELD WEDNESDAY, MARCH 31, 2008 - 7:00 P.M. – ROCKVILLE CITY HALL.**

The meeting was called to order by Mayor Brian Herberg. Roll Call was taken and the following members were found to be present: Mayor Brian Herberg, Council Members Vern Ahles, Don Simon, & Randy Volkmuth. Absent: Council Member Susan Palmer. Member Jim Pflapsen arrived at 7:09 pm.

Staff members present were: Finance Director Julie Zimmerman, Attorney Jim Mogen, & Financial Consultant David Drown.

Others present were: Maine Prairie Township Supervisors Dennis Lowen, & John Wicker & Petitioners Mike Loesch and Gene Merten.

Also present at the meeting were: Mike Hiltner, Gordy Massmann, Ed Kalla, Richard Heinen, Lucy Heinen, Elmer Haus, Delores Haus, Paul Wenner, Toni Reif, Dan Tschimperlin & Henry Massmann.

**PURPOSE OF MEETING** – Mayor Herberg announced that the special meeting had been called for the purpose of discussing the detachment request with petitioner and Maine Prairie Township.

City and Township officials and staff introduced themselves.

Mayor Herberg noted that discussion at the previous meeting was on boundaries and discussion of shared roads. Mayor Herberg asked what other issues people wanted to discuss.

John Wicker referred to some information Maine Prairie Township had received from Stearns County. The information from the County shows one number and the numbers from David Drown are different. John Wicker questioned the difference.

David Drown looked at the information that the township had received and he believes that the \$62,000 figure used by the city is the more correct one. He had used information from the County also. The tax capacity information from the potential detachment area is approximately \$152,000 and the number of parcels looks to be the same as the county provided to David. If the city tax capacity rate changed since his calculations then it could change the number.

Dennis Lowen, Maine Prairie Township Supervisor, questioned whether St. Joseph Township in the northeast part of Rockville annexed into the City of Rockville at the same time as consolidation or at a different time? It was noted that the city accepted the request of the petitioner (a developer) to join the City of Rockville. St. Joe township officials wanted to annex a larger portion but of that area into the city but St. Joseph Township residents didn't want to see that. Dennis Lowen questioned how the taxes worked on that? It was stated that the developer covered the cost and that city staff could research whether the taxes were done as an agreed to percentage over a number of years or how that was handled.

Dennis Lowen said he would like to discuss boundaries again. John Wicker stated he would like to see them keep a straighter boundary. Maine Prairie Township had been told by a Stearns County staff person that in his experience if this goes to a hearing they are normally looking for straight boundaries.

Maine Prairie Township Supervisors stated that if they take out the Wenner Exchange land they believe they have 100% of the necessary property owner signatures.

Gene Merten, one of the petitioners, noted that owners of the Wenner Exchange were present at this meeting and they were asked if they had any questions. Mr. Wenner had a

question regarding assessments. If the city does assessments for the detachment area he may end of paying double is that correct? It was stated that the assessment would be for Fire Protection. The additional assessments would be for the city hall and fire hall.

Mr. Wenner stated he feels Rockville city has done some good ordinances and that is important to him. He is uncertain at this time whether Maine Prairie has any ordinances regarding zoning and development.

Dennis Lowen noted that Maine Prairie Township is aware of the County Ordinances and their future plan is to set aside area for development but they need to have a comprehensive plan to protect certain areas and to allow more development in some areas.

According to Dennis Lowen it would make sense to develop areas close to Grand Lake.

Mr. Lowen noted that Maine Prairie Township would like to see agreements established for shared roads.

Mr. Lowen noted that the residents of Maine Prairie Township will be asked for input regarding this decision when they reconvene on April 15, 2008. Maine Prairie Township sees no point in going to a third meeting if their residents say no.

Randy Volkmuth noted that the city has financial obligations and the city hall and fire hall would need to get paid for because the city relied on the fire contract areas for the payment of this debt.

Don Simon noted that the city residents he has spoken to don't want to see the city residents have to pick up costs on the city hall and fire hall for the detachment area.

Member Jim Pflapsen questioned the methodology used in approaching the financial analysis. David Drown noted that the tax projections are based on the tax capacity value. If he remembers correctly that subject area is approximately 6% so they would need to make 6% of the payments. The expectation is that they would continue to contribute to cover the costs. The question is 6% of what amount. If you take the amount of debt outstanding and the annual payments this area should cover its share of the remaining debt.

The city issued more than 2 million dollars in debt (note: actual amount is approximately \$2.9 million). In the fire contract calculations beginning for 2008 there was a debt component included in the calculation to collect debt for the fire protection areas served (St. Augusta and Maine Prairie Township). The easiest way to deal with the Fire/City Hall debt would be to take the share of debt for the fire station and city hall and apply annually to remaining payments on the fire station and city hall. Moving forward for fire contracts with Maine Prairie Township the city would recognize the tax contribution from the detachment area and apply this as a credit for the fire contract calculation to Maine Prairie Township. The detached area would share the costs of the city and fire hall and from the city perspective this would be the most effective strategy. Properly done it shouldn't affect the cost for the Maine Prairie Township residents.

Jim Pflapsen wanted to discuss the methodology used for the financial analysis at the last meeting. Why were costs for major construction for roads not included? David Drown noted that the logical way to look at this is to as follows: the city annual budget for road maintenance has been about \$250,000 a year. (This generally doesn't include capital expenditures). If the city were to allocate this cost to the road system, based on his recollection, this area represents about 17%, so 17% of 250,000 would equal approximately \$40,000 of road expense. Then, if this detachment takes place what impact will that have on the budget? Most of the Street budget is actually for fixed costs. A lot of equipment exists and has to be replaced in whole. Public Works staff and the city engineer felt it was approximately \$10,000 that might be saved by not covering

the detachment area and those savings would be primarily in fuel and gravel. From the council perspective for the anticipation of the 2009 budget that is the best number to use.

