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STATE OF MINNESOTA
MUNICIPAL COMMISSION

304 Capitol Square Building
10th & Cedar Streets
St. Paul, Minnesota 55101
June 13, 1974

Mr. Jack Armstrong
Assistant Secretary of State
State Office Building
St. Paul, Minnesota

Re: Municipal Commission Docket Number C13-mt

Dear Mr. Armstrong:

The subject order of the Minnesota Municipal Commission makes the following changes in the population of the named units of government:

The population of Cloquet
is increased by 2740

The population of Knife Falls Township
is decreased-by-- Eliminated

A new municipality named _____
has been created with a population of _____

The Township of Knife Falls
has been dissolved.

Official Date of the Order June 12, 1974

Other Effective date of the above consolidation is
January 1, 1975

#26808
STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
JUN 13 1974
Arlen J. Ershoff
Secretary of State

Howard L. Kaibel, Jr.
Executive Secretary

#26808

BEFORE THE MUNICIPAL COMMISSION
OF THE STATE OF MINNESOTA

Robert W. Johnson
Thomas J. Simmons
Gerald J. Isaacs
Wayne Purcell
Ralph M. Hammitt

Chairman
Vice Chairman
Member
Ex-Officio Member
Ex-Officio Member

IN THE MATTER OF THE JOINT RESOLUTION) FINDINGS OF FACT
FOR THE CONSOLIDATION OF THE CITY OF) CONCLUSIONS OF LAW
CLOQUET AND THE TOWNSHIP OF KNIFE FALLS) AND ORDER

The hearing in the above entitled matter was convened by a quorum of the Minnesota Municipal Commission on January 31, 1974 in the City of Cloquet Council Chambers, Carlton County, Minnesota. The hearing continued in the same location on February 1, 1974. Appearances were entered by Floyd D. Rudy, Attorney for the Town of Knife Falls; Harry Newby, Jr., Attorney for the City of Cloquet; Brian McAuliffe, Attorney for the Fond du Lac Band Reservation Business Committee; and a special appearance by Kent Tupper, Attorney for the Minnesota Chippewa Tribe Executive Council. Evidence was received and exhibits entered, and all persons were heard who desired to be heard. The Minnesota Municipal Commission, upon all records, files, evidence, arguments of Counsel, and being fully advised in the premises, hereby makes and issues the following Findings of Fact, Conclusions of Law and Order.

FINDINGS OF FACT

1. The Joint Resolution of the Town of Knife Falls and the City of Cloquet as to consolidation was filed with the Municipal Commission on August 23, 1973, amended on January 3, 1974, and was in all respects proper in form, contents, execution and filing.
2. Due, timely, and adequate legal notices of the hearing ordered by the Minnesota Municipal Commission were properly published, served and filed.

3. The area proposed for consolidation is the entire Town of Knife Falls and the entire City of Cloquet.

4. Based upon the 1970 census, the population of the City of Cloquet is 8699 people, and the population of the Town of Knife Falls is 2740. The population of Cloquet is projected to remain comparatively stable, and its present population represents an increase of approximately 2000 people over the 1930 population. The population of the Town of Knife Falls is projected to increase in the future as people move into the Township to experience rural type living, and as other developments occur in the area. The Town has grown to its 1970 population of 2740 from 1605 in 1930.

5. The City of Cloquet contains 2520 acres, and is limited in the amount of land available for commercial or business development. The Town of Knife Falls contains approximately 20,160 acres.

6. The present pattern of development within the Township is restricted to residential development in certain platted areas located mainly South of the present City of Cloquet. Commercial development in the most desirable locations along State Highway 33 North and South of the present City of Cloquet is restricted because of the lack of acceptable water and sewer facilities. The Town does not have a municipal water or sewerage treatment facility. Development within the City of Cloquet is restricted by the lack of available commercial sites, and the lack of sites for residential construction. A shopping center development exists along Highway 33 near the South edge of the City.

