

# CITIZENS LEAGUE REPORT

LOCAL GOVERNMENT

IN A TIME OF

TRANSITION

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Why Minnesota should now begin a re-examination of its  
local government structure in the metropolitan area;  
what issues should be considered;  
how this reappraisal should be conducted

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## I N T R O D U C T I O N

The organization of local government in the metropolitan area may not, at first glance, seem to be a subject of particularly great significance. Its significance begins to be understood when one realizes that local government is the major vehicle used by state and federal government to deliver services to the public. Law enforcement, public health, recreation, roads and bridges, social services, licensing and zoning, sewer and water systems, urban renewal, libraries are just a few of the many services for which local government serves as the primary delivery vehicle.

The significance of local government, and how it is organized, increases further when one realizes that local government has become a major recipient of state and federal funds. Our study of local government revealed, for instance, that state and federal aids have become the single-most important source of revenue for municipal government in Minnesota, surpassing even the property tax by 1972.

But, although the subject is an important one, it receives little attention and is seldom discussed. Why? Probably for two reasons. First, local government organization tends to be viewed as a complex subject that is difficult to discuss in a meaningful way, and indeed it is. One only needs to view a map of the metropolitan area which contains the boundaries of all municipalities, towns, counties and special districts to understand why the subject is confusing.

This confusion is compounded when the functions that are provided by each unit of local government are analyzed. A service that is provided by municipal government in one part of the region may be the responsibility of county government in another part and perhaps by a special district organized under the joint powers statute to serve several municipalities somewhere else. Many years ago, each local government had a fairly clear set of functions for which they were responsible. But in recent years, any clear-cut definition of responsibility between local governments has pretty well disappeared.

The subject probably receives little attention, also, because the public and public officials alike tend to think of local government organization as something that should be left for local citizens to settle for themselves. What's not recognized, however, is that issues affecting local government organization cannot always be decided locally. Local government is not an autonomous level of government. It was organized, and is maintained, by the state. Local governments have only that authority which has been delegated them by the state.

The Citizens League Board of Directors, in late 1972, decided that the subject of local government organization did need to be reviewed, and directed us to undertake this study. To keep the study manageable, we confined our attention to the metropolitan area, reviewing all forms of local government which exist in the metropolitan area, except school districts.



Although our charge was a broad one - authorizing us to review any issues affecting the boundaries or functions of local government - we soon determined that the single-most important issue affecting local government was the state's role in organizing local government - specifically, how subjects relating to the boundaries, functions and structure of local government are brought to the attention of the Legislature and how the state evaluates and adopts policy proposals on those subjects. Having viewed the local governmental system from this perspective, we concluded that the state has given inadequate attention to the impact of their decisions on the way in which local government is organized in the metropolitan area.

Our recommendation for a citizens commission to undertake a detailed review of the local governmental system in the metropolitan area is a prerequisite, we believe, to any comprehensive reorganization of local government by the Legislature. With major local government studies under way in the two largest counties in the state - Hennepin and Ramsey - it is clear that a reappraisal of the local governmental system is in order. We concluded, however, that such a study, to be fully effective, cannot be confined within the limits of a specific county, but must consider inter-county and regional issues as well.

## CONCLUSIONS

*After reviewing the policies of the State of Minnesota with respect to the organization of local government in the state, and more directly in the Twin Cities metropolitan area, we conclude:*

\* \* \*

Our state has been in the forefront nationally in developing several pieces of major legislation affecting local government, most notably the Minnesota Municipal Commission Act and the acts creating the Metropolitan Council and the regional development commissions.

In general, however, we have given inadequate attention to the general organization of the local governmental system in the state, despite its importance as the primary vehicle for the delivery of public services to the citizens of the state and as a major recipient of state tax revenues.

\* \* \*

Policy decisions concerning local government organization are evaluated on a piecemeal, rather than a comprehensive basis. A major reason why is the lack of a central focal point within the Legislature where issues concerning local government boundaries, functions or structure can be evaluated, and where state policy on these issues can be viewed within the broad framework of the entire system of local government.

\* \* \*

Special bills frequently contain important policy implications for the state but are seldom evaluated by the Legislature from this perspective.

\* \* \*

Decisions on local government organization are too often made on the basis of the effect of those changes on a particular level of local government, not realizing that nearly all such decisions have an impact on all other levels of local government as well.

\* \* \*

The Legislature has relied heavily on the established local units of government and their service organizations for proposals on local government organization. Although these organizations have each played a major role in the passage of several progressive pieces of legislation, each organization must, by its very nature, have as its primary interest the future of its own level of local government. Consequently, reliance by the Legislature on these organizations for public policy does not permit consideration of a full range of alternatives.

\* \* \*

Although our state has a strong commitment to home rule - or local control - of local government, this commitment is being seriously undermined by the tendency of legislators and local officials alike to ask the Legislature to settle local matters.

\* \* \*

Conversely, it needs to be recognized that, particularly in a metropolitan area such as ours, local governments are not separate, autonomous governmental bodies. The decisions of local officials of one governmental unit - when they seek special legislation for their government, for instance - often have an impact on other local governments in the region, as well. What's required is a system which balances the local interest with the interest of the state.

\* \* \*

The future of the home rule concept, in particular the relevance of the city charter commission, must be re-examined. Something is amiss when fundamental changes in the method of selecting local officials of a municipality are being made by the Legislature and the city council, bypassing the charter commission and the voters. Something is wrong with the charter commission concept when a charter commission fails, for a period of over ten years, to even submit to the voters a charter amendment to alter the organization of city government when the present organization is recognized by nearly all as outmoded.

\* \* \*

The responsibilities of each level of local government are no longer based on a well-defined purpose. Unlike the system which existed immediately following the second world war - in which each level of local government had a fairly distinct responsibility - today potential conflict exists over the responsibilities of local governments.

\* \* \*

It is extremely difficult to make substantive recommendations concerning possible reorganization or reassignment of responsibilities of local governments within the metropolitan area. To do this, we need criteria on which local government responsibilities should be assigned, and adequate data for measuring the extent - and the effectiveness - of the delivery of existing local government services.

\* \* \*

Municipal government is the best system of government to serve urban, and urbanizing, areas. But the creation of a municipality does not, by itself, guarantee that the difficult problems caused by urbanization will be adequately handled by the local officials. Additional tools are necessary.

\* \* \*

The urban town form of government is an inadequate form of government for areas experiencing urbanization. It has, however, been effective in circumventing, temporarily at least, the state policy which calls for placing urban areas under municipal government.

\* \* \*

The metropolitan area contains too many municipalities. Existing procedures for consolidation make it extremely difficult to implement state policy which encourages the consolidation of municipalities.

## RECOMMENDATIONS

### Part I STRENGTHEN THE PROCESS FOR SETTING POLICY ON LOCAL GOVERNMENT ORGANIZATION

*Steps must be taken now to improve the process for setting policy on local government organization. If enacted, the following will significantly improve the capability of the state to evaluate and act on local government policy proposals:*

A. The Governor - Recommend policy on local government organization.

The Governor should present a "state of local government" report to the Legislature at the beginning of each regular session. This report, which could be a part of the Governor's state of the state message, should contain his recommendations on issues relating to: Local government finance; creating or eliminating local governmental units; other boundary issues; the organizational structure of local governments; and the assignment of responsibility for delivering local government services.

B. The Legislature - Revise procedures for evaluating policy proposals on local government organization.

1. Establish a Local Government Operations Committee. Both the Senate and the House of Representatives should replace the existing committees which deal with elements of the local governmental system - specifically the Local Government, City Government, and Metropolitan and Urban Affairs Committees - with a Local Government Operations Committee.

All legislation affecting the functional responsibilities, boundaries, and structural organization of local governments should be referred to this committee. Unlike the existing committees, membership on the Local Government Operations Committee should be balanced to reflect rural, suburban and urban interests. It may be desirable to establish subcommittees to consider proposals affecting a certain part of the local governmental system, but such proposals should also be reviewed by the full committee.

2. Create a joint Legislative Commission on Local Government. To provide for a more comprehensive review of proposals affecting local government, the Legislature should create a Legislative Commission on Local Government, to be composed of members of the House and Senate selected from the Local Government Operations Committee of each body. Such a commission should operate primarily during the interim period between legislative sessions, reviewing those issues which require greater study than can be given during a session.

3. Establish policies designed to improve the legislative review of special bills.

\* The Legislature should, perhaps by rule, give support to the philosophy that truly local issues should be settled by local governing bodies and not by the Legislature. Such a policy cannot, nor should it, be rigid and inflexible.

- \* The Legislature should, by rule, adopt a policy that special bills should be analyzed, in committee, for their general policy implications, and that committees of the Legislature give first priority to resolving issues through general, rather than special, legislation. Such action by the Legislature should improve the quality of local legislation and, if general bills provide some flexibility, reduce the need for local governments to request special legislation.
- \* Legislative committees, when considering special legislation that would amend a municipal charter, should request the charter commission of the municipality to explain why the amendment cannot be adopted locally.
- \* Special bills relating to local government boundaries and organization, and those granting authority for local governments to assume functional responsibilities, should be referred to the Local Government Operations Committee.
- \* Special bills which alter existing authority of a local governmental unit in a particular functional area should be referred to the policy committee that has jurisdiction over general bills on the same subject. For instance, bills affecting the taxing powers of local governments should be referred to the Tax Committee; liquor bills should be referred to the Commerce and Economic Development Committee.

C. Municipal charter commissions - Report on necessary charter changes.

Charter commissions of cities with home rule charters should be required by the Legislature to submit biannual reports to the city council. The charter commission's report should include conclusions on the adequacy of the city's charter, should specify any deficiencies in the charter, and should contain recommendations to the council and the voters. The report should be presented to the city council in time for the recommendations to be placed on the ballot at the regular municipal election. Because charter commissions receive their authority from state law, any requirement for a biannual report must come from the Legislature.

D. Information on how local services are delivered - More is needed.

Additional data is necessary in order to evaluate the manner in which local government services are delivered by local government.

1. The Legislature should require that joint powers agreements be filed with the Metropolitan Council in the metropolitan area and with the Office of Local and Urban Affairs for the remaining portion of the state.
2. The Metropolitan Council and the Office of Local and Urban Affairs should compile, on a regular basis, data on the delivery of local government services. Specifically, this data should include which governmental units provide a particular service, the level at which the service is provided, and the method by which the service is delivered.
3. The State Auditor should be required by the Legislature to develop a uniform accounting system for local government.

E. The Minnesota Municipal Commission - The Legislature should strengthen its powers to set municipal boundaries.

1. Grant the Municipal Commission additional powers to enable it to consider a wider range of alternatives in deciding boundary proceedings.
  - \* When considering a petition to incorporate a new municipality, the Commission should have the authority to annex, to an adjacent municipality, any or all of the area designated in the incorporation proceeding should it conclude that this alternative would be more desirable than either granting or rejecting the incorporation request.
  - \* The limited authority the Commission now has to increase or decrease the area covered by an incorporation petition should be modified to give the Commission greater flexibility in determining the area that should be included in an order.
  - \* As part of an incorporation or annexation proceeding, the Commission should be authorized to consolidate the remaining portion of a township with an adjoining township.
2. Restrict the eligibility of county commissioners to serve as ex-officio members of the Municipal Commission. A county commissioner who represents an area directly affected by a Municipal Commission proceeding should not be eligible to serve as an ex-officio member of the Municipal Commission when the Commission considers that proceeding.
3. Provide funds to the Municipal Commission to secure professional research assistance. The Commission should have some funds available to enable it to secure professional research assistance, if it feels that further information is needed before it can decide a boundary issue. It should not be totally dependent upon the Metropolitan Council or the Office of Local and Urban Affairs having adequate staff time to donate for such studies.

Part II  
MUNICIPAL BOUNDARY ISSUES

*In order to strengthen municipal government in the metropolitan area, we have concluded that the Legislature must take steps to gradually reduce the number of municipalities and to place the urbanizing areas under municipal government before urbanization occurs.*

A. Strengthen local government in the urbanizing fringe areas of the region.

The Legislature should:

1. Grant the Minnesota Municipal Commission control over the creation of urban towns. The Municipal Commission should be given the sole authority to create urban towns. Any town requesting municipal powers should be required to request that authority of the Commission. Towns granted municipal powers should remain under the jurisdiction of the Municipal Commission and the Commission should have the authority to order incorporation or annexation of portions of the town at any future date.

The Commission should be authorized to review existing urban town governments, and, where appropriate on the basis of existing state boundary policy, to order the incorporation or annexation of all or a portion of the town.

2. Authorize the Municipal Commission to assume jurisdiction in additional situations. The Commission should be authorized to review and, if appropriate, order the incorporation or annexation of an area in the following situations:
  - \* If the State Board of Health or the Pollution Control Agency should conclude that for reasons of public health and safety an area should be placed under municipal government and should request the Commission to act.
  - \* When a special sewer or water district is proposed in an unincorporated area.
  - \* If the Metropolitan Council concludes that it is in the best interests of the metropolitan area that a designated area should be incorporated or annexed to an existing municipality and initiates a proceeding before the Commission.
3. Adopt the recommendations for managing urbanization contained in the Citizens League report "Growth Without Sprawl". Replacing town government with municipal government, by itself, is not sufficient to cope with the complex problems of urbanization on the metropolitan fringe. The recommendations contained in this report are an essential ingredient in controlling urban sprawl. Briefly, this report recommends:
  - Designation, annually, of land as either urbanizing or rural for a five-year period in the future. The designation is to be made by the county board for townships and municipalities that do not have a capital improvement program, otherwise by the municipal council. In areas designated rural, housing should be restricted to lots sufficiently large to lessen the possibility of surface or ground water pollution.
  - Preparation, annually, of a five-year capital improvement program for a local governmental unit.
  - Providing financial incentives to keep rural land open and undeveloped through expansion of the "green acres" law.

