

**MINUTES OF A SPECIAL CITY COUNCIL MEETING HELD WEDNESDAY,  
FEBRUARY 27, 2008 - 6:00 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, Jeff Hagen, Susan Palmer, Jim Pflapsen, & Don Simon. Absent: Randy Volkmuth.

Staff members present were: Administrator/Clerk Rena Weber, Public Works Director Rick Hansen, Attorney Jim Mogen & Financial Consultant David Drown.

Others present were: Tудie Hermanutz, Peter Walz, Audrey Schaefer, Joe Sponheim, Bob Froehling, Matt Froehling, John Wicker, Gene Merten, Jerry Schmitt, Mike Loesch, Fritz & Cordie Hansen, Jodi Schneider, Herb & Joanne Schlangen, Elmer & Delores Haus, & George Bechtold.

**PURPOSE OF MEETING** – Mayor Herberg announced that the special meeting had been called for the purpose of reviewing the financial impact of the requested detachments of sections 31 – 36.

**FINANCIAL CONSULTANT REPORT**– David Drown reported on the following:

He was asked to review the financial impact “If this takes place what is the financial impact to the remaining city.”

The residents of the proposed detachment pay \$62,000 of property tax of which \$13,111 is the debt for Fire Hall and City Hall. If we assume city service costs stay the same then the city will have to make up \$62,000 from the rest of the city. It would be a 2.7% increase in the tax rate or for example a \$250,000 valued house will increase by \$68.00 yr.

	\$62,000
-	13,000 (debt deducted)
	\$49,000 or 2.1 % increase or \$51.00 per 250,000 house

Fire Contract – approximately \$100,000 is the total cost to provide fire protection to the city of Rockville

\$6,000 to these sections

\$225,000 for road maintenance (6 sections not broken out)

David’s guess is that we spent 10% of \$225,000 = \$25,000 on maintenance.

Potentially if we get the money for fire hall and city hall it could be a break even.

This amounts to 15% of land area but only 6% of the tax base. The area has some of the lowest paying taxpayers in the city.

Member Palmer questioned the memo on the road improvement costs that Scott Hedlund presented. Concern was voiced on:

- Grand Lake Road and that it remain under the ownership of the City.
- The City is currently adopting a Shoreland Overlay ordinance and it would greatly affect our ability to protect the lakeshore within 1000’ of the shoreline.

Member Pflapsen voiced concern that one property owner (Wenner) did not sign the petition and may want to develop some day. This should be kept in mind or they would have to petition to annex back to the city.

David Drown also voiced concern that the City may not be able to reduce the taxes dollar for dollar.

Member Pflapsen indicated that people have accepted that if they go to Maine Prairie Township they will have pay for the City Hall/Fire Hall. Is there a way to negotiate a certain amount of taxes? Attorney Mogen indicated there would be a reallocation of assets between the Twp. and city over a period of 6, 8, or 10 years where one entity makes payments to the other.

Member Palmer asked if this should work for this request, what is to prevent other areas from asking the same thing.

Attorney Mogen stated that 5 years ago we found the entire city would be urban in nature and they needed city services, but the Council can change their minds. He indicated that areas on the north, west & east sides of the city either about a city or really don't have a need to detach. The other piece is that the Administrative Law Judge (ALJ) will look at the continuity of the city. The ALJ would have to find that it is rural in nature.

Mayor Herberg questioned the 17 year pay off of the City Hall/Fire Hall. Attorney Mogen stated that he has not seen anything that lasts longer than 7 years but the ALJ could make the Township pay an upfront fee.

Member Palmer indicated her concern on the additional impacts and what may be missing.

Jim Mogen indicated the procedure:

1. Petition has been filed – The State has found that it meets those criteria
2. Petition is not 100% signed
3. If the City challenges it, it goes to a hearing
4. If the city is okay with the petition then the next step is to contact the rest of the residents to sign the petition

John Wicker – Maine Prairie Township indicated the following:

- Grand Lake road is the northern boundary line, so it would remain the City of Rockville.
- 1000' around the lake should remain in the city
- 210<sup>th</sup> Street – they do shared roads with other entities – every other year type of thing.
- He thinks the \$62,000 is too high of a number to use for revenue

Rena Weber asked David Drown how LGA and grants are affected with the reduced number of residents. David indicated this does have an effect and will look into it.

Member Pflapsen stated that 1 or 2 people have not signed the petition which amounts to 95% of the residents. This is an important thing.

Mayor Herberg asked if some of the people want to talk about why they want to leave.

Mike Loesch – 9517 Echo Road stated he feels they would be better served by Township government. There are feedlot issues, agricultural issues, and simple farming issues in general. He knows that we need good fire protection and they are on the fence anyway. Maine Prairie will contract this area with the City of Rockville.

Mayor Herberg reported that discussion came up at Stearns County Municipal League about a proposed Feedlot Ordinance. The difference is that you can do what you want right up to city limits because you are in the city. You have more leeway within the city as they have that right.

Member Pflapsen asked is the issue that you go to the township meeting and they help you easier than the city?