7. The City of Cloquet Planning Commission is developing comprehensive plans for the development within the present City of Cloquet. This plan for development is capable of being expanded to

include the area currently within Knife Falls having the greatest potential for commercial-residential development. The Town of Knife Falls has comprehensive plans for sewer and water facilities, which are consistent with the Cloquet plans and facilities.

8. The City of Cloquet has a Zoning Ordinance, a sub-division regulation and a housing and building code. The Town of Knife Falls is included within the jurisdiction of the Zoning Ordinance and sub-division regulation of Carlton County.

9. Terrain within the proposed consolidated City is gently rolling topography and presents no problems to the consolidation of the two governmental bodies.

10. The City of Cloquet provides all governmental services within its boundaries, and does provide some water and sewer service to residents of the Town of Knife Falls, located immediately adjacent to, or near to, the present City boundaries. Police protection in the Town of Knife Falls is provided by two part-time constables and the Carlton County Sheriff; Fire protection is provided under the terms of a contract with the present City of Cloquet supplemented by volunteer personnel from the Town. The City of Cloquet maintains its own Engineering Department for all street improvements, street maintenance and other engineering services. These services are provided the Town of Knife Falls under contract with the Carlton County Engineering Department, and with private firms. The Town of Knife Falls does not provide any recreational facilities for its residents, while the City of Cloquet does have a Park Board that supervises certain parks and other recreational facilities within the City.

11. There is a problem within the Township of inadequate sewage

treatment facilities for some residents located in low areas, areas of low soil absorption capacity, or more densely populated areas. In these areas, there are problems in maintaining an effective and efficient septic system and drain field. These areas within the Township are in need of municipal treatment facilities with the exception of those residents that are connected to the City of Cloquet water and sewage systems, or residents of the Town of Knife Falls that have private wells and provide their own sewage treatment.

12. Cloquet has a bonded indebtedness of \$4,270,000.00 of which \$4,000,000.00 is for the construction of the Cloquet to Lake Superior water line. Knife Falls has no bonded indebtedness. The assessed value within Knife Falls is approximately 10% of that within the City of Cloquet, which has an assessed valuation for 1973 of \$31,761,399.00.

13. Both the City of Cloquet and all but a small portion of the Town of Knife Falls are within Independent School District #94 which has its main facilities in the City of Cloquet. A small portion of the Town of Knife Falls located in the Southeast corner is in the Carlton School District with its main facilities in Carlton, Minnesota. The consolidation will have no affect upon the involved School Districts, or on any adjacent communities.

14. The Town of Knife Falls is unable to provide the water and sewage facilities needed in portions of the Township, and the City of Cloquet does not have the needed development sites for continued growth. These services can best be provided through consolidation, which would fill the needs of both the existing governmental bodies.

15. Plans and programs have been developed by the City of Cloquet and the Town of Knife Falls both for providing the necessary governmental services in the area included in the consolidated City.

16. The ratio between the benefits resulting from tax supported municipal services to parcels of like and true value, situated in the proposed rural service district and the proposed urban service district, respectively is 1:4. That is, taxes in the rural service district should be 25% of full municipal taxes.

17. Merger of the City and Township into a single new community will not affect the rights of the Chippewa Tribe or the Fond du Lac Band for self government.

CONCLUSIONS OF LAW

1. The Minnesota Municipal Commission has properly acquired, and now has jurisdiction of these proceedings.

2. The Township form of government is not adequate to provide needed governmental services in that the Town of Knife Falls and the City of Cloquet does not have space necessary for commercial and residential development.

3. It is in the public interest that all of the City of Cloquet and all of the Town of Knife Falls be consolidated to a new, single municipality to be known as Clouquet.