Expanding on the recommendation of the "Growth Without Sprawl" report, the Legislature should:

4. Control development in newly created municipalities. The Legislature should require that the land designation and capital improvement programs adopted by the county for the area when it was under town government be continued for the duration of the five-year period, unless the new municipality submits revised programs to the Metropolitan Council for review and comment and to the county board for approval.

5. Require county government to develop a plan for the future governmental structure of land under town government. Such a plan should be tied to the county's land designation plan and should be based on existing state policies for local boundaries. It should also be based on the idea that land be placed under municipal government as it begins to experience urban development.
6. Strengthen the capability of a newly formed municipality by providing funds to the Metropolitan Council and the Office of Local and Urban Affairs.
  - \* Provide professional assistance to newly formed municipalities that will assist those municipalities in establishing a professional, competent development team that will assist the municipal council in managing urban development in the municipality.
  - \* Provide "front-end" grants to municipalities which utilize the development team to assist them in securing this professional assistance at a time when their own financial resources might not otherwise permit the hiring of such assistance.

B. Encourage the gradual reduction in the number of municipalities in the metropolitan area.

The Legislature should:

1. Modify referendum requirements for consolidation proposals in which the consolidated municipality would total fewer than 100,000 persons. An order of the Municipal Commission approving a consolidation should be subject to voter approval in a single referendum within the entire area. Consolidation orders in which the consolidated municipality would contain more than 100,000 persons should continue to be subject to existing approval requirements; approval by each of the affected city councils and by separate referendums in each of the affected cities. Though we are not prepared to recommend a specific figure, a maximum area restriction might also be imposed on this modification.
2. Adjust the municipal aid formula to significantly increase the state aid to be received by a consolidated municipality. As an incentive for municipalities to consolidate, a consolidated municipality should receive increased aid from the state for a five-year period.

The Municipal Commission should:

3. As an alternative to existing consolidation procedures, develop an orderly, or gradual, consolidation process. If considered feasible, the Municipal Commission should present, as an alternative approach, a recommendation to the Legislature building on the concepts contained within the "orderly annexation" statute.



Part III  
A COMPREHENSIVE REAPPRAISAL OF THE  
LOCAL GOVERNMENTAL SYSTEM IN THE METROPOLITAN AREA

*The changes we have recommended so far, though important, do not adequately deal with the complexity of the local governmental system in the Twin Cities metropolitan area. A systematic, comprehensive review of our local governmental system is needed and should be established by the Legislature with a goal of preparing a plan for the organization of local government in the metropolitan area by 1977.*

*Establish a citizens commission to undertake a comprehensive review of local government in the Twin Cities metropolitan area.*

A citizens commission on local government organization in the metropolitan area should be authorized by the Legislature and appointed by the Governor. It should be composed of one private citizen from each Metropolitan Council district and four members of the Legislature from the metropolitan area serving as ex-officio members. Two members of the House of Representatives should be appointed by the chairman of the committee primarily concerned with local government organization in the metropolitan area (the Local Government Operations Committee, if a prior recommendation of ours is adopted). Members of the Senate should be selected in the same manner.

The commission should present its report to the Governor in the fall of 1976 in sufficient time for the Governor to incorporate the commission's recommendations in a Governor's report on local government to the 1977 Legislature.

The commission should involve citizens groups; other organizations, specifically the service organizations for local government such as the League of Minnesota Municipalities and the Metropolitan Inter-County Council; as well as existing committees studying local government like the Ramsey County and Hennepin County study committees - by requesting them to submit agenda items for commission discussion and prepare recommendations on agenda items for commission consideration.

*The commission should consider a range of issues concerning all phases of local government organization, including issues relating to structure, boundaries and responsibilities.*

The following general subjects are examples of the broad types of issues that the commission should be authorized to study: Should the local governmental system in the metropolitan area be reorganized to reflect the changing needs of this region for local governmental services; Can certain functions be better provided by shifting responsibility to other levels of local government; Should performance standards be established for local governmental services, at least those relating to public health and safety; Should the state adopt a policy containing criteria on which to assign functions to local government?

Specifically, the agenda should include, but not be limited to, the following subjects:

1. The purpose of county government in the metropolitan area.

Metropolitan county governments have, in recent years, received sufficient new authority to bring them to the point where they have become essentially another level of municipal government having some responsibility for nearly all municipal functions. The major differences between the county and the municipality seem to be that counties cover a larger geographic area than municipalities and counties are somewhat more dependent on the Legislature for authority to carry out functions.

This region has reached the point where it must either let the present pattern continue, with county government being assigned, on an incremental basis, more and more authority to deliver services, or it must critically re-examine the purpose to be served by county government in an area that is almost totally urbanized. From such a re-examination, several options for county government are available:

- \* Continue the present arrangement of assigning functions to county government on an incremental, piecemeal basis;
- \* Clearly distinguish between the types of functions to be provided by county government and municipal government;
- \* Merge the functions of county government with those of either municipal government or regional agencies, thereby eliminating county government as a major form of local government in a metropolitan area;
- \* Recognize the close relationship between county and municipal services and encourage the coordination, or inter-linking, of these services by altering the method of selecting county commissioners to provide that county commissioners be selected by municipal officials.

2. The development of a governmental structure at the neighborhood level.

The need to have some form of a governmental structure in the larger cities at the neighborhood or community level has triggered a variety of proposals for single-purpose neighborhood groups, some to advise on, or set, policy and others to deliver certain services.

Again, a basic policy decision must be made: Should we continue to develop quasi-governmental community organizations, each of which is primarily concerned about a single purpose, or should all of these proposals be brought together under some form of a general-purpose structure at the neighborhood level?

3. Special-purpose districts.

Historically, a special-purpose district is created to deal with a special problem that, it is felt, cannot be adequately managed by an existing general-purpose government. Frequently, the policy-making authority of such districts is independent of the policy-making authority of general-purpose governments.

A review of special-purpose districts raises some difficult questions: Should the policies of special-purpose districts be subject to greater review by general-purpose governments? If so, how might the jurisdiction of a general-purpose government be sufficient to totally encompass the area contained within the boundaries of such special-purpose districts as watershed and conservation districts - districts whose boundaries generally do not conform to existing general governmental boundary lines?

4. Municipal home rule.

Home rule for municipal government has historically meant that the voter should have a voice in determining how the municipality is to be organized. Lately, however, changes in municipal charters have increasingly been made by the Legislature and/or the city council with the voter being totally bypassed in the process.

This trend, most noticeable in the larger cities, raises the fundamental question: In order to preserve the concept of home rule, are we willing to return the responsibility for forming and modifying the charter of a city to the voters? Or, is that process sufficiently unsatisfactory that the city charter commission, and the direct participation by voters in charter change, should be scrapped? Even if our earlier recommendations on charter commissions are adopted, we believe a study of this issue is necessary.

5. An evaluation of local government performance.

The state has delegated to local governments the responsibility for delivering to the public many important public services. Yet the state devotes very little attention to determining whether these services are actually being delivered or to evaluating how they are being delivered.

Increasingly, suggestions have been made that performance standards be established by the state for at least those services that affect public health and safety. Although questions such as, can meaningful standards be developed for measuring the extent of service provided and its cost, must be answered, the question of performance standards is of sufficient importance that it warrants an intensive study by the commission.

6. Assigning responsibilities to local governments.

Should the state establish a policy on the assignment of responsibilities to local government, including criteria on which to base such assignments? While we recognize the difficulty of developing such a policy, a review of the manner in which functions have been assigned to local government convinces us that a careful study of the issue is warranted to determine if such a policy is feasible. If the commission concludes such a policy is needed, we recommend that the following criteria be considered for such a policy:

- \* Services should be provided in such a manner that the citizen is able to understand who is responsible for the service and is able to hold the public officials responsible for the service accountable.

- \* Local governments should not be required to provide all services directly, but should a local governmental unit contract for a service such a contract should not diffuse the responsibility for providing such a service.
- \* When a significant number of the users of a service reside beyond the boundaries of the governmental unit delivering the service, the service should probably be assigned to a governmental unit responsible for a larger geographic area.
- \* Services requiring high overhead or technical expertise, or which are subject to economies of scale, are best provided by local governmental units governing large areas.
- \* Conversely, services which experience very little economies of scale, and which have minimal impact on neighboring communities, should be the responsibility of municipal or community governmental bodies.
- \* Services should be provided equitably throughout an area at minimum levels necessary to protect public health and safety.

## FINDINGS

I. *The confusion and uncertainty that characterizes local government today is a relatively recent development. As recently as the end of World War II, local governments in the Twin Cities area were still cast in a traditional mold in which local governmental responsibilities and relationships were fairly clearly defined.*

A. Municipalities - specifically Minneapolis and St. Paul - were essentially responsible for providing the urban services.

Up through the end of World War II, the urban population in the Twin Cities area was almost completely contained within Minneapolis and St. Paul. The urbanized area was tightly confined. Urban services - even those we now view as areawide services - were provided by municipal government - specifically by Minneapolis and St. Paul.

It is true there were other municipalities in the Twin Cities area, but these could be divided into one of two groups: older, free-standing municipalities such as Anoka and Stillwater which existed basically independent of the Twin Cities area; and a few first-tier suburbs such as Richfield and St. Louis Park, but these contained only a fraction of their present-day populations and received many of their services from Minneapolis and St. Paul.

Of the 878,824 persons who lived in Hennepin and Ramsey Counties in 1940, roughly 780,000 - nearly 90% - lived in either Minneapolis or St. Paul proper.

B. Town government existed to provide a minimum of local services to the rural areas.

The remaining portion of the region was still rural and governed by town government, a form of government designed to provide a minimal level of service to the rural areas of the state. Town government is strictly limited by state law as to the functions it may perform. One of the major responsibilities of a town government is the maintenance of town roads and bridges. A town was authorized to have a constable, but the major responsibility for law enforcement in townships was assigned to the county sheriff.

Urban town government - a modified form of town government in which the town board is granted many of the powers common to municipal government - did exist in some places but was not anywhere near as significant a form of government as it is today.

C. County government was viewed more as an administrative arm of the state than as a unit of local government.

County government served a dual purpose: it was responsible for certain state administrative services, and it provided certain local services to the unincorporated areas of the county.

The counties' major local responsibility was to provide certain services to the townships in the county. In those areas, the county was responsible for such things as police protection - provided by the sheriff - and the maintenance of the major road networks other than state highways.

As for its state responsibility, a noted authority on county government, John C. Bollens, writes: "One of the original and continuing primary roles of counties has been to serve as the administrative functionary of state government in carrying out certain statewide programs." Traditionally, these programs have included the basic state law enforcement machinery - the courts, sheriff, county attorney and coroner; the registration of deeds and titles; and, through the auditor and treasurer, portions of the state's fiscal machinery.

D. Special districts were limited - those which did exist were Minneapolis-St. Paul districts.

If this area had not contained two major municipalities, it is doubtful if any special districts would have existed at the time. One municipality would probably have been as able to deal with the problems of sewers and airports as special districts would have been.

Both the Minneapolis-St. Paul Sanitary District (created in 1934 and continued until the creation of the Metropolitan Sewer Board in 1969) and the Metropolitan Airports Commission (created in 1943) were essentially Minneapolis-St. Paul districts with no suburban representation present on either. Both were created to operate a major capital facility: a sewage treatment plant and an airport.

E. The financing of local government was essentially a local responsibility.

- \* The primary source of revenue for local government was the property tax. Though municipalities with home rule charters could probably have provided for a sales or income tax in their charters, none chose to do so. Local governments relied on the property tax as their major source of revenue.

The Legislature, as it does today, commonly set limitations on what a local government could levy. Unlike the limits which exist today, these limitations set a maximum levy rather than a limit on the increase that could be levied from year to year. But because of exceptions granted by the Legislature, it was not at all unusual for many governmental units to levy taxes in excess of the stated levy limitations. (In 1934, 47 counties levied taxes above the then 5-mill limitation authorized by the Legislature.)

- \* State and federal aids to local government were essentially limited to specific functional areas - roads, welfare and schools. General aid to local government - to be spent by the local governmental unit as it wished - was for all practical purposes non-existent.

II. *Following the war, a changing life style caused people to migrate to the suburban areas - areas that previously were rural and governed by rural-type governments. This, in turn, brought about new problems for local government forcing changes in the local governmental system in the Twin Cities area.*

- A. The demand by these people for urban services resulted in the creation of a large number of new municipalities.

Minneapolis and St. Paul, first, chose not to enlarge their borders to keep the urban area within their city limits. Later, after the two cities had become encircled by a ring of suburban municipalities, they found they could not keep the urban area under their control, even if they wanted to do so.

Between 1940 and 1970, the number of municipalities in Hennepin and Ramsey Counties, alone, increased from 28 to 61, and the percentage of the people in these two counties who lived in Minneapolis and St. Paul dropped from 90% to 58%.

A significant number of these new municipalities contained such a small amount of land that their maximum populations will, in many cases, never exceed 2,000 - much less 5,000 - people. Between 1950 and 1959, alone, 41 new municipalities were created in the metropolitan area, about half of which contained fewer than 1,000 persons. By 1960, we had an extremely fragmented municipal government system in the metropolitan area.

- B. No longer could areawide services be handled at the municipal level.

Because Minneapolis and St. Paul did not expand as the urban area expanded, the region soon reached the point where no municipality was able to provide the large areawide services; no one could act for the area as a whole.

- C. The use of special districts was continued and, in some cases, extended.

The Metropolitan Sewer Board replaced the Minneapolis-St. Paul Sanitary District in 1969. Overall policy control, however, was given to a multi-purpose body, the Metropolitan Council. Special, or single-purpose, districts have, otherwise, continued to be one method used by the Legislature to respond to specific problems. The Metropolitan Airports Commission remains a relatively autonomous special district.

- D. As people moved to previously rural areas, turning them into urban communities, town government was often forced to provide essential urban services.