Mike Loesch stated that they understand better.

Gene Merten – 9705 205<sup>th</sup> Street stated that they don't have 100% of the residents, but will have in 2 weeks. (Wenner Exchange and Cyril Massmann farm). Jim Pflapsen stated that he signed the petition.

Rick Hansen – Public Works Director reported that maintenance costs are a little high at \$100,000. The people who would benefit would be the downtown people because they now go out to that end of town first and it takes 1 ½ hours to plow. Rick went over the report and indicated that it would not change the whole budget.

Attorney Mogen stated that Rick's reports would indicate that it is not a break even deal and the loss would be greater.

Member Hagen questioned if the city would cooperate what would that mean to other sections? If others see us being cooperative will they do the same?

Attorney Mogen indicated that you will see more people try, but it may not be granted. This is a unique situation; it is all at the bottom of the city and 4 miles from Hwy 23. Not all portions about other cities.

Rena Weber reported that the city is looking into an A-10 zoning ordinance and asked if this could affect them?

Attorney Mogen indicated the county could change to A-10 too.

Mayor Herberg asked the people in the audience to listen to this as they might want to subdivide their property and the city is making it easier to do so.

John Wicker reported that people have called him and indicated they would like to keep it rural.

Elmer Haus – 10471 Haus Road stated he would like to stay rural. Mayor Herberg informed Mr. Haus that he can still stay rural.

John Wicker asked how does this affect their taxes to have 3 entitlements and they may not be able to use them.

Attorney Mogen indicated that the council needs to determine if they are 100% behind the petition.

Member Palmer stated that she is not in support of the petition. Shoreland boundaries have to be re-done.

Mayor Herberg stated that it appears we are not losing a lot of tax revenue, but he is taking into consideration what it means to the rest of the other people. This is not a wise decision on the council's part.

Tudie Hermanutz, 211 1<sup>st</sup> Street W asked the council if you challenge this and it doesn't work out – what is the cost involved?

Member Pflapsen to Jim Mogen - If the city votes to deny, what will the State of MN say – will the residents prevail at the end of the day? Jim Mogen stated that he does not believe the State will say yes to all 6 sections.

Member Pflapsen will agree with some on the Shoreland issues. If the city were to fight it there would be a close look at \$70.00 being an undue hardship. He can't say if the state would find that too much.

Member Palmer also stated that there is not enough financial information to make a decision. She feels like we need to move a step forward, need to really look at LGA and budget reductions.

David Drown stated that he is confident on the \$70 but not the \$20.

Attorney Mogen stated that we do have to look at where the line goes.

Member Hagen stated that he goes back to the original consolidation. People did not like how the consolidation went, there was another group that wanted to organize and detach, and further he may not believe the reason they are using that they like township form of government.

They are using that to not get people mad, and he does not agree with Jim Mogen on the unique situation. We are here to improve the way the city has been managed since consolidation. If the law allows them to attach to Maine Prairie then so be it, but he does not feel comfortable doing so.

Member Simon stated that he agreed with Member Pflapsen in that there is almost 100% of signers.

Elmer Haus stated that he lives right next to the Wenner Farm and there would be no objection to drawing a line straight across from there.

Attorney Mogen informed the council it is an all or nothing decision at this time. The city has to look at the petition that was filed and if we are to draw a new line then it would require a different petition.

Member Ahles indicated that he feels we are opening up a can of worms, there will be more requests to detach. When we consolidated they wanted new facilities. The buildings were built.

Member Pflapsen indicated that he is not surprised that this happened. There are nearly 100% of them who have signed. Do we want egg on our face in 12 to 18 months? They may be able to accomplish this with the state without the city. Everything seems to line up and make sense. This could be a long process.

Member Palmer feels it is a bigger issue than these 6 sections. We have to think about the whole city, not just looking at those 6 sections.

**NEED TO MEET 3 TIMES IN NEXT 60 DAYS** – John Wicker indicated that we are ordered to meet 3 times in the next 60 days. Jim Mogen agreed that this is the process.

***Motion by Member Pflapsen, second by Mayor Herberg, to reject the petition as written and to have the city council appoint a task force, and further that per the ALJ recommendation to meet with the Township Board and negotiate a resolution with Maine Prairie & the petitioner.***

Task Force – Discussion was held regarding using the negotiating team or to use the whole city council, David Drown and possibly the attorney. It was determined that the whole city council would be a part of the negotiating process.

Member Pflapsen asked how we can solicit information from citizens.

***AYES: Ahles, Hagen, Herberg, Palmer, Pflapsen & Simon.***

***Motion passed on a 6 to 0 vote.***

**SPECIAL MEETING SCHEDULED - 3/12/08 – 7 p.m. Rockville City Hall**

***ADJOURNMENT – Motion by Member Simon, second by Mayor Herberg, to adjourn the meeting at 7:41 p.m. Motion carried unanimously.***

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**VERENA M. WEBER-CMC  
ADMINISTRATOR/CLERK**

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**BRIAN HERBERG  
MAYOR**