4. The proposed consolidation will have no impact on the rights of the reservation to retrocession.

ORDER

Based upon the written instruments contained in this file, and upon the evidence adduced at the time of the hearing, the exhibits

received in evidence, the Findings of Fact and Conclusions of Law, the Commission being fully advised in the premises and pursuant to Minnesota Statutes 1971, as amended, Chapter 414;

IT IS HEREBY ORDERED: That all of the Town of Knife Falls and all of the City of Cloquet, Carlton County, Minnesota, be and hereby is consolidated into a new municipality to be named Cloquet;

IT IS FURTHER ORDERED: That the Commission retain jurisdiction for the purpose of ordering the dates, polling places, the naming of clerks, election judges and any other relevant aspects to the election of officers of the new City;


IT IS FURTHER ORDERED: That except as to dates contained therein, the conditions and provisions of the attached joint resolution initiating the consolidation are hereby approved and are further incorporated into and made a part of this order to the extent that the Commission has the lawful authority;

IT IS FURTHER ORDERED: That the new city shall commence its existence effective January 1, 1975. Until such time the current municipal and township officers shall continue to exercise their powers and duties within their respective jurisdictions;

IT IS FURTHER ORDERED: That the population of the new City herein created shall be 11,439 for all purposes until the next Federal Census;

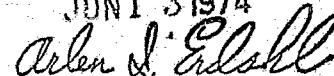
IT IS FURTHER ORDERED: That the Secretary of the Minnesota Municipal Commission shall cause copies of this Order to be mailed and filed as provided by law.

Dated this 12th day of June, 1974
MINNESOTA MUNICIPAL COMMISSION
304 Capitol Square Building
St. Paul, Minnesota 55101


Howard L. Kaibel, Jr.
Executive Secretary

26808
STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED

JUN 13 1974


Arlen J. Ershel
Secretary of State

MEMORANDUM

The purpose of the Legislature in establishing the Minnesota Municipal Commission is outlined in the opening chapter of Minnesota Statutes Section 414.01:

"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."

The Findings and Order accompanying this memorandum represent our best judgment as to how "to promote and regulate the development of municipalities so that the public interest in efficient local government will be properly recognized and served."

This proceeding originated with a petition of certain property owners lying south of the City of Cloquet for annexation initiated almost two years ago. Despite an urgent need for municipal utilities and a rapidly inflating cost of installation, these property owners have waited patiently while city and township officials went through the many time consuming discussions, meetings and hearings required to resolve difficult conflicts over community planning and development within the context of a democratic system of local government. This consolidation order terminates the need for any further hearings or

action on their request, as their objective of inclusion within the City of Cloquet is automatically granted therein. We urge the existing City Council to proceed immediately with plans to extend municipal utilities to these original petitioners. It would be an inexcusable tragedy if further delay forced these public spirited citizens to wait until the next construction season for services.

The length discussion and negotiations between and among local officials and citizens led ultimately to the unanimous adoption of a detailed joint resolution for merger. We have conducted exhaustive hearings on the proposal which disclose no opposition to its implementation other than concern over its potential impact on the Fond du Lac Indian Reservation. Concern was also expressed in the record that this proceeding was part of the unconscionable history of depriving Indians of their property rights on the Reservation. We cannot stress strongly enough that today's decision approving the consolidation does not affect and should not be interpreted by anyone as having any affect whatsoever on reservation rights or land ownership. The reservation property involved in today's proceeding is currently governed by Tribal, County and Township governments. Today's governmental reorganization merely changes the township form of government into a municipal one. The recent Federal court decision in this proceeding reaffirms that today's decision does not and in fact can not legally interfere with the Tribal governing authority on the Reservation.

Members of the Indian Community expressed the feeling on and off the record that they have been the subject of discrimination. While we stress that we are not making any assumptions regarding these allegations, we suggest that the new council consider establishing

a Human Relations Commission and adopting an anti-discrimination ordinance with staff and enforcement powers. Experience in other communities justifies the conclusion that this has become an accepted and effective method of dealing with these problems. Though the role of such city agencies is usually primarily educational, they give minority citizens in the community a responsive entity in local government to turn to when problems occur.