Until the creation of the Minnesota Municipal Commission in 1959, suburban residents desiring the urban services that town government was unable to provide could fairly easily create their own municipal government to provide these services. The process was to petition the district court to incorporate a given area as a municipality. The process was used quite frequently, and quite successfully.

The Minnesota Municipal Commission, created by the Legislature in 1959, quickly brought a halt to the incorporation of small municipalities. As a result, in many cases the only way a newly urbanized area could be served by municipal government was through annexation of that area to an existing municipality - an alternative suburbanites frequently resisted.

There was, however, another way for urbanizing areas to receive municipal services. The Legislature, over the years, had evolved an alternative form of government - the urban town - that could provide many municipal services within the framework of town government, thus eliminating the need for these areas to be annexed to a municipality. Unlike the rural form of town government, which is extremely limited as to the functions it may carry out, urban towns have been granted by the Legislature many of the powers of municipal government. Because it was an urban town, Eagan was able to continue as a township until it reached 13,000 persons; Grow Township today has over 7,000 persons.

Urban towns were originally authorized by the Legislature in 1907 as a way to permit townships containing a significant amount of urban population (1,200 persons living on platted land) to undertake certain duties not authorized for the traditional town government. In 1953, the law was amended to permit any town with platted land within 20 miles of the city hall of either Minneapolis or St. Paul to assume certain powers of a municipality, and, through special legislation, even more towns were brought under the provisions of the urban town statute, including all of the towns in Scott, Carver and Anoka Counties that otherwise did not qualify as urban towns.

E. As land within a metropolitan county was incorporated, the role of the county underwent a marked change.

The historic role of the county to provide services to unincorporated areas has changed as the land within the county has been incorporated, or as towns have become urban towns. All of the land in both Hennepin and Ramsey Counties has been incorporated except for one township in each county. In the remaining five counties in the metropolitan area, all of the townships, with only a couple of exceptions in Dakota County, have become urban towns.

In turn, a new role has evolved for county governments as they became the vehicle for providing many of the municipal-type services to the new suburbs. In effect, counties became another municipal-type government only serving a larger geographic area. This new role for county government was the result of the large number of small suburban municipalities being too small to provide the same services as were provided by Minneapolis and St. Paul. The tax base of these numerous suburbs - partially because many of them were in reality bedroom communities and did not contain industrial or commercial property - simply did not permit the suburb to provide these services directly.



III. *The Legislature has responded to the pressures that appeared, but has only partially dealt with the problems.*

A. Municipal boundary decisions have been placed under the control of the Minnesota Municipal Commission.

Recognizing that the previous process by which municipalities were created was resulting in a severely fragmented system of municipal government in the metropolitan area (with many extremely small areas being permitted to incorporate) the Legislature in 1959 created the Minnesota Municipal Commission to deal with incorporation, annexation, consolidation and detachment proceedings.

Previously these matters were determined by the district courts, which, by and large, routinely approved any petition requesting incorporation of an area as a separate and distinct municipality. Generally speaking, annexations were permitted only with the consent of the property holders; incorporations were allowed if a settlement contained 100 or more residents. It was with the approval of the district court that the 47 new municipalities in the metropolitan area were permitted to incorporate between 1950 and 1959.

The law creating the Municipal Commission, and subsequent amendments to it, have resulted in a sharp decrease in the number of incorporations being permitted and an increase in size of the areas being incorporated. The law, however, does contain numerous restrictions which prevent the Municipal Commission from discharging its responsibilities as effectively as it might - restrictions which will be discussed later in this report.

B. To coordinate the development of the region and to deal with certain region-wide problems, the Legislature created the Metropolitan Council.

Actually the first effort by the Legislature to view the metropolitan area as one region came in the 1950s with the creation of the Metropolitan Planning Commission. However, by the mid-1960s it became apparent that the region needed an agency with sufficient authority to coordinate the planning and development of the metropolitan area. Consequently the Legislature, in 1967, replaced the Planning Commission with the Metropolitan Council.

Although the Metropolitan Council was granted significantly greater powers than were possessed by the old Metropolitan Planning Commission, it, too, has been restricted in its ability to deal with many of the problems that are metropolitan-wide in nature.

For the remainder of the state, the Legislature in 1969 authorized the creation of regional development commissions.

C. A reorganization of county government has begun with the changes in structure and expansion of county services being authorized.

Using Hennepin County as, perhaps, a proto-type model, the Legislature, beginning in the '60s, authorized some basic changes in the internal structure

of the Hennepin County government. The position of county administrator was authorized under the county board, and many of the functions previously under independently elected county officials were transferred to the county board and administrator and the elected positions eliminated.

New functions were given to the county as well. The municipal court system and General Hospital were transferred from Minneapolis to the county. In such areas as parks and libraries, the county began to develop major county facilities.

More recently, many of these changes have been authorized for other counties, either through special legislation for a particular county or general legislation for all counties.

IV. *A review of the local governmental system in the metropolitan area reveals that serious problems relating to local governmental functions and boundaries remain.*

- A. The fragmentation of municipal government in the metropolitan area - caused by the large number of municipal incorporations during the '40s and '50s - has weakened municipal government.

The large increase in municipal incorporations following World War II - and prior to the creation of the Minnesota Municipal Commission in 1959 - is the major reason why the metropolitan area is today composed of 135 separate municipalities, plus 52 towns. Nearly half of these municipalities (67) contain fewer than 5,000 persons and 33 have populations of less than 1,000.

The strong desire of most citizens in these communities to maintain their municipality as a separate governmental unit, rather than to consolidate with a neighboring community, has prevented consolidation from being seriously considered in most areas. A sense of identity with the community, and a feeling that one has a greater voice in a small municipality, are important reasons why citizens are generally unwilling to favorably consider merger. Only six have ever occurred in Minnesota, and only two within the metropolitan area in recent years (the consolidation of Mound and Island Park in the 1950s, and Edina and Morningside in the 1960s).

Nevertheless, there are good reasons to believe that such a proliferation of municipal government is not in the best interest of a strong system of municipal government in the region. While some might believe that the present fragmented system is not a real problem, few would likely favor extending this fragmentation to the point where the entire metropolitan area would be divided into separate municipalities with average populations of 5,000 persons each.

The Municipal Commission concept received widespread acclaim nationally because it was able to halt the incorporation of small municipalities. Yet, if the incorporation of these small municipalities was a serious enough problem to bring into being the Municipal Commission, it would seem that it would be undesirable for the region to encourage a municipal system that still contains many such small municipalities.

A system with a large number of small municipalities is undesirable from these specific standpoints:

1. With a large number of municipalities, coordination between governments is difficult. Consider, for example, the problem of coordination between municipalities and the Metropolitan Council. The chairman of the Council, if he wishes to meet with the local officials of all of the municipalities in the metropolitan area, must be prepared to hold 135 meetings - more if town and county officials are added to the list. At the rate of one meeting per working day, such an effort would take six months. Small wonder that some local officials feel they have little direct contact with the Council. On a smaller level, the councilman representing the East Ramsey-Washington district must maintain contact with roughly 30 municipalities and 10 towns, 11 of which municipalities contain fewer than 1,000 persons each.
2. Small municipalities are generally less influential, and less effective, than larger municipalities.

- a. It is difficult for small municipalities to effectively deal with larger units of government. A small municipality frequently cannot justify the staff that is needed and analyze and respond to actions of higher governmental bodies - the county, the Metropolitan Council and the Legislature, in particular. By way of illustration, the mayor of a small municipality of less than 1,000 persons, in complaining that he had not had an opportunity to comment on a portion of the Metropolitan Council's Development Guide, was quoted as saying: "There is no way a small community can send someone to all these meetings."

At the same time, it is unrealistic to expect the officials of the county, region or state to be as responsive to the request of an official representing a small community as they are to one representing a larger community.

- b. Small communities are less able to maintain control over services. Although the powers and responsibilities of all municipalities are about the same, the capabilities of each are not. One important reason why counties are providing municipal services is that small municipalities, in particular, do not have the populations or the tax bases to permit them to adequately provide the services directly.

Where the county does not provide the service, small communities frequently must, through joint powers, participate with other municipalities in the delivery of the services. In such a situation, the municipality loses some control over the service being provided. The agreement is dependent on a harmonious relationship between the parties for the agreement to be satisfactory. The smaller community, which could not provide the service directly, is in a weak position to determine such things as service levels. Joint powers agreements can also be terminated by any party. As an example, Minnetrista once received fire protection from Mound through a joint powers agreement. A conflict between the two communities has led to the agreement being terminated and has forced Minnetrista to build its own fire system at a cost estimated to reach \$7.5 million.

- c. Larger municipalities can provide certain services more efficiently. There probably is a ceiling beyond which cost economies disappear, but it is generally accepted that, for certain services (parks, libraries and some health services, for example) per-unit costs can be reduced as the population and area served increase. This is particularly true where a service has a certain fixed, base cost, and is a major reason why certain services are provided by the county or other municipalities through joint powers.
- B. The urbanization of the fringe of the metropolitan area is occurring to a great degree beyond the area served by municipal government, in areas governed by town government. . . a governmental system never designed to cope with the problems of urbanization.

Enough land is currently available within existing municipalities to handle the most optimistic population projections for the metropolitan area for years to come (the Citizens League's "Growth Without Sprawl" report estimates that, within just the I-494/694 beltway, enough land exists to house one million more residents) yet urbanization continues to occur at a significant rate outside the territory governed by municipalities.

It is at the point of urbanization when the demands on a governmental system are most critical. A comprehensive plan must be prepared and a professional staff created, plans for installing urban services such as roads, sewer and water must be developed, as well as the plans for financing for these projects.

Areas governed by town government are poorly equipped to deal with these demands. Although an urban town possesses many of the powers of a municipality, it, too, is seriously limited in its ability to meet these problems. In fact, it could be that urban towns have been granted just enough powers for town officials to attempt to deal with urbanization but insufficient powers to permit these officials to adequately deal with the full range of problems.

1. Local officials in areas served by urban town government have great difficulty dealing with the problems of urbanization because of the inherent limitations of urban town government. Specifically:
  - a. The governmental structure of an urban town is inflexible. Unlike municipal government, the form of government available to towns is extremely limited. The city code offers municipalities a degree of flexibility by itself, but should the forms of government available under the city code be inadequate, a municipality may - by adopting a city charter - establish any other form of government which better suits its needs.

On the other hand, a town is limited to a three-member town board of supervisors as the basic governing system for the town. An urban town, for instance, may not establish a city manager form of government, adopt a home rule charter, or establish a civil service system for its employees.

Because of the small size of the town board, and because the city manager system is not available, the demands on the three members of the town board are extremely heavy, especially in a heavily populated town.

The restriction that a town board contain only three members also opens the possibility for two individuals to, in effect, run the town - a significant factor for towns undergoing heavy urbanization.

- b. Powers of urban towns are limited. Although the Legislature has granted urban towns many of the powers of cities, urban towns do not have, among others, the following powers:
  - \* Zoning powers. Counties have the authority to zone all unincorporated areas unless, in the case of an urban town, the town adopts a more restrictive zoning plan than the county's. In the case of lakeshore zoning, the Legislature specifically delegated this responsibility to the counties for all unincorporated areas of the state.
  - \* Powers authorized by the general welfare clause. Among the powers granted to urban towns is the so-called general welfare clause. While this clause has been liberally construed by the Minnesota courts for municipalities, there is a serious legal question whether urban towns can, under this clause, act on subjects which are specifically designated in the law to be applicable to county or city action.
  - \* Operate utility systems, regulate the sale of beer and liquor, and operate municipal liquor stores.
- c. State financial aids are limited for town government. Funds from the county and municipal road aid fund are not distributed to town governments but are distributed to municipal governments with 5,000 or more residents. In 1973, after Eagan had become a municipality, it received roughly \$59,000 in road aid funds from the state.
- d. Town meeting provisions make it difficult for a town board to plan and govern the town. Perhaps the major advantage cited for town government is that important decisions are made by the citizens at the annual town meeting. The most important decision made at the town meeting is determining the town's tax levy. What this means, however, is that much of the planning of the town board can effectively be nullified if the tax levy adopted at the town meeting is not adequate to carry out those plans.

To the extent that the town meeting gives a citizen the opportunity to ask questions - and discuss town plans - the town meeting has an important advantage over the referendum, where a citizen's input is merely a yes or no vote. In a town containing several thousand residents, however, these advantages are more than offset by the low participation at a town meeting. In such instances, the turn-out is

frequently low, when compared with the town population, or the opportunity to adequately discuss the issues is seriously limited because of the large number of people involved.

- e. Town boundaries in an urban area are not designed to be permanent. Compounding the limitation on the ability of the town board to plan the future of the town, the board cannot know with certainty whether any of the township land will be annexed to an existing municipality at some point in the future. Unlike a municipality, the boundaries of a township are constantly subject to change. For instance, Eagle Creek Township in Scott County contained 2,200 persons in 1970 but, by 1973, had been dissolved, and all of the land annexed to either Shakopee or Prior Lake.

By permitting land within a township to be incorporated, or annexed to a municipality, the state has rejected the idea that a township in an urban area should be considered a permanent governmental body.

2. Urban town government makes it more difficult to develop municipal government in an orderly manner. There are other major - and perhaps more important - problems associated with urban town government, beyond the limitation of powers available to urban towns. These problems deal with the very nature of urban town government and the manner in which urban towns are formed. Specifically:

- a. Urban town government permits an area to effectively circumvent the legal process for creating municipal government contained in the Municipal Commission statute. When it created the Municipal Commission the Legislature stated, as the policy of the state:  
*" . . .municipal government is necessary to provide the governmental services essential to sound urban development and for the protection of health, safety and welfare in areas used intensively for residential, commercial, industrial, institutional and governmental purposes or in areas undergoing such development. . ."*

To guide the Municipal Commission when it determines whether an area should be served by municipal government, the Legislature directed the Commission to consider 12 specific factors, specifically: Projected population of the area; Quantity of land within the area; Present pattern of development; Comprehensive plans for development including plans by the Metropolitan Council or the State Planning Agency; Type and degree of control presently exercised; Natural terrain of the area; Present government services; Problems of environmental pollution; Fiscal data; Relationship and effect on adjacent communities and school districts; Analysis of whether needed services can best be provided through incorporation or annexation; Adequacy of town government to deal with the problems.

