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# GOVERNOR'S ADVISORY COUNCIL ON STATE-LOCAL RELATIONS



1987

ANNUAL REPORT

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**MINNESOTA**

**GOVERNOR'S ADVISORY COUNCIL  
ON STATE-LOCAL RELATIONS**

**1987 ANNUAL REPORT**

Submitted to:

**Governor's Subcabinet on Local and  
Regional Affairs  
Steve Keefe, Chair**

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## ACKNOWLEDGMENTS

The Governor's Advisory Council on State-Local Relations wishes to acknowledge the many who have supported and assisted the Council in its work. Foremost among these are the League of Minnesota Cities, the Association of Minnesota Counties, the Minnesota Association of Townships, the Minnesota School Boards Association, and the Association of Regional Commissions. Through their appointments of members, these associations have assured a high level of competence and dedication on the Council. They have also given freely of staff support when asked by the Council.

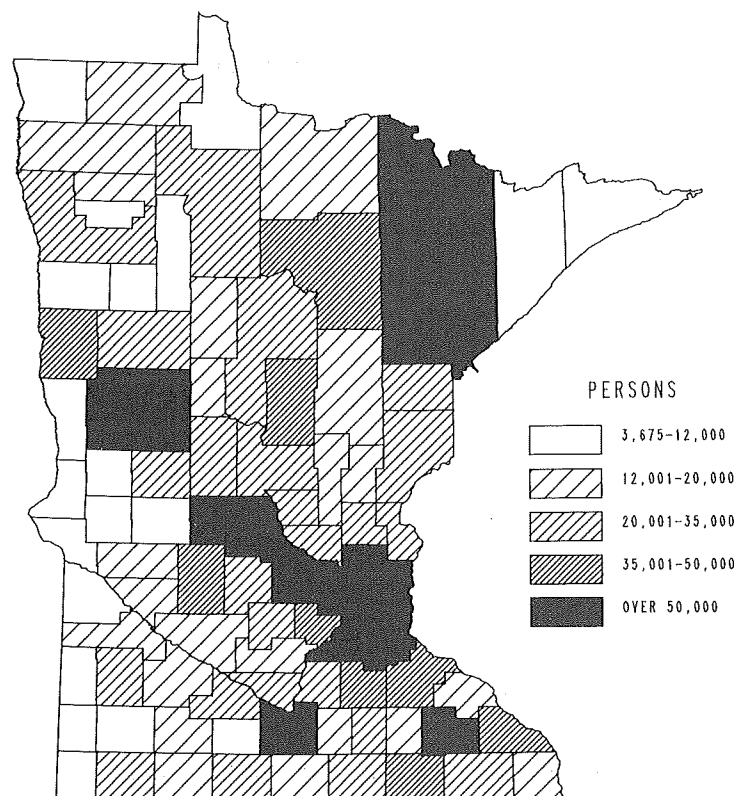
The State Planning Agency, as directed by the Governor's Executive Order, provided administrative services and professional staff support for the Council's analysis of intergovernmental issues.

Special thanks are extended to the League of Minnesota Cities, which made its conference room available for Council meetings.

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## POPULATION OF MINNESOTA BY COUNTY 1986



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SOURCE: U.S. Bureau Of The Census

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## MESSAGE FROM THE CHAIR

This is the third annual report of the Governor's Advisory Council on State-Local Relations. During this period the Council has made great strides in establishing itself as an effective forum for the identification and discussion of issues of concern to local governments. It has also demonstrated that it can negotiate solutions to problems and conduct research that will produce sound recommendations for legislative and/or administrative action.

Individuals representing cities, counties, school boards, townships, regional development commissions, and the state are working together to solve common problems in a very collegial manner. This relationship has produced recommendations in several problem areas that were submitted to the Governor and the State Legislature for their consideration, and resulted in modification to state law.

The Council has just completed its most ambitious effort. Over the past two years a special study committee of the Council has reviewed the land use legislation of local governments. They have just produced a final report and recommendations for changes in existing state law. Legislation has been drafted and will be introduced during the 1988 legislative session that will implement these recommendations. A summary of this research project is included in this report.

The Council held its first retreat in September 1987 and developed its work program through June 1989. We have decided to begin a major research effort that we hope will clarify the roles of state and local governments. The outline of that work program will also be found in this report.

I am very enthusiastic about the level of interest that the appointed members of this Council have shown in the potential to create meaningful changes in our current system of government. They have provided outstanding support individually and through the organizations and agencies they represent in their work on the Council. I am confident that the tasks we have chosen for the next two years will be as rewarding as those of our first three years.

I am very pleased with the support given to the Council by the state agencies and their staff, and the continuing staff support supplied to the Chair and the Council by the State Planning Agency. I am also very pleased with the interest, recognition, and the support shown by the legislative members of the Council.