Finally, we offer the assistance of the Commission's staff to citizens and local officials in establishing the newly consolidated community.

JOINT RESOLUTION OF THE TOWN OF KNIFE FALLS
AND THE CITY OF CLOQUET AS TO CONSOLIDATION

WHEREAS, the Municipal Commission of the State of Minnesota had before it for hearing and consideration the matter of annexing 170 acres of Knife Falls Township to the City of Cloquet, which petition for annexation has been dismissed by the Commission, and

WHEREAS, the City of Cloquet and Knife Falls Township were parties to said hearing; and

WHEREAS, there is agreement between the parties to this action upon which the matters presently before the Minnesota Municipal Commission can be settled, and the parties hereto desire to set forth such terms of settlement by means of this Resolution.

NOW, THEREFORE, Be it resolved by the City of Cloquet and the Town of Knife Falls as follows:

1. That there be a total consolidation of Knife Falls Township and the City of Cloquet into one statutory City as defined in Chapter 123, Laws of 1973, except as amended by this Consolidation Resolution. That the City of Cloquet and Knife Falls Township do, on the passage of this Resolution and its adoption by the Council of the City of Cloquet and the Board of Supervisors of Knife Falls Township confer jurisdiction upon the Minnesota Municipal Commission so as to accomplish said consolidation in accordance with the terms of this Resolution.
2. NEW STATUTORY CITY. The form of government, election and compensation of City officials, shall be as follows:
 - (a) The City shall be governed by a City Council, consisting of seven (7) elected members with all the duties and authority granted such governing bodies as prescribed by Chapter 123, Laws of 1973 and Minnesota Statutes.
 - (b) CITY COUNCIL. The governing body of the City which shall consist of a Mayor and six (6) Councilmen.

- (c) MAYOR. The Mayor shall be President of the City Council, pursuant to Chapter 123, Laws of 1973, and shall be elected at-large to serve a term of two (2) years.
- (d) COUNCILMEN. The elected representatives to the City Council shall be six (6) in number; five (5) Councilmen shall be elected from Wards and one (1) Councilman shall be elected at-large. Councilmen shall serve for a term of four (4) years with three (3) Councilmen to be elected every two (2) years.
- (e) WARDS. The City shall be divided into five (5) wards of nearly equal population (+5%). The initial designation of wards is shown as per attached Exhibit A.
- (f) COMPENSATION OF OFFICIALS. The Councilmen and Mayor of the new City shall receive as compensation therefor the amount of \$150.00 per month until such time as changed in accordance with the procedures provided by law. The Mayor may be paid so much additional compensation as the City Council shall determine.
- (g) ELECTION. The date of the first election of Mayor and Councilmen for the new City shall coincide with the election of school board members, the third (3rd) Tuesday in May, 1974. A primary election shall be held in March, in accordance with Minnesota Statutes. Subsequent elections shall be held at the time prescribed by law. The procedure for the election, the method and time of filing, and all other aspects of the election shall be as per Minnesota Statutes. Preparation of ballots and other arrangements for the election such as polling places, election boards and canvas board, shall be performed by a joint committee of the Knife Falls Township, and the City of Cloquet. Said joint committee shall consist of the City Clerk and one (1) Councilman from the City of Cloquet and the Town Clerk and One (1) member of the Town Board from Knife Falls Township.

(h) At the first election of Mayor and Councilmen as above, the Councilmen from Wards 1, 2 and 3 shall be elected in the November, 1976 election and every four (4) years thereafter, and the Councilmen from Wards 4, 5 and at-large shall be elected in the November, 1978 election and every four (4) years thereafter.

(i) APPOINTMENTS. The City Council shall appoint all other City officials and department heads.

(j) INCUMBENT OFFICIALS. The terms of the officials of Knife Falls Township and the City of Cloquet shall continue until the effective date of the commencement of the new City, July 1, 1974.