By contrast, the procedure specified in state law for a town to qualify for municipal powers is only slightly related to need. Any town with 1,200 persons on platted land within 20 miles of the Minneapolis or St. Paul city hall, or which has been specified in special legislation, qualifies for these municipal powers.

- b. A municipality is unable to control development of an area in an adjacent urban town, even if it is apparent the area will some day be annexed to the municipality. As long as the urban town has adopted a comprehensive plan, the extra-territorial zoning powers of a municipality do not apply.
  - c. Residents of urban towns expect services. Because the town form of government is not designed to provide these services, the demands either place a strain on the town government, or else residents utilize the services of a neighboring municipality. The chairman of the town board in Marshan Township in Dakota County was recently quoted as saying that no sooner do people move into his town than they begin to demand the services they were accustomed to in the city. To the extent these residents are able to draw on the services of an adjacent city, the city subsidizes the township and the need to place the urban town under municipal government can more easily be postponed.
3. Incorporation of a township presents some problems as well.
- a. There is a tendency to hasten the urbanization of an area once it becomes a municipality. There are indications that, as an area goes through the transition from a township to a municipality, the planning of the municipality undergoes a transition also. There is a tendency for an area that has just become a city to begin to plan for commercial establishments, industry, and everything else that goes with urbanization - even though the area may not be ready for such development.
  - b. Development control could actually be weakened by incorporation or annexation. Where the county has adopted tighter development controls than exist within the township, the change from township to municipal status could actually weaken the planning process because the county's development controls will not apply after the area is incorporated as a municipality.
- C. Widespread confusion and uncertainty has developed over the basic role of each level of local government, as new responsibilities are assigned to, or assumed by, local governmental units.

Surprisingly, this feeling is probably expressed more often by public officials. Today, citizens are at the point where they have so little understanding of which level of government is primarily responsible for which service that they accept this situation as an inevitable characteristic of government.

Because they work within the system daily, government officials have developed a pragmatic understanding of the responsibilities and limitations of each level of government - in their own area of work, at least - and have tended not to be so concerned about this confusion. Lately, however, they, too, have begun to express some uncertainty over the pattern which has developed through the assignment of responsibilities to various local governmental units.

One indication that some public officials are bothered by the blurring of responsibility of local governments is the number of proposals for the restructuring of local government in the metropolitan area that have been introduced in the Legislature. The likelihood that these proposals will be enacted in the near future may not be great, but they do serve to indicate that the present mix of responsibilities of local governments is being challenged.

During the last session, bills were introduced to create a single metropolitan county, merge Ramsey County and St. Paul, and create a commission to study the structure, functions and operations of all governmental units in Ramsey County. This last proposal was adopted by the Legislature, as was a resolution by the Hennepin County Board of Commissioners to establish a similar committee to study Hennepin County's relationships with other local governments in the metropolitan area.

This confusion is not confined solely to the State of Minnesota either. For instance, a current ACIR report states: "The assignment of governmental responsibility for sub-state functions is presently an unsystematic if not haphazard process." In California, a newly created local government reform task force was directed by the governor of that state to "determine the proper assignment of public service responsibility".

1. A variety of factors have contributed to a feeling of uncertainty and confusion over the role of local governments. Some of them are:
  - a. There is no existing policy defining the role of each local governmental unit. Years ago, when the traditional role of each local governmental unit was accepted by all, and was adequate for the situation, this created no problem. But things have changed, and the traditional roles are no longer adequate today. Yet, a current definition of the role of each local governmental unit has not been developed, by the Legislature or anyone else, to fit the present situation. A general definition of the role of the Metropolitan Council was written into the law when the Council was created, but even this definition has been subject to different interpretations.
  - b. Traditional municipal services are being provided, with greater frequency, by other levels of local government, primarily by the county. The shift of these responsibilities to other local governments is a direct result of the expansion of the urban area beyond the borders of the central cities. No longer can they provide urban services to all of the urban area. And, because of their small size - numerically and geographically - many small suburban municipalities cannot afford to provide certain services requiring large overhead to their citizens.

More specifically, other local governmental units have assumed responsibility for these functions because:

- (1) Services were never provided by the municipal-level government. For the most part, these communities, before they became municipalities, either relied on the county for the service or were not provided the service at all.



- (2) Problems extend beyond the boundaries of municipalities. When 90% of the citizens of Hennepin and Ramsey Counties lived within Minneapolis and St. Paul, these two municipalities were quite able to provide for the needs of the citizens living in the urban area. The large number of incorporations in the suburban area, and the relatively small size of many of the municipalities, has meant that areawide problems must be handled by a government covering a larger geographic area.
  - (3) The tax base for county government is broader than for municipal government. Because the county covers a larger area, it naturally has a broader tax base and is generally more able to provide adequate funds to provide a certain service than is an individual municipality.
  - (4) Certain services can be provided more economically when the area served is increased. A good example might be a library system: It would be less expensive, yet result in better service, to establish one library system for an area of 50,000 people, than for five communities of 10,000 persons to have separate systems.
  - (5) Many small municipalities can't afford to provide certain services at all. The above point suggests that if another governmental body could not provide the service more efficiently, the municipality would provide the service, even though the cost might be greater. Often this would not be true. Local officials from many of the growing communities report that their municipality simply does not have the resources to provide certain services.
- c. Functions are being provided, more and more frequently, by multiple levels of local government. Generally speaking, whenever a new level of local government gains responsibility for a service, the governments which previously had the responsibility continue to provide the service. It is this type of situation, as much as any other, which creates the confusion for the average citizen.

Examples of functions that are provided by multiple levels of local government include:

- (1) Police. As suburban areas incorporate, the responsibility for police protection is transferred from the county to the municipality. Frequently, the municipality, in determining how it will provide this protection, turns to the sheriff and, on a contract basis, hires the sheriff to provide much the same protection, though usually at an increased level of service, as was previously furnished the township on a no-charge basis.

As the number of unincorporated areas within a county decreases, and as the number of municipalities which contract with the sheriff for police protection increases, the role of sheriff becomes, to a greater degree, that of a municipal police official.

The sheriff does have other responsibilities in such areas as enforcing court orders, maintaining security in courtrooms, and providing dispatching service; but his general law enforcement responsibility, and the responsibility of the municipality for law enforcement, are becoming blurred.

- (2) Libraries. Within those counties having county library systems, municipal library systems frequently exist within the larger and older municipalities. Because citizens often do not patronize their own library system, but someone else's, the actual area served by each system tends also to become blurred.

In Hennepin County, Minneapolis continues to operate a municipal library system, and the county system serves the remainder of the county. Although the county has an appointed library board composed of suburban residents, the Hennepin County Board of Commissioners, a county-wide body, is ultimately responsible for library policy.

- (3) Housing and Redevelopment. Housing and Redevelopment Authorities, traditionally a municipal function, exist in many municipalities within the metropolitan area including, in Dakota County, Hastings and South St. Paul. It's also an area where interest has been shown by county government, with a county housing and redevelopment authority having been authorized for Dakota County by the Legislature and HRAs being discussed for other counties in the region as well. In addition, proposals for some form of a regional housing authority are being discussed by the Legislature.

- (4) Parks. Both municipalities and counties have the authority to establish and operate park systems. The extent to which this responsibility is carried out within both levels of government - as well as the manner in which the park operation is organized - varies widely throughout the metropolitan area.

Within municipal/urban-town government, the range extends from the nationally recognized Minneapolis park system, which is managed by an autonomous park and recreation board, to certain suburban park systems that are totally dependent upon developers donating a parcel of land whenever an area is subdivided for residential development. The practical result of this latter approach is usually a park system exclusively containing small neighborhood lots scattered throughout the community.

At the county level, all counties have the authority to establish county park districts under Minnesota law. Hennepin County has a well-developed park system, and most other counties in the metropolitan area are developing county park systems. Because the county systems do have the authority to operate within municipalities having their own municipal park systems, this is an area with a high potential for overlap of responsibility.

- (5) Health Services. In discussing the responsibility for certain functions in the area of public health, even the definition of terms becomes confusing. There probably is not total agreement on what is meant by "health services", and it most certainly is not clear what the exact responsibilities of each level of government are in this broad area.

Again, the actual services provided by each governmental unit operating in the health service area vary widely, and consequently it is nearly impossible to generalize from a few specific examples. Two points do seem to stand out, however: One, that several levels of local government have some authority to provide services in this area, and two, that all governmental units within a given level do not provide services uniformly throughout the region.

The major local governmental bodies operating in this area are the municipalities, the counties, and, also, the school districts. Several of the large municipalities in the metropolitan area have municipal health departments that provide a full range of health services, from food inspection to immunization, family planning and nursing service programs.

Health services are provided at the county level as well, though again not uniformly throughout the metropolitan area. In Hennepin County, the county operates General Hospital, an extensive alcoholism treatment program, and neighborhood health care programs such as the Pilot City Health Center.

In Ramsey County, the county has a nursing service program, an alcoholism program as well as a responsibility for St. Paul-Ramsey Hospital. Currently, a proposal is being considered by the Ramsey County Board of Commissioners to create a Ramsey County Health Department into which would be merged the St. Paul health agencies. The proposal, incidentally, is opposed by the Ramsey County League of Municipalities, an organization of suburban Ramsey County residents.

- (6) Roads. Both the county and the municipality have responsibility for constructing and maintaining road systems. To the degree that each road in the metropolitan area can be separately identified as either a state, county or municipal road, direct overlap of responsibility does not exist. But, as a practical matter, it has become rather difficult, in the metropolitan area at least, to clearly delineate the general area of responsibility for the county and the municipality. The county, no longer responsible for maintaining a road network in the unincorporated areas because little unincorporated area remains in the metropolitan area, has begun to construct, and maintain, freeway-level roads, as well as maintaining responsibility for such central city streets as Portland, Franklin and Hennepin Avenues in Minneapolis.

- d. Unlike many metropolitan regions, metropolitan-wide services within our region cannot be provided by a single county government. In many metropolitan areas, services which are considered to be area-wide in nature, and subject to economies of scale, can be assigned to a single county government. The debate over whether regional government or county government should be assigned responsibility for a service is largely non-existent, because they are one and the same. With our metropolitan area, which lies within seven counties, it is not possible to assign areawide services to one county in the metropolitan area.

Although the counties within the metropolitan area do seek to work cooperatively together in many areas, the fact that the policy in each county is determined by a separately elected board of commissioners means there is no certainty that region-wide issues will be handled consistently throughout the area by the counties. Though perhaps not an issue that would be considered of region-wide importance, the policies of the county boards in the metropolitan area relative to the wheelage tax demonstrate that policies can differ and confusion can result. Regarding the wheelage tax, all counties except Ramsey County voted to abolish the wheelage tax and substitute property tax revenue in its place, a situation that has caused confusion on the part of car owners.

2. The trend toward assigning responsibility for local services to multiple levels of government raises several problems. Although the decisions to share responsibility for a given service might be justified when considering only the immediate problem area, it ought to be recognized that this sharing of responsibility does create certain problems, including:
  - a. The public does not understand which governmental body is responsible for - and should be held accountable for - a particular service. As stated before, the citizen frequently is uncertain as to whom to turn to when concerned about an aspect of a certain service. It becomes very difficult for a public body to be held accountable for its actions in such instances.
  - b. Inequities may exist in paying the cost of a service. For a service that is financed areawide but provided to only certain portions of the area (sheriff protection or county road systems, for instance) citizens may well be paying for services they do not receive.
  - c. The policy-making body may represent an area larger than the area receiving the service. In the instance where a service is provided to the residents of a given area, but the policy-making body represents a larger area (Hennepin County library system, for which ultimate policy is determined by the County Board, is one example), it is quite possible the general policies which determine level of service, for instance, may be different from what is desired by those who are being serviced.
  - d. The local governments assuming responsibility for municipal services tend to be less responsive than municipalities. County government, for instance, has been referred to as the "silent" government because commissioners have far less contact with the citizen than

do municipal officials. One result of shifting a service from the municipality to the county is that the influence of any citizen will be lessened.

3. Current developments may further confuse the picture.

- a. Special revenue sharing may provide funds to enable certain governmental units to undertake new functions. It is uncertain whether any of the so-called special revenue sharing programs will be adopted, and even less certain what exact form these programs may take. Some versions of the community revenue sharing bill would, however, provide funds to certain urban county governments for the purpose of providing certain services that, in many cases, have not previously been provided by the county. Urban renewal, model cities, and sewer and water programs are examples of these services.
- b. Expansion of joint powers authority will permit counties to undertake functions which they previously were not authorized to perform. The 1973 Legislature, in a move designed to increase flexibility of local government, broadened the scope of the joint powers statute. Previously, participants in a joint powers agreement were each required to possess the powers being dealt with in the agreement. The 1973 amendment provides that, for agreements with counties, only one participant must possess the power. As a result, through joint powers, a county which otherwise has not been given responsibility for a service may undertake responsibility for that service.
- c. Recent legislative policy points to greater autonomy for county government. County government has traditionally been described as primarily an administrative arm of the state carrying out functions assigned to it by the state. The county board has been described as an executive agency because its primary responsibilities have been to implement state policy rather than to set policy on its own.

Two actions by the 1973 Legislature suggest, however, that this state may be moving to greater autonomy for county government:

- (1) Optional forms of county government act. Until this year, counties generally were restricted to using the basic form of government that has existed for county government practically since statehood. The optional forms act changes this by giving the county the authority to adopt one of the several specified optional forms of government, if approved by the voters at a referendum on the question. The act has been described as granting counties home rule authority so far as structure is concerned.