John Wicker, Maine Prairie Township Supervisor, wanted to discuss the road sharing boundaries. Mayor Herberg stated that the road agreement the city has with St. Joe Township for 260<sup>th</sup> Street is that Rockville plows the road and charges St. Joe Township a fee. The agreement with Wakefield Township is that the city takes care of a Wakefield road and Wakefield takes care of a Rockville road. (That are more logical for each to maintain). For overlay or other major improvements it is cost shared.

Maine Prairie Township noted that because they are a township they don't have to have inspections and use engineers etc. for road projects. They are held to a different standard than cities are. John Wicker felt there would be a cost savings to the city by doing a joint road project with the township. Mayor Herberg thought that part of 210<sup>th</sup> Street was redone in the early 1980's and was paved in approximately 1993.

Mayor Herberg noted that there is a methodology and science to building roads and the city is dealing with roads in the former Rockville township area where they did not get an engineer involved and it can create road issues later on. Cheaper is not always better. There need to be clearly defined characteristics and you need to be careful on that kind of thing.

David Lowen noted that Maine Prairie Township would need to be willing to cost share the roads and they would like to work something out on maintenance through an agreement.

The potential shared roads discussed were 210<sup>th</sup> Street and a portion (approximately ¼ mile) of Grand Lake Road.

Township Supervisor John Wicker felt that Maine Prairie officials have enough information if they get some answers back from David Drown. They will see what happens with their annual meeting and then they will decide how to proceed.

Council Member Jim Pflapsen asked if it is prudent to do another study for the numbers and this would vary up or down. Member Pflapsen feels that the cost savings to the city for detachment would be higher than noted. He stated that a figure of a \$5,000 credit was used for street improvements and he also noted that the land area is 16% of the city and he questions the Police Protection savings. No other council members seemed to feel this was necessary.

Maine Prairie Township noted that if the residents approve the detachment at their meeting on April 15, then the township will be seeking legal counsel. It is their understanding that if the Wenner Exchange is notched out of the boundaries then the Administrative Law Judge is not needed. City Attorney Jim Mogen noted that the city would have to consent to detachment. Maine Prairie Township feels it would be approved by the Administrative Law judge.

Attorney Jim Mogen noted that if the township thinks this issue will be smooth sailing with the Administrative Law Judge Mr. Mogen doesn't believe it will sail through. He feels it will be a contested hearing.

At the third meeting Maine Prairie Township hopes to have a proposal to the city to come to a resolution.

Brian Herberg noted that he needs to go with the residents of the city. There are many areas of the city and there are people in the city watching to see how this proceeds before they determine if they want to detach as well. Jim Mogen noted that the ALJ instructed the parties to meet three times. Dennis Lowen, Maine Prairie Township Supervisor, stated he'd like to see another meeting be scheduled sometime after their April 15 meeting.

**The city and township agreed to meet again on April 16, 2008 at 7:30 pm.** That is a Rockville City Council meeting night so the township needs to understand that if the city is still in session at that time they will work it out that evening.

Member Jim Pflapsen asked if there are some areas or scenarios that could be divided out for Maine Prairie Township? It was felt by the majority of the council members that the detachment area should be all or none.

Paul Wenner, of the Wenner Exchange property, questioned whether Maine Prairie Township felt that the Wenner Exchange property would get developed?

Dennis Lowen, Maine Prairie Township Supervisor, stated that it makes sense to have areas that are developable. Mr. Lowen stated that there is a chance that the land won't be developed.

John Wicker noted that Maine Prairie Township wants to get their growth plan updated and would like to see as much as possible zoned A 80.

Another resident questioned Maine Prairie Township officials whether if someone has a 10 or 20 acre parcel of land could this be built on? John Wicker, Township Supervisor, noted that it can't be. It would depend if there was a building entitlement on the property. The Stearns County Ordinance wants to see valuable agricultural land preserved.

Brian asked how Maine Prairie Township got approval for the development in behind the Pearl Lake school. John Wicker noted that it was zoned as Residential in the 1980's.

Mr. Wicker stated that townships need to follow the County ordinance whereas the city has the discretion to develop its own ordinance.

Supervisor Dennis Lowen noted that they are behind in establishing their growth plan but that is an area they are moving forward with. Potential development areas that may be allowed in their future growth plan may be Goodner Lake, Pearl Lake, and the Powder Ridge area.

Jim Pflapsen asked if the city could work out an annexation agreement with Rockville and Maine Prairie Township if this area were detached and if services were needed by Maine Prairie Township areas in the future? Mr. Pflapsen noted that normally services would need to come from the city.

Supervisor John Wicker questioned whether the April 3 meeting with the Administrative Law Judge is still scheduled at 10 a.m., at Rockville City Hall? City Attorney Jim Mogen stated that the meeting was still scheduled and according to the letter received by the city Christine Scotillo will be present at that meeting.

**ADJOURNMENT-Motion by Member Volkmuth, second by Member Simon, to adjourn the meeting at 8:11 pm.**

***AYES: Ahles, Herberg, Pflapsen, Simon & Volkmuth.***

***Motion passed on a 5 to 0 vote.***

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**JULIE ZIMMERMAN-CMC**  
**FINANCE DIRECTOR**

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**BRIAN HERBERG**  
**MAYOR**