3. RURAL-URBAN SERVICE DISTRICTS. There shall be established rural and urban service districts with the new City as provided by Minnesota Statute 272.67.

(a) URBAN SERVICE DISTRICT All areas zoned industrial and all areas zoned commercial or residential with sewer and water service shall be classified in the urban service district. An area shall not be classified in the urban service district until such time as all property owners within the area to be reclassified have sewer and water mains within 500 feet or less of the residence or building proposed to be served by the sewer or water service. Any property owner, not a petition signer, shall have the right to refuse sewer and water service for a period of five (5) years from the date such service first becomes available. The tax rate for such refusing property owners shall remain the rural service rate for a period of five (5) years. Sewer and water service shall be made available to a definite area whenever over 50% of the property owners in that area petition the City Government for such service.

(b) RURAL SERVICE DISTRICT. All other areas within the new City not included in the urban service district shall be classified in the rural service district for taxing purposes, until changed under the terms of this Resolution.

(c) EFFECTIVE DATE. The rural and urban service districts established effective July 1, 1974 shall be as shown on the attached Exhibit B. Any property owner included within the urban service district established in this paragraph not connected to the available water and sewer services shall have the five (5) year tax moratorium specified in paragraph 3 (a) available to him.

(d) FARM EXCEPTION. Any parcel of land containing more than $2\frac{1}{2}$ acres shall have a maximum of $2\frac{1}{2}$ acres containing the residence reclassified in the urban service district.

4. RURAL-URBAN TAXING RATIO. To reflect the different levels of services available throughout the new City, the rural service district tax rate shall be established as a proportion of the urban service district rate under Minnesota Statutes 272.67.

(a) RATIO. The rural service district taxing rate shall be 25% of the urban service district taxing rate.

(b) THREE STEP INCREASE. Those areas paying a rural service district tax rate, reclassified as urban, shall have their tax rate increased to the urban service district tax rate in three (3) equal steps over a three (3) year period. All areas which, on July 1, 1974, are classified in the urban service district within the new City and which were previously taxed at a rural tax rate shall have the first step increase assessed during the first year of the new City.

5. All apportionment of assets and obligations of the City of Cloquet and Knife Falls Township shall be provided for as per Minnesota Statutes 414.067 et seq.

6. The Mayor and City Council shall hold an organizational meeting for the new City on the date the City commences, July 1, 1974. The present Clerk of the City of Cloquet shall call the meeting and issue the oath of office to the elected officials.

7. The name of the new City shall be as determined under Minnesota Statutes Chapter 414 by March 1, 1974.

8. That the City of Cloquet shall amend Ordinance No. 288 to allow the City Council of the City of Cloquet, to extend sewer and water services to that area contained within the boundaries set forth in the Petition for Annexation, Minnesota Municipal Commission File No. A-2342.
9. The new City shall commence its existence effective July 1, 1974.
10. Nothing in this Resolution shall be construed to repeal or reduce the powers granted to the City of Cloquet by Special Legislation heretofore passed or amended.
11. The quality and quantity of services provided to the present Town area shall not be less than provided by the Town of Knife Falls prior to the consolidation provided for herein. It is the intent of this Resolution that the residents of the present Town of Knife Falls shall not suffer any lessening of the quality and quantity of services provided after the consolidation.

CITY OF CLOQUET

Passed and adopted by the City of Cloquet this 28 day of December, 1973

Attest: *M. Boyer* By *John F. Mc Gregor*
City Clerk Mayor

KNIFE FALLS TOWNSHIP

Passed and adopted by the Town of Knife Falls this 27th day of December, 1973.

Attest: *Isabelle Lindholm* By *Bruce Brown*
Township Clerk Its Chairman

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DEPARTMENT OF STATE
FILED

JUN 13 1974

Arlen J. Edsall
Secretary of State