One optional form provided for in the law is the creation of the position of county executive. The person holding this office, an elected position, would be the chief executive of the county and would have similar powers to the mayor of a municipality or the governor of a state. If created in Hennepin County, such a position could be the second most-powerful elected position in the state, next to the governor. Any

decision to create such an office would have important implications for the role of the county in the local governmental system in an area.

- (2) County home rule legislation. Though the Legislature has the constitutional authority to grant home rule powers to county government, the Legislature has never actually granted this authority to the counties. The 1973 Legislature did, however, adopt special legislation permitting a county charter commission for St. Louis County if approved by the voters in a referendum.
- d. Potentially a new level of government at the sub-municipal level, the community council idea is receiving increased attention. A proposal is currently pending before the State Legislature to authorize neighborhood or community councils within Minneapolis. A similar proposal has been submitted to the St. Paul City Council for consideration. Although their immediate fate is uncertain, and while in a strict sense they probably would not be considered local governments, these proposals have the potential to become, in effect, a fourth level of local government in the metropolitan area in addition to regional, county and municipal government.

These proposals are designed to permit many of the services of city or county government to be decentralized to the neighborhood level and to give the citizens of the neighborhood some voice, perhaps only advisory, over planning and zoning matters affecting the neighborhood.

In addition, several government agencies are in the process of designing neighborhood organizations to assist them in delivering services or advising on policy on a single subject. These agencies include the State Highway Department, the State Welfare Department, Hennepin County health services, and the Minneapolis and St. Paul school systems.

In short, a review of the developments regarding the assignment of responsibilities to local governments suggests that, with fewer exceptions than may have been thought, our local governmental system has progressed to the point where it seems as though every level of local government could, potentially, at least be involved in carrying out some part of nearly every local service.

V. *Substantive issues exist in part because the state - though responsible for the organization and operation of local government - has not organized itself to evaluate existing policy on the operation of local government, nor to develop new policy on the overall organization of the local governmental system.*

In a very real sense, the local governmental system in Minnesota is created by, and is dependent upon, the State of Minnesota. The legal basis for all local governmental units in the state is found in Article XI, Section 1, of the Minnesota Constitution, which states in part: "*The legislature may provide by law for the creation, organization, administration, consolidation, division and dissolution of local government units and their functions. . .*" It is significant to note that, by contrast, the United States Constitution contains no reference to local government.

A. The state, in recent years, has become increasingly involved in local government.

For many years, though dependency on the state was acknowledged, local government was, as a practical matter, viewed more as a separate, autonomous level of government which really didn't require much direction from the state.

Today, few people would argue that local government exists as essentially a separate level of government, determining for itself what its responsibilities shall be. Several developments have placed the state, and the Legislature in particular, in control of local government. Some of these factors are:

1. Local government financing is heavily dependent on state policy. A major change in the financing of local government has occurred during the past six years, with the state moving to a position where it controls the financing of local government.
  - a. Significant local government revenue is derived from state and federal government revenues. According to a report of the Public Examiner, direct revenue from state and federal government aid programs accounted for the following portion of the total revenue for each level of local government in 1970:

Percentage of Total Revenue Received  
from State and Federal Government, 1970 \*

Counties	60.5%
Municipalities	26.8%
Towns	51.6%
School districts	49.7%
Special districts	48.0%

Actual data is not available, but a projection of total revenue received by municipal governments in 1972 indicates that inter-governmental revenue has surpassed local taxes as the primary source of municipal government revenue.

Sources of Municipal Government Revenue\*

	<u>1945</u>	<u>1970</u>	<u>1972</u>
Local Taxes	64.6%	37.1%	31.8%
Intergovernmental Revenue	4.8%	26.8%	35.1%
Other (fees, fines, assessments, etc.)	31.6%	36.1%	33.1%

The full impact of federal revenue sharing will undoubtedly cause the intergovernmental portion to increase further in the next few years.

\* *Report of the Public Examiner on the Revenues, Expenditures and Debt of the Cities and Villages in Minnesota (1945, 1970), and Citizens League staff estimates for 1972.*

- b. Levy limitations restrict the ability of local governments to finance new local programs. Since 1971, though modified by the 1973 Legislature, the state has effectively prevented local government from significantly increasing revenue generated from local taxes through the imposition of limits on the increase in the property tax levy which any local governmental unit may adopt in any one year.
- c. Use of non-property taxes restricted. Specifically, the Legislature has prohibited local governmental units from imposing either a sales or an income tax, meaning that local government is essentially dependent on the property tax which is subject to the foregoing levy limitations and intergovernmental revenue for most of their revenue.

The policy of the state is that revenue from such sources should be raised centrally by the state and distributed to local governments through general aid programs, thereby eliminating a potentially confusing situation with different sales and income taxes being imposed in different communities.

- d. Federal Revenue Sharing programs grant the state some control over the allocation of revenue sharing funds to local government. The federal government's General Revenue Sharing program provides that a state legislature may alter the formula that specifies how local governments' shares of the funds are to be distributed. The legislature may specify such a change once during the first five years of the revenue sharing program.

The proposal now before Congress for community revenue sharing also calls for the disbursement of local governments' portions of these funds to be determined, in part, by the legislature.

2. The Legislature has begun to establish standards for certain local government services. Within the framework of a dual, state-local system, the Legislature has, for certain functions, enacted legislation which establishes a minimum service level for the particular function, delegating to local government the responsibility to implement the state policy. The state building code, shoreland management act and the floodplain management act are three such examples.

3. Citizens, and legislators themselves, are turning to the Legislature to decide issues that are primarily local in nature - at times despite objections of local officials. During the current legislative session alone, the Legislature has considered - and in several cases adopted - proposals which deal with essentially local issues. By way of example, the following proposals could have all been enacted locally, through either ordinance or an amendment to the city charter. Yet, in each instance, the Legislature was looked to as the appropriate body to decide the issue.

\* Method of electing St. Paul City Council. At the very time the St. Paul Charter Commission was evaluating proposals to alter the method of electing City Council members, the Legislature adopted, and the City Council ratified, a special act which changed the selection system. The special



act, which dealt with a fundamental question on the organization of city government, in effect changed the city charter, yet neither the Charter Commission nor the voters were involved in the approval of the proposal.

- \* City officials elected on a partisan basis in Minneapolis, St. Paul and Duluth. A law, which did not provide for approval by the local governing body before becoming effective, requires city officials in the three "first-class" cities in Minnesota to be elected on a partisan basis.
  - \* The organization of the Minneapolis Park and Recreation Board. Currently under study by a subcommittee in the House, it has been proposed that the Legislature abolish the Park Board as an independently elected governmental body in Minneapolis.
  - \* Swimming pools in St. Paul. As adopted by the Legislature, this bill did provide for City Council approval to become effective; but, as introduced, this legislation would have required the City of St. Paul to construct swimming pools in five specified areas of St. Paul.
4. Amending a city charter through referendum is frequently unsuccessful, prompting local officials to seek special legislation to amend charter provisions. This feeling prevails in spite of the Legislature's making two basic changes in the state law governing charter amendments. Within the past eight years the Legislature has reduced the percentage of voters that must approve a charter amendment from 55% to 51% and has also permitted charter amendments to be approved without a referendum being required if the city council approves the amendment unanimously and delays implementation of the amendment to give the voters a certain amount of time to request, through petition, a referendum on the amendment.

Nevertheless, the experience with school bond referendums since 1969 has shown that voters are less willing to support the proposals that are submitted to them by the local officials. School bond referendums is one area where specific data has been compiled, and the results are as follows: For the six years prior to 1969, the percentage of school bond issues being approved by the voters ranged between 75-86%. For the past four school years, the percentage has dropped dramatically to a range of 33-58%.

- \* Local governments other than municipalities - because they do not have home rule powers - must go to the Legislature for authority to assume new responsibilities or to change their forms of organization. As counties and regional-level governmental units are assigned greater responsibility for delivering services, the Legislature is called upon to deal with more and more local governmental decisions. Because these governmental systems are viewed as administrative arms of the state and are not granted the flexibility that has been given to municipalities, decisions - which can be made locally by a municipality - must be referred to the Legislature for resolution by these other local governmental units.
- \* Jurisdictional disputes between local governments often can only be resolved at the state level. The dispute between the Hennepin County Library Board and the Minneapolis Library Board, as well as the conflict between the Metropolitan Council and the Metropolitan Transit Commission,

are two examples of issues for which a vehicle for resolving the dispute below the legislative level does not exist.

5. With increasing frequency, the state is viewing local government as the vehicle to implement state policies. The shoreland management act and the solid waste legislation are but two examples of issues where, in recent years, general policy has been established by the state with implementation of the policies being assigned to local government.
- B. State law prevents the Minnesota Municipal Commission from effectively implementing state policy on municipal boundaries.

1. The state has a sound policy concerning the establishment and adjustment of municipal boundaries. Minnesota law, which sets forth the policy of the state for creating or adjusting the boundaries of municipalities, states the following:

- \* *"Sound urban development is essential to the continued economic growth of the state; municipal government is necessary to provide the governmental services essential to sound urban development and for the protection of health, safety, and welfare in areas being used intensively for residential, commercial, industrial, institutional, and governmental purposes or in areas undergoing such developments;"*
- \* *"The public interest requires that municipalities be formed when there exists or will likely exist the necessary resources to provide for their economical and efficient operation;"*
- \* *"Annexation to or consolidation with existing municipalities or unincorporated areas unable to supply municipal services should be facilitated;"*
- \* *"Consolidation of municipalities should be encouraged."*

2. The powers of the Municipal Commission are not adequate to permit the Commission to effectively implement this policy. This is not to suggest that the Municipal Commission has been totally ineffective, nor that the powers the Legislature has granted have been grossly inadequate. The Commission does seem to have been granted sufficient powers to prevent undesirable boundary changes from occurring. And the orderly annexation procedure, which was enacted by the Legislature in 1969, has given the Commission a valuable new tool for annexation, one which permits annexations to be carried out on a gradual, less emotional basis. Nevertheless, the Commission does face certain limitations which prevent the Commission from being as effective as it potentially could be. These limitations include:

- a. Boundary decisions are not based on areawide considerations. No public agency today considers the composition of local government in the metropolitan area from the standpoint of an areawide framework.

The Metropolitan Council does have the authority to initiate studies on the feasibility of annexing, enlarging or consolidating units in the metropolitan area. The extent of the Council's participation

in such studies has been to authorize its staff to undertake studies on specific proceedings requested by the Municipal Commission. The Council itself has never taken a position on a municipal boundary issue, although it has the authority to do so.

The Minnesota Municipal Commission, prior to 1967, did have authority to undertake a study of town governments with 2,000 or more persons to determine if any could be best served by incorporation or annexation. If it so decided, the Commission had the authority to order such an incorporation or annexation subject to the referendum provisions in the annexation laws. The 1967 Legislature significantly amended this statute by deleting any authority for the Municipal Commission to order any such incorporation or annexation.

- b. Restrictions over who may submit a boundary matter to the Municipal Commission limit the Commission's effectiveness. With few exceptions, boundary proceedings may only be initiated by either the residents or local governing body of the area that is affected.

There is no mechanism to bring a proceeding before the Commission if the local communities do not wish to initiate such a proceeding, even if the boundary decision could have impact beyond the directly affected area. If, for instance, an area within a township is in need of municipal services - yet the residents do not wish to be annexed to a neighboring municipality and the municipality does not favor annexation because it feels the area would require more services than its tax base could financially support - such a matter, under the current laws, could not be brought before the Commission.

- c. Municipal Commission does not have sufficient authority to consider alternative solutions. Perhaps the most serious limitation affecting the Municipal Commission is the inability of the Commission to consider alternative solutions to a boundary dispute. When a boundary matter is presented to the Municipal Commission it has essentially two options available to it: Either it can approve the petition as presented, or it can deny the petition. With few exceptions, it does not have the authority to modify the proposal which is before the Commission.

Consequently, if, during a hearing on a proposed incorporation, the Commission concludes that annexation, or annexation combined with incorporation, of a portion of the area might be the most desirable course of action to take, the Commission is unable to legally implement the course of action which they consider to be the most desirable. The only course of action available to the Commission in such an instance is to deny the petition and to encourage the local officials to submit a petition the Commission considers to be more appropriate. If the local officials refuse to do so, the Commission is powerless to bring about the action they consider to be best for the area.

- d. Although state policy generally favors annexation to incorporation in the metropolitan area, the procedures under which the Municipal Commission must operate favor incorporation. The laws under which the Municipal Commission must operate provide that most decisions of the Commission on annexation and consolidation matters are subject to approval by the voters by referendum. (A consolidation of two municipalities must also be approved by the council of each of the affected municipalities.)

On the other hand, an order of the Commission incorporating all or a portion of a township, or consolidating a township with a municipality, is not subject to referendum approval. The referendum requirements consequently make it easier to use the incorporation process to place an area under municipal government than to use the annexation approach.

- e. The Legislature has disregarded the Municipal Commission by permitting certain boundary decisions to be made without Municipal Commission review. Perhaps the most blatant occurred in 1965 when the Legislature, by special law, ordered the consolidation of Inver Grove Town and the Village of Inver Grove. There are other examples, as well, such as action by the 1971 Legislature which authorized any municipality in Olmsted County within a joint sewer or water district to annex any unincorporated territory in the district, without any review by the Municipal Commission.
- f. The Municipal Commission faces other limitations when hearing and deciding a boundary issue. Specifically, these limitations include the following:

- \* Ex-officio membership of county commissioners on the Municipal Commission. When hearing a petition, the Commission consists of the three permanent members of the Commission as well as two members of the board of commissioners of the county in which the affected area is located. Generally speaking, the county board, when selecting these two members, does not select the commissioner who represents the affected area. However, there is no such requirement, and in some instances this commissioner does participate as a member of the Commission. It is extremely difficult, if not impossible, for such a commissioner, knowing that his position on the petition could affect his political future, to maintain objectivity in hearing and deciding on the petition.
- \* Commission has limited research capabilities. Under the present funding for the Municipal Commission there are not funds for the Commission to hire its own research staff. Consequently, the Commission is required to utilize the staff of the Metropolitan Council for matters affecting the metropolitan area and the staff of the State Office of Local and Urban Affairs for the remainder of the state to gather factual data on which to decide a boundary issue. Because of other demands on staff, these two agencies are unable to provide in-depth research on all matters which come before the Commission.

C. The approach used by the Legislature to act on proposals affecting local government organization makes it difficult to relate the impact of these actions to the overall local governmental system.

1. The committee system used by the Legislature for evaluating legislation affecting local government organization practically precludes a systematic review of legislation affecting local government organization.

a. Several committees in both the House and the Senate handle local government legislation. If the system of local government includes municipal government, town government, county government, regional government and special district government, then as many as five committees in the House, and four in the Senate, have a partial responsibility for evaluating the proper role of each local governmental unit, but no one committee has a responsibility to bring everything together and relate the role - the powers - of one level of government to all others.

In the House of Representatives, three separate committees have major responsibility for legislation on local government organization.  
They are:

- \* Local Government Committee. This committee is assigned responsibility for legislation affecting county government, town government and municipal government, except for city government. This committee is considered by many to have as its primary responsibility the review of special legislation for certain local governmental units. It does, however, act on a significant number of proposals having general, statewide impact on local government.
- \* City Government Committee. General legislation which affects city governments - as well as special legislation which affects a particular city - is assigned to this committee. The neighborhood government council bill was assigned to this committee.
- \* Metropolitan and Urban Affairs Committee. Proposals which affect the entire seven-county metropolitan area are generally assigned to this committee. The committee does consider other matters which are of less than a metropolitan-wide interest, however. For instance, the committee undertook a study of the Minneapolis Park Board in the summer of 1973 to determine whether it should be restructured.

Two Senate committees are primarily responsible for local government legislation. They are:

- \* Local Government Committee. The responsibilities of this committee would appear to be very similar to those of the House Local Government Committee.
- \* Metropolitan and Urban Affairs Committee. Special legislation affecting any local governmental unit in the metropolitan area - and Duluth - as well as metropolitan-wide issues are assigned to this committee.

Other committees also handle legislation affecting local government organization. Specifically:

- \* Environmental Preservation and Natural Resource Committees. Bills which deal with the powers and organization of local governmental units solely concerned with water resources - watershed districts, for example - are generally assigned to these committees.
  - \* Governmental Operations Committees. Because these committees are considered to have primary responsibility for legislation affecting government structure, some legislation affecting local government organization is assigned to this committee. Historically, state policy on municipal boundary issues has been considered by this committee.
- b. Not surprisingly, this fragmented committee structure does result in similar legislation being reviewed by multiple committees. One example, from the 1973 legislative session, concerns housing and redevelopment authority legislation. In the House, a bill to establish a metropolitan housing commission, with the Metropolitan Council acting as an HRA for municipalities in the metropolitan area if so requested by the municipalities, was sent to the Metropolitan and Urban Affairs Committee. At the same time, a bill authorizing the Dakota County HRA to handle housing duties for any municipality in Dakota County if so requested was sent to the Local Government Committee (In the Senate, both bills were referred to the Metropolitan and Urban Affairs Committee) and bills to authorize the city council in St. Louis Park to serve as the HRA were heard by the City Government Committee.
- c. Geographic representation on committees is unbalanced even though proposals with statewide impact are assigned to these committees. A lack of geographic balance exists basically because the primary purpose of these committees is considered to be to act on special legislation, legislation which directly affects only one or a limited number of local governmental units. In fact, however, these committees all handle bills with statewide impact. Most glaring is the geographic composition of the Local Government Committees in both the House and the Senate.
- \* House Local Government Committee. Of the twenty-one members of this committee, only one lives in either Hennepin or Ramsey County; sixteen, or 75%, live outside the seven-county metropolitan area, even though roughly half of the state's population lives within this area.

Despite this geographic imbalance, this committee was the primary - usually the only - committee in the House to evaluate the following statewide bills affecting the organization of local government: Optional forms for county government bill; extension of joint powers to include county service contracts; combined city-village code. It also considered special bills on the following subjects which have general policy implications: authorized a county

charter commission; expanded powers of an urban town; increased size of an urban town. And it was the one committee of the House that reviewed a proposal to authorize metropolitan counties to appropriate funds for soil and water conservation purposes.

- \* Senate Local Government Committee. Although only one of the fourteen members of this committee lives within the seven-county metropolitan area, this committee was also assigned responsibility for all of the legislation referred to above for the House committee.
- \* Other committees. The City Government and Metropolitan and Urban Affairs Committees also deal with legislation which, directly or indirectly, has an impact on the organization of the local governmental system. The membership of these committees is also geographically unbalanced. Specifically:
  - \* House City Government Committee. Fourteen of the twenty members reside within the seven-county metropolitan area.
  - \* House Metropolitan and Urban Affairs Committee. All but two of the twenty-nine members reside within the seven-county metropolitan area.
  - \* Senate Metropolitan and Urban Affairs Committee. All but one of the fifteen members are from either the metropolitan area or Duluth. (Special legislation for Duluth is also assigned to this committee.)

2. The legislative process for evaluating and enacting special legislation further increases the difficulty of developing rational policy for local government. Numerically, special legislation - local bills, as they are sometimes called - account for the vast majority of the legislative proposals introduced in each legislative session that affect local government. In fact, they account for a significant percentage of all bills passed by the Legislature. Of the 783 laws enacted by the 1973 Legislature, 24% were special bills.

Most special bills fall under one of three categories: bills to increase a local government's taxing or bonding powers; bills affecting public employee retirement associations; bills to increase the number of liquor licenses that may be issued by a local governmental unit. Most, though not all, of these bills are fairly straightforward. To the extent the Legislature is willing to deal with these issues on a community-by-community basis, each bill can be handled by the Legislature within a minimum amount of time.

The major problem posed by the use of special bills, however, relates more to the relatively few special bills which do not fall within one of the above categories. These bills frequently contain policy implications which extend beyond the immediate effect of the bill; often, they serve as precedents for other special bills, or a general bill, on the same subject. Yet, the Legislature too often processes these bills in the same manner as all other special bills, giving inadequate attention to the implications of the legislation. The Minneapolis development district legislation, passed in 1971, might serve as one such example.

- a. Several factors encourage the widespread use of special legislation.
  - \* It is often easier to solve a problem by passing a special law. Often, there are other remedies to solving the problem available, such as a local referendum, but local officials decide to

seek special legislation because it's quicker, easier and, perhaps, more certain of being successful.

- \* It can be politically advantageous to both legislators and local officials. Legislators can return home at election time and take credit for passing certain legislation that benefits their district. Or, by helping some local official out of a problem, the legislator may be insuring the support of that local official at the next election. In any event, he will not be generating the opposition that might develop if he does not help the local official.

Local officials also benefit from the use of special legislation by being able to avoid responsibility for passing unpopular measures themselves. If the local citizens don't like what happened, the Legislature can be given the blame.

- \* Some legislators represent smaller areas than do city councilmen. This is particularly true in Minneapolis, which has 13 aldermen but 16 state representative districts; and in St. Paul, where city councilmen are elected at large while the city is divided into 12 state representative districts. As a result, citizens tend to bring local issues to their legislator, since the legislator, by representing a smaller district, is probably better known to the public than the councilman. If the legislator receives a number of requests for action on a local issue, and if members of the city council do not indicate an interest in dealing with the matter, the legislator may choose to use the legislative process to resolve the issue, by introducing a special bill on the subject.
- \* Local government powers are limited by the state. Local governmental units, generally speaking, have only those powers which are expressly granted by the constitution or by state law. The exception to this rule are the home rule charter cities who are granted the authority to undertake functions unless expressly forbidden to do so. But even with home rule charter cities, many state laws either prohibit or place limits on what such a municipality may do. The 1971 levy limit law is an important example of such a limit.
- \* A local governmental unit may have a unique problem. A particular problem may require it to be treated differently, meaning that special rather than general legislation is required. Whether the problem is actually that unique is generally a judgmental question.
- \* Legislators who represent the area affected by the special bill assume additional power by having near veto power over local matters requiring special legislation. As a practical matter, a special bill is very unlikely to gain legislative approval unless it has the support of nearly all of the legislators who represent the given area. With few exceptions, these bills are introduced by legislators from the area.



In the large urban areas such as Ramsey and Hennepin Counties, delegations composed of all of the legislators representing those counties are formed for the purpose of reviewing all special bills affecting those counties. If a bill gains delegation approval, it is quite likely to receive the approval of the entire legislative body. Because bills must have the near unanimous support of delegation members - the specific number varies from session to session - a relatively few number of legislators may, by opposing a special bill, prevent that bill from receiving delegation approval and thereby severely harm that bill's chances of approval.

In effect, when it comes to special legislation, each legislator becomes a sort of local official who, because he can block nearly any local bill if he chooses to do so, may have more power regarding local affairs than does a local official.

b. Several problems result from the use of special legislation to establish local government policy.

- \* Special legislation frequently sets a precedent for enacting general legislation. The development district legislation authorized by the 1971 Legislature for Minneapolis, Hopkins and Robbinsdale is one such example. These laws led to the introduction of bills in the 1973 Legislature to establish similar districts in several additional communities including St. Paul, Duluth and Red Wing. A general, statewide development district bill was also introduced and is currently pending in the Legislature.

To the extent that a special bill is viewed as a way to try out a policy on a trial basis, the use of special legislation can be a healthy development. Unfortunately, special bills are generally not viewed in that light. More often they are used as a precedent for passing further laws on the subject in subsequent sessions.

In the 1973 legislative session, several bills were adopted which contain general policy implications. A quick review of the bills considered by just the House Local Government, City Government, and Metropolitan and Urban Affairs Committees shows at least 60 such bills. The bills to increase the size of the Ramsey Town Board, authorize a charter commission for St. Louis County, permit the Dakota County HRA to act as the municipal housing authority at municipalities' request, authorize St. Louis County to borrow money from any federal agency for capital improvements and highways. . . are just a few examples of special bills with policy implications.

- \* Policy implications of special bills do not receive adequate evaluation. The legislative process used to evaluate a policy matter contained in a special bill and a general bill are entirely different. Whereas a general policy proposal will be referred to the appropriate functional committee of the Legislature (Health and Welfare, Environmental Preservation, Commerce and Economic Development, etc.), a special bill will nearly always be referred to either

the Local Government, the City Government, or the Metropolitan and Urban Affairs Committee. Consequently, the committee primarily responsible for developing general policy on a particular subject does not even consider special bills on that subject.

A good example (from the 1973 Legislature) of the different approaches used for special bills and general bills concerns a proposal to authorize the granting of additional liquor licenses by municipalities operating municipal liquor stores. A general bill on this subject was referred to the Commerce and Economic Development Committee, and a special bill granting the identical powers to two communities - Brooklyn Center and Roseville - was routed to the Local Government Committee. The latter bill was heard by the committee, recommended to pass, and subsequently adopted by the House and the Senate and signed into law near the end of the session. The former bill has yet to be acted upon by the committee. (An interesting aspect of this procedure is that both Roseville and Brooklyn Center are suburban communities, while the Local Government Committee, with 16 of 21 members residing in the rural portion of the state, is perceived of as being responsible for special bills affecting communities outside the metropolitan area.

Special bills do not receive adequate evaluation, also, because an inadequate amount of time is spent considering these bills. Testimony on most of these bills is extremely limited. It is not at all uncommon for up to ten such bills to be recommended to pass by a committee within a one-hour session.

One result of this lack of adequate evaluation is that existing state policies may unknowingly be altered by special legislation. One such example, special bills to establish urban towns, effectively subvert Municipal Commission law.

- \* The tendency to establish policy through special legislation makes it difficult to consider the general policy implications of the bill. Because a special bill usually directly affects only one community, the tendency is to consider only the impact of the legislation on that particular community. Quite often, however, the bill contains policy implications which extend beyond the immediate bill. If legislators were to be presented the same proposals as general legislation, the final legislative action would likely be quite different.
- \* Special legislation erodes the concepts of home rule and makes accountability more difficult. Whenever local issues are resolved by the Legislature rather than by the locally elected officials, the philosophy that these decisions should be made by local officials rather than legislators from distant parts of the state is further eroded. Furthermore, it becomes more difficult for the local citizen to hold any elected official accountable. Local officials can shift responsibility to the Legislature, while legislators can claim that it was the local officials who were responsible for the proposal.

D. Making rational decisions on local government organization becomes more difficult because there is not an effective mechanism for developing - and proposing - policy within which decisions on local government boundaries, functions or structure can be made.

1. Within state government, several agencies exist which have responsibilities that relate to local government, but they are not in a position to consider, and recommend, a comprehensive policy for local government. These agencies include:

- a. Minnesota Municipal Commission. This Commission has not viewed itself as an agency to advocate policies on municipal boundaries, much less on other policies affecting local government, and there is a real question whether it should be looked to as a body to recommend policy.

The Commission operates in a quasi-judicial manner, hearing arguments in an adversary proceeding, much in the manner of a court. Within this framework, the Commission seeks to impartially settle boundary disputes by determining whether the petition currently before the Commission should, in the best interests of the state, be determined on the basis of the policies stated in state law, be granted, or be denied.

- b. Office of Local and Urban Affairs. A division of the State Planning Agency, this office operates more as a service agency working with local government than as an agency responsible for recommending policy on questions concerning local government organization. Although the office probably has the authority to develop policy proposals, limitations on funding and staffing limit its involvement in this area. The major responsibilities of this office have been in making available to local governments such things as planning assistance, technical assistance, and training assistance.

In recent months the Office has devoted considerable time and effort to the implementation of the Regional Development Act, working with local officials to assist them in the formation of these commissions. The Office has also played a prime role in the development of important legislation in the area of housing.

The Office does assist the Municipal Commission by providing professional assistance to gather and analyze data for the Commission to assist it in deciding petitions before the Commission. Because of a limited staff, the Office is able to provide this assistance in only limited cases.

The parent agency of the Office of Local and Urban Affairs - the State Planning Agency - does perceive a responsibility to "formulate and recommend a policy or set of policies which set forth a recommended distribution of responsibilities between levels of government within the state", but, at present, the Agency is not actively in this area.

- c. State Auditor. Newly assigned to the State Auditor is the responsibility to audit the financial records of local governmental units within the state, a responsibility previously assigned to the Public

3. What is meant by our suggestion that private and governmental organizations be involved in the work of the citizens commission?

We believe it is essential that any comprehensive study of the local governmental system be undertaken by a citizens commission rather than by a commission composed of public officials representing all of the local governmental units in the area. The latter approach, we believe, would seriously limit the effectiveness of the commission because of the natural tendency to avoid discussing issues that might be considered threatening to any one of the governmental bodies represented on the commission.

Nevertheless we feel it is important that local governmental organizations be involved in some way in the work of the commission. We would suggest that they be officially involved in the development of the agenda of issues to be considered by the commission and that they also be requested to submit detailed position papers on the subjects the commission chooses to cover. These statements, however, should not be limited to relating the study to any one particular level of government but, rather, should discuss the impact of the issues on the entire local governmental system.

Regarding the involvement of private groups in the work of the commission, we believe the alternatives that could be considered by the commission would be broadened if private groups such as citizen organizations, chambers of commerce and neighborhood groups were asked to provide input to the commission in the same manner as the local governmental organizations.

4. What kind of persons should be appointed to the commission?

The caliber of persons appointed to the commission will probably be the key to whether or not the commission is successful or not. The natural tendency will be to appoint persons who have been active in local government in some way in the past. Each level of local government will be interested in having someone appointed to the commission who is familiar with, and favorable to, their particular type of government.

Persons with this type of experience would, undoubtedly, be helpful. But, too often, the member with lengthy experience in the subject area ends up, in the final analysis, being a poor commission member. Because the experienced member has participated in a phase of the subject area, he or she is less likely to attend meetings, feeling that the discussion won't reveal any new information. Experience also tends to make a person pragmatic, often so much so that new ideas are rejected before they have a chance to be fully evaluated, because of the feeling that the idea can't be adopted.

Some experienced members are necessary. But, more important, persons who bring a fresh perspective to the subject, who have the ability to analyze and intelligently respond to proposals - yet who are interested in the subject and willing to commit the necessary time to the subject - are the types of people who are needed on the citizens commission if it is to succeed.

5. Why didn't we recommend creating a department of local government?

Primarily because the focus of our study was on the development of policy rather than on the operational activities the state provides for local government. We don't visualize a department, headed by a commissioner, being particularly effective in developing policy proposals. A department of local government might be appropriate if it was determined that the operational activities of the state which are directed primarily to local government - activities such as the building code, the housing finance agency, and the technical assistance programs of the State Planning Agency - would be more effective if they were placed within one department.

6. Why is it necessary to revamp the committee system in the Legislature and create one committee to be responsible for all legislation affecting local government organization?

We think it's necessary for two reasons. First, if indeed there is a need for the Legislature - a statewide body - to act on a proposal, then it makes sense for legislators from throughout the state to sit on the committee which evaluates the legislation. There are a lot of benefits to be derived by having metropolitan legislators studying proposals that affect the rural parts of the state, and, in turn, it's a good idea for rural legislators to gain a better understanding of the metropolitan issues which require action by the Legislature. If the issue is such that it doesn't require a review from a statewide perspective, then perhaps that particular proposal ought not have to be settled by the Legislature. A better idea might be to delegate the solution to that particular issue to some policy-making body with responsibility for that particular geographic area.

Secondly, very seldom does legislation have a total impact on just the metropolitan area or just the rural part of the state. A perfect example is the optional forms of county government law. This bill was conceived for the rural counties of the state, was reviewed by the Local Government Committees of the House and Senate, which have a predominantly rural make-up, yet it is in Hennepin County where some of the first efforts have been made to implement provisions of the act.

7. What kind of a role do we envision for the joint legislative commission on local government?

As with nearly every other issue being discussed by the Legislature, it has become necessary for the Legislature to use the interim periods for the more thorough, systematic review of an issue. No longer is it possible for the Legislature to undertake a thorough review of an issue, particularly any complex issue, during the regular session. Basically, we envision the legislative commission to operate as an extension of the Local Government Operations Committees during the interim. It would be possible to accomplish much the same effect by authorizing the Local Government Operations Committees of the House and Senate to meet jointly during the interim, but we believe the commission route offers the important advantage of providing for a permanent, ongoing review of local government.

8. How successful do we expect our proposals to encourage consolidation of municipalities to be?

At the beginning, they may not result in a large number of consolidations. But, over time, we believe our recommendations will be instrumental in speeding the process of consolidation.

The factor which could be most successful in bringing about an increase in the number of consolidations is for this area to recognize the need to gradually consolidate municipalities in this region. What concerns us is that the arguments used against consolidation often lack a certain degree of validity. For instance, it's claimed that residents will lose a certain degree of identity if their community is consolidated with another. The fact is that most people in the metropolitan area identify with communities that have geographic boundaries rather than political boundaries. The Navarre community in the Lake Minnetonka area, Kenwood in Minneapolis, and Macalester-Groveland in St. Paul are all recognized as communities, yet none of them is a separate municipality.

Proponents of small municipalities contend that, by keeping the municipality small, they are better able to maintain control over the services being provided to the citizens. The fact is that a great number of these municipalities are too small to be able to provide any services directly. Instead, their inability to provide these services is a major factor contributing to the movement of functions to higher levels of government. The net result is that the residents of the small community actually have less control over the services than they would otherwise have had if the municipality had been able to provide the service more directly.

9. Why didn't we recommend reorganizing municipal government in the metropolitan area to bring about municipalities of an optimal size?

As our committee began its work, this was a subject that, several members felt, had great potential. But as we studied the subject, we soon came to a realization that there probably is no such thing as an optimal size for a municipality. At least, we were unable to come up with any information which could conclusively show that municipalities of a particular size can provide services more efficiently or effectively, or are more responsive, than communities of a different size.

If any conclusion can be drawn, it would be that very small and very large municipalities tend to be less effective or efficient. Our discussion of the need to encourage the consolidation of small municipalities lists several of the disadvantages inherent in a small municipality with a larger metropolitan area. On the other end of the scale, there are some studies in existence which suggest that at some point beyond 100,000 persons, certain economies of scale may begin to diminish.

The key point in this discussion is that size, alone, is not the determining factor. Geographic area is a factor as well. And so is the governmental configuration of the surrounding area. It makes a difference whether the municipality is a free-standing community or is one of many small municipalities located within a particular area.

Finally, even if it were possible to identify an optimal size for municipalities in the metropolitan area, it's not realistic to expect - given the legal process that must be followed in order to consolidate and the strong attachment people and municipal officials have to existing local government - a single, major reorganization of municipal government to ever be successful.

10. How might an "orderly consolidation" process actually work?

We have urged the Minnesota Municipal Commission to explore alternatives to the existing consolidation procedures, and have asked them to determine the feasibility of an orderly, or gradual, consolidation process. Because of the great success of the orderly annexation process - most large annexations today are being handled through the orderly annexation route rather than as formal proceedings before the full Municipal Commission - we think consideration ought to be given to extending this "orderly" concept to the consolidation of municipalities as well.

There are a variety of ways that orderly consolidation might work. One of them would be for the municipal officials of the two municipalities to agree that, over a period of five years, the services provided by each municipality would be consolidated gradually on a service-by-service basis. The timetable for the consolidation of services would be spelled out in the consolidation agreement. The referendum requirements could be made to apply in the case of orderly consolidation, or the requirements might be waived. It would probably work best to elect a new municipal council to govern the two communities from the outset, but it might be possible to permit separate councils to exist for a limited period of time.

11. Why haven't we recommended that the Municipal Commission be given powers to advocate changes in municipal boundaries?

We think it's imperative that the Municipal Commission be maintained as a judicial body which judges issues on the basis of the facts presented to it in a judicial hearing, and that it not become an advocate for certain types of boundary changes. The key to the success of the Municipal Commission approach is for the public to be confident that the Commission will deliver a fair decision based on the facts. Once the Commission becomes an advocate, it loses any ability to maintain its judicial role. Should that ever happen, we would expect the public to lose much of its present confidence in the Commission.

We think it is important not only to maintain the level of confidence the public has in the Municipal Commission, but, if at all possible, to increase that level of confidence. Boundary decisions are exceedingly complex. They generate a high degree of emotional involvement on the part of the individuals involved. It's extremely important that the boundary decision-making process be unbiased. It's also important that they be based on what is best for the larger area. For this reason, it's unfortunate that decisions of the Commission must be submitted to referendum in order for them to be approved. Yet, until the public has sufficient confidence in the Municipal Commission, these referendums will likely remain on the books.

Because we feel the Municipal Commission must remain as a judicial body, we do not believe the Commission should have a large staff. The Commission does need factual information beyond that which is submitted by the participants in a boundary proceeding, but we feel that this information can be best provided by the staff of agencies such as the Metropolitan Council and the Office of Local and Urban Affairs. By separating the research capability from the staff of the Commission, the Commission is also able to view the information that is provided in a more detached manner.



## WORK OF THE COMMITTEE

### Background

The Citizens League, since its beginning, has taken an active role in the discussion of several basic questions relating to local government organization. During its early years of existence, the Citizens League issued several statements dealing with home rule, special legislation, and local consent. During those days the League was actively involved in the debate which culminated in the adoption of an amendment to the local government section of the State Constitution in 1958, and in the passage of legislation in 1967 modifying the requirements in state law regarding local approval of special legislation.

The League has also undertaken two special studies of the Minnesota Municipal Commission. In 1963, the League issued a report entitled "Report of Findings and Recommendations on the proper future role and authority of the Minnesota Municipal Commission". Two years later, in 1965, the League issued a subsequent report on the Municipal Commission, "The Municipal Commission--Where Now?".

In 1972 the Citizens League Board of Directors, concluding that the time had come for the League to undertake a broad study of the many issues relating to the boundaries and functions of local governmental units, authorized the formation of the Local Government Boundary-Function Relationships Committee. The Board of Directors issued the following charge to the committee:

*As governmental functions have changed or as new functions have emerged in recent years, the Legislature frequently has created new units of government, with new boundaries. This has led to the establishment of many special-purpose units of government. Increasingly, there has been a call to re-evaluate this policy, particularly in light of whether a better approach would be to modify the size and boundaries of existing general units of government at the areawide, county and municipal level. In this assignment, we would review how issues relating to the functions, size and boundaries of general units of local government are brought to the attention of the Legislature. The role of the Minnesota Municipal Commission, which currently is limited in jurisdiction to boundary questions involving only municipalities and townships, would be reviewed."*

### Committee Membership

A total of 17 members actively participated in the work of the committee. The chairman of the committee was James R. Pratt, Director of Taxes for General Mills, Inc. Other committee members were:

Donald D. Anderson  
Maynard L. Eder  
Loring V. Ellefson  
Ralph Forester  
Michael Gleeson  
Virginia Greenman  
Kent Gustafson  
William C. Johnson

Howard L. Kaibel, Jr.  
David J. Kennedy  
Donald C. Mack  
Lowell Malcolm  
Harry T. Neimeyer  
Bruce Rasmussen  
George Thiss  
Gerald F. Weiszhaar

The committee was assisted by Glen J. Skovholt, Citizens League Research Associate, and Jean Bosch of the clerical staff.

### Committee Activity

The committee held 41 meetings, from November 28, 1972, to February 14, 1974. For the convenience of committee members, the meetings were scheduled in both St. Paul and Minneapolis. Most committee sessions lasted two or more hours.

For the first four months the committee devoted all of its time to gaining an understanding of the problems that affect local government today. Outside resource persons were invited to meet with committee members at these orientation sessions. Experts on a variety of phases of local government were invited to meet with the committee during this phase of the committee's work. Specifically, the committee heard from persons familiar with municipal government, county government - particularly metropolitan county government, urban town government, the Metropolitan Council, watershed and conservation districts, as well as the Minnesota Municipal Commission and the State Office of Local and Urban Affairs.

During the orientation session, and continuing throughout the work of the committee, detailed minutes were prepared of each meeting, with copies being made available to members who were not present and to a number of other individuals who were not members of the committee but were interested in the work of the committee. In addition, extensive background materials were prepared for the committee on several subjects relating to the charge of the committee. A limited number of copies of the minutes and other materials are available on file in the Citizens League office.

Following completion of the orientation portion of its work, the committee moved into the internal discussion portion of the committee's work. The committee first spent several weeks discussing and defining what it perceived to be the major problem. Following that, the committee undertook a discussion of several specific issues developing tentative recommendations on each. Finally, the committee spent several weeks reviewing drafts of the findings, conclusions and recommendations sections of the final report.

The committee wishes to thank the following resource persons who met with the full committee on one or more occasions:

David B. Walker, assistant director, Advisory Commission on Intergovernmental Relations, Washington, D.C.

Orville Peterson, then professor at School of Public Affairs, University of Minnesota; and former executive secretary, League of Minnesota Municipalities.

Loring Ellefson, director of municipal reporting, Office of State Public Examiner.

John Borchert, director, Center for Urban and Regional Affairs, University of Minnesota.

James Solem, director, Office of Local and Urban Affairs, State Planning Agency.

Ralph Keyes, executive secretary, Association of Minnesota Counties.

Dean Lund, executive secretary, League of Minnesota Municipalities.

Kenneth Wolfe, chairman of Local Government Committee of Constitutional Study Commission; and former state senator.

David Durenberger, chairman, Metropolitan Council's Open Space Advisory Board.

James C. Shipman, executive secretary, Metropolitan Inter-County Council.

Howard L. Kaibel, Jr., executive secretary, Minnesota Municipal Commission.  
Bruce Rasmussen, former executive secretary, Minnesota Municipal Commission.  
Thomas L. Olson, chairman, Hennepin County Board of Commissioners.  
Philip R. Peterson, Hennepin County Budget Director.  
Robert W. Johnson, chairman, Minnesota Municipal Commission; and Anoka County Attorney.  
:  
Alec Olson, State Senator, chairman of Senate Local Government Committee.  
Arthur Naftalin, professor, School of Public Affairs, University of Minnesota.  
:  
Thomas Scott, chairman, Political Science Department, University of Minnesota.  
Verne C. Johnson, former executive director, Citizens League.  
William Walton, director, Water Resources Center, University of Minnesota.  
Frank Mixa, executive secretary, Lake Minnetonka Conservation District.  
Raymond Haik, attorney representing several watershed districts.  
Lyle Bradley, then a member of Board of Supervisors, Grow Township.  
Paul J. Uselmann, Jr., former member, Board of Supervisors, Eagan Township.  
Peter Seed, resident of Grant Township.  
Robert L. Hoffman, member, Metropolitan Council.  
Joseph Robbie, first chairman of the Minnesota Municipal Commission.

In addition, the committee staff, on numerous occasions, received information from the staff of several public agencies including the State Planning Agency, the Minnesota Municipal Commission, the Metropolitan Council, and the State Legislature.

## BACKGROUND

### GLOSSARY OF TERMS

Annexation - The attachment of a portion of a township to a municipality. Attaching an entire township to a municipality is considered a consolidation.

Orderly annexation - An annexation process created by the legislature in 1969 in which an urbanizing portion of a township is gradually annexed to a municipality under a timetable jointly agreed to by the town and municipal officials. The process is designed to avoid the cost and conflict of the traditional, quasi-judicial annexation process.

City - A municipal corporation, often possessing its own charter, and designated as a city by law or charter.

Home Rule Charter City - A city organized under a home rule charter approved by the voters of the city.

Statutory City - A city organized under a general or special law.

Consolidation - The merging of two or more towns or municipalities.

County - A major territorial division of the state having its own government. A major purpose of county government has been for the state to carry out state programs in every part of the state.

Incorporated area - An area within a municipality.

Joint powers agreement - An agreement between two or more governmental units entered into through action of their governing bodies to jointly or cooperatively exercise any power common to the contracting parties.

Metropolitan area - For purposes of this study, the area contained within the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.

Municipality - Any city, however organized. Prior to January 1, 1974, the term municipality also included any village or borough.

Region - A subdivision of the state, usually consisting of between five to nine counties.

Town - The form of government which is used to govern a township. The town form of government has limited powers granted expressly by the Legislature.

Urban town - A town government that has been granted many of the powers of a city by the Legislature.

Township - A geographic area, usually six miles square, containing unincorporated land.

Unincorporated area - An area outside a municipality

Village - Prior to January 1, 1974, a municipal corporation organized under general or special law which describes places organized under it as villages. Effective January 1, 1974, the village form of government has been eliminated. All former villages are now legally referred to as statutory cities.

LOCAL GOVERNMENT SERVICES IN THE METROPOLITAN AREA - 1970

Source: Local Governmental Services and Structure in the Metropolitan Area - 1970: A Metropolitan Council Staff Report dated May, 1972.

The Metropolitan Council staff was requested, in 1971, to undertake a study of the evolution of local government (municipalities and towns only) in terms of size, financing and authority. As part of the study, the staff conducted interviews with local officials of 180 cities, villages and towns in the metropolitan area. Because the study was oriented towards the characteristics of small-to-medium communities, the cities of Minneapolis, St. Paul, Bloomington, Richfield, St. Louis Park and Edina were excluded. From the interviews, the Council staff was able to gather information on the local governmental services provided by each local governmental unit as well as the types of development controls utilized by each local government as of 1970. The results of the survey are summarized in the following table:

<u>Local Governmental Service</u>	<u>Municipalities</u>		<u>Towns</u>		<u>Totals</u>	
	<u>With</u>	<u>Without</u>	<u>With</u>	<u>Without</u>	<u>With Service</u>	<u>Without</u>
Fire Protection	126	1	49	10	175	11
Police Protection	95	32	2	57	97	89
Sanitary Sewers	87	40	4	55	91	95
Water System	89	38	3	56	92	94
Building Inspection	105	22	29	30	134	52
Garbage Collection and Disposal	71	56	12	47	83	103
Road Maintenance	95	32	21	38	116	70
Park Facilities	102	25	9	50	111	75
Public Library	29	98	1	58	30	156
<u>Development controls</u>						
Subdivision Ordinance	83	44	18	41	101	85
Zoning Ordinance	106	21	34	25	140	46
Building Code	121	6	36	23	157	29
Comprehensive Plan*	62	65	3	56	65	121
Sanitary Sewer Plan**	71	56	7	52	78	108
Capital Improvement Program	12	115	0	59	12	174

\* end of 1971

\*\* January, 1972

LOCAL GOVERNMENTAL UNITS IN THE TWIN CITIES METROPOLITAN AREA

On the following list we have sought to include those governmental bodies in the metropolitan area which could be considered local governments. There is not total agreement on what constitutes a local government. The Metropolitan Council, for instance, is considered a local unit of government by some, and an agency of state government by others. We have included in the list those governmental units that exist exclusively within the metropolitan area and which are either created or authorized by state law, or whose governing body is directly elected by the voters.

Region-wide agencies - 6

Metropolitan Council  
Metropolitan Airports Commission  
Metropolitan Transit Commission  
Metropolitan Waste Control Commission  
Metropolitan Mosquito Control District  
\*Metropolitan Park & Open Space Commission

Counties - 7

Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Municipalities/Cities - 139

Anoka County

Anoka, Bethel, Blaine, Centerville, Circle Pines, Columbia Heights, Coon Rapids, East Bethel, Fridley, Ham Lake, Hilltop, Lexington, Lino Lakes, St. Francis, Spring Lake Park.

Carver County

Carver, Chanhassen, Chaska, Cologne, Hamburg, Mayer, New Germany, Norwood, Victoria, Waconia, Watertown, Young America.

Dakota County

Apple Valley, Burnsville, Castle Rock, Coates, Eagan, Farmington, Hampton, Hastings, Inver Grove Heights, Lakeville, Lilydale, Mendota, Mendota Heights, Meisville, New Trier, Randolph, Rosemount, South St. Paul, Sunfish Lake, Vermillion, West St. Paul.

Hennepin County

Bloomington, Brooklyn Center, Brooklyn Park, Champlin, Chanhassen, Corcoran, Crystal, Dayton, Deephaven, Eden Prairie, Edina, Excelsior, Golden Valley, Greenfield, Greenwood, Hanover, Hopkins, Independence, Long Lake, Loretto, Maple Grove, Maple Plain, Medicine Lake, Medina, Minneapolis, Minnetonka, Minnetonka Beach, Minnetrista, Mound, New Hope, Orono, Osseo, Plymouth, Richfield, Robbinsdale, Rockford, Rogers, St. Anthony, St. Bonifacius, St. Louis Park, Shorewood, Spring Park, Tonka Bay, Wayzata, Woodland.

Ramsey County

Arden Hills, Blaine, Falcon Heights, Gem Lake, Lauderdale, Little Canada, Maplewood, Mounds View, New Brighton, North Oaks, North St. Paul, Roseville, St. Anthony, St. Paul, Shoreview, Spring Lake Park, Vadnais Heights, White Bear Lake.

Scott County

Belle Plaine, Elko, Jordan, New Market, New Prague, Prior Lake, Savage, Shakopee.

Washington County

Afton, Bayport, Birchwood, Cottage Grove, Dellwood, Forest Lake, Hastings, Hugo, Lake Elmo, Lakeland, Lake St. Croix Beach, Lakeland Shores, Landfall, Mahtomedi, Marine on St. Croix, Newport, Oakdale, Oak Park Heights, Pine Springs, St. Mary's Point, St. Paul Park, Stillwater, White Bear Lake, Willernie, Woodbury.

Towns & unorganized territory - 52

Anoka County

Burns, Columbus, Grow, Linwood, Oak Grove, Ramsey.

Carver County

Benton, Camden, Chaska, Dahlgren, Hancock, Hollywood, Laketown, San Francisco, Waconia, Watertown, Young America.

Dakota County

Douglas, Empire, Eureka, Greenvale, Hampton, Marshan, Nininger, Randolph, Ravenna, Sciota, Vermillion, Waterford.

Hennepin County

Hassan, Ft. Snelling\*.

Ramsey County

White Bear

Scott County

Belle Plaine, Blakeley, Cedar Lake, Credit River, Helena, Jackson, Louisville, New Market, St. Lawrence, Sand Creek, Spring Lake.

Washington County

Baytown, Denmark, Forest Lake, Grant, Grey Cloud, May, New Scandia, Stillwater, West Lakeland.

Special-purpose districts - 104

Conservation Districts - 2

Lake Minnetonka  
White Bear Lake

Flood Control Commissions (created under joint powers) - 1

Bassett Creek

---

\* Unorganized territory

Housing and Redevelopment Authorities - 21

Anoka, Bloomington, Chaska, Columbia Heights, Dakota County, Excelsior, Forest Lake, Hastings, Hopkins, Minneapolis, Minnetonka, Mound, North St. Paul, Robbinsdale, St. Louis Park, St. Paul, South St. Paul, Stillwater, Waconia, Watertown, Wayzata.

Park Districts - 2

Hennepin County Park Reserve District  
Minneapolis Park and Recreation Board

School Districts - 60

Soil and Water Conservation Districts - 7

One in each county

Watershed Districts - 7

Coon Creek  
Lower Minnesota River  
Minnehaha Creek  
Prior Lake-Spring Lake  
Rice Creek  
Riley-Purgatory Creek  
Valley Branch

Other - 4

Minneapolis Library Board  
St. Paul Port Authority  
Forest Lake Hospital District  
North Suburban Hospital District



EXISTING AUTHORITY OF STATE AND REGIONAL AGENCIES  
ON MATTERS AFFECTING THE ORGANIZATION OF LOCAL GOVERNMENT

State Planning Agency

"The state planning officer: (1) shall appear before the municipal commission when requested by the commission to present studies and data regarding any annexation, incorporation or detachment proceedings pending before the commission; . . . (3) at his discretion or upon the written request of any governmental unit, group of governmental units, or a regional planning agency, may conduct studies relating to the feasibility of annexation, incorporation, or consolidation of a town or governmental units. Such studies shall be undertaken only in areas where there is reasonable grounds to believe that problems of urban growth may require the incorporation, or consolidation of governmental units, or the annexation of unincorporated areas in order to provide essential urban services." (M.S. 4.12, subd. 3)

\* \* \*

"To formulate and recommend a policy or set of policies which set forth a recommended distribution of responsibilities between levels of government within the state. Included in this activity are recommendations as to how regional units will relate to local units and how state agencies will utilize the regional concepts and relationships between state agencies and regional development commissions." (From Functional Analysis of State Activities Performed by the Executive Branch, 1972)

Minnesota Municipal Commission

"A commission to be known as the Minnesota municipal commission is hereby created to conduct proceedings and issue orders for the incorporation of property into villages; the detachment of property from municipalities; and the annexation of property to municipalities; the consolidation of municipalities; and the consolidation of towns with municipalities.

"The Legislature finds that: (1) sound urban development is essential to the continued economic growth of this state; (2) municipal government is necessary to provide the governmental services essential to sound urban development and for the protection of health, safety, and welfare in areas being used intensively for residential, commercial, industrial, institutional, and governmental purposes or in areas undergoing such development; (3) the public interest requires that municipalities be formed when there exists or will likely exist the necessary resources to provide for their economical and efficient operation; (4) annexation to or consolidation with existing municipalities or unincorporated areas unable to supply municipal services should be facilitated; and (5) the consolidation of municipalities should be encouraged. It is the purpose of this chapter to empower the

Minnesota municipal commission to promote and regulate development of municipalities so that the public interest in efficient local government will be properly recognized and served." (Minnesota Statutes 414.01, subd. 1)

\* \* \*

"After each federal census the commission shall determine the townships which have a population in excess of 2,000 exclusive of any municipality or part of a municipality within the township and make recommendations which it deems necessary and reasonable to the board of any such township." (Minnesota Statutes 414.051)

#### Metropolitan Council

"The metropolitan council shall engage in a continuous program of research and study concerning the matters enumerated in this section.

(Subject areas listed in the section relate to: air pollution; major parks and open space; water pollution; long-range planning in the metropolitan area; disposal of solid waste; the tax structure; assessment practices; storm water drainage facilities; the necessity for the consolidation of common services of local governmental units; advance land acquisition.)

"All studies shall include recommendations as to the governmental organization, governmental subdivision, or governmental district best suited to discharge the powers recommended." (Minnesota Statutes 473B.07)

\* \* \*

"The metropolitan council may (1) participate as a party in any proceeding originating before the Minnesota municipal commission under chapter 414, if the proceedings involve the change in a boundary of a governmental unit in the metropolitan area, (2) conduct studies of the feasibility of annexing, enlarging, or consolidating units in the metropolitan area" (Minnesota Statutes 473B.06)

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## ABOUT THE CITIZENS LEAGUE . . .

The Citizens League, founded in 1952, is an independent, non-partisan educational organization in the Twin Cities area, with some 3,600 members, specializing in questions of government planning, finance and organization.

Citizens League reports, which provide assistance to public officials and others in finding solutions to complex problems of local government, are developed by volunteer research committees, supported by a fulltime professional staff.

Membership is open to the public. The League's annual budget is financed by annual dues of \$15 (\$25 for family memberships) and contributions from more than 500 businesses, foundations, and other organizations.

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