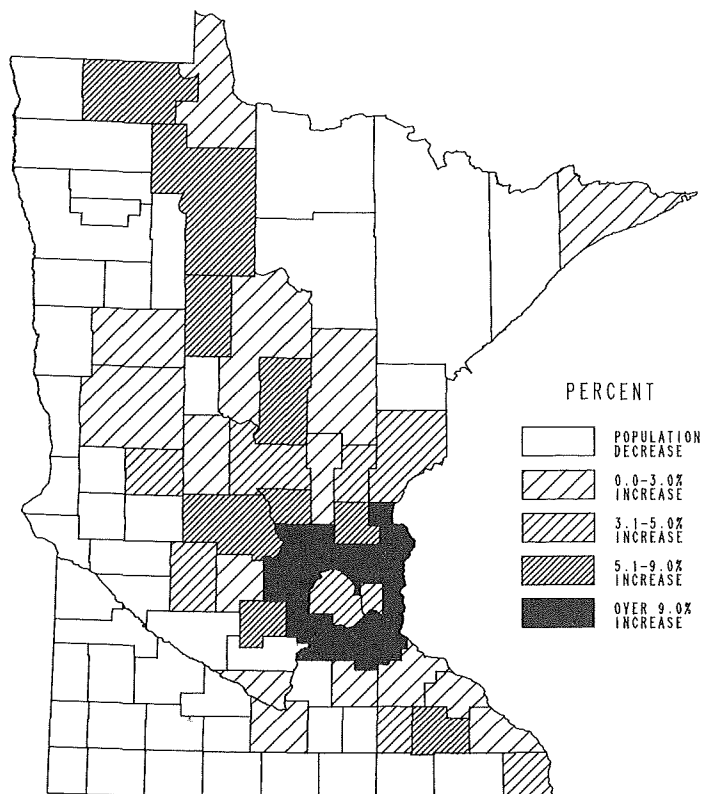
I want to encourage all local governments to continue to support the work of the Council and to send us comments on those issues in local government that are of concern. We also welcome your attendance at those meetings that are of interest to you and your community. We will be providing summary material on the status of our work to the publications of your organization and will be pleased to respond to any inquiries that you may have concerning issues affecting state-local government relations.

The Council has come a long way in its first three years but there is much more to be done. We solicit your interest and support.

Mary Anderson  
Chair



## PERCENT CHANGE OF POPULATION IN MINNESOTA, 1980-1986



Product of DATANET PLUS

SOURCE: U.S. Bureau Of The Census

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## ABOUT THE COUNCIL

### Creation

The Governor's Advisory Council on State-Local Relations was created pursuant to Executive Order 85-1 issued by Governor Rudy Perpich in January, 1985. The portion of the Order dealing with membership was amended by Executive Order 85-16 in November 1985.

### Purpose

The Council is charged with monitoring local government issues and state-local relationships, and with advising the Governor on state-local affairs. The Council's principal functions include:

- consultation between state and local officials,
- identification of emerging intergovernmental issues needing state attention
- issue analysis and development of policy recommendations, and
- identification of information on intergovernmental issues.

### Membership

The Council has 20 members representing local governments and the legislative and executive branches of state government.

Nine members are appointed by statewide local government associations:

*two by the League of Minnesota Cities,*

*two by the Association of Minnesota Counties,*  
*two by the Minnesota Association of Townships,*  
*two by the Minnesota School Boards Association, and*  
*one by the Minnesota Association of Regional Commissions.*

The Chair of the Metropolitan Council is a member by executive order designation.

Six members from the executive branch of state government are designated by executive order.

*Commissioner of Education*  
*Commissioner of Finance*  
*Commissioner of Human Services*  
*Commissioner of Revenue*  
*Commissioner of State Planning*  
*Commissioner of Trade and Economic Development*

Four members are appointed by legislative leaders:

*one by the Senate Majority Leader*  
*one by the Senate Minority Leader*  
*one by the Speaker of the House*  
*one by the House Minority Leader*

## Organization

The Council's business is governed by a set of bylaws adopted by the Council.

A Chairperson and Vice-chairperson are elected from among members appointed by the League of Minnesota Cities, the Association of Minnesota Counties, the Minnesota Association of Townships and the Minnesota School Boards Association. Officers serve two-year terms.

The Chairperson and Vice-chairperson cannot be appointees of the same local government association, and must be chosen in a manner such that a second officer may not be elected from among the appointees of any one association until representatives from all four eligible associations have had an opportunity to serve.

The Council is required by the Executive Order to meet at least four times a year, or more often as requested by the Governor.

The State Planning Agency provides staff support to the Council.

The Council does much of its business through special committees. Study committees may include state and local officials from outside the Council.

Official Council resolutions or recommendations to the Governor are adopted by simple majority vote of the Council.

## COUNCIL ACTIVITIES IN 1987

The Council met six times in 1987 and examined issues in several areas of interest to state and local government relations. Some of those issues and related actions were:

- Completed the study and drafted legislation to revise the statutes governing local government land use powers.
- Reviewed and commented on proposals for tax reform that were passed by the 1987 Legislature.
- Held a one day retreat to examine major issues of concern to state and local governments.
- Designed the Councils work program for 1988-89.
- Met with Governor to discuss Council work program.
- Council chair, past chair, and research director attended the 93rd meeting of the U.S. ACIR in San Francisco, CA.

### Activity Highlights

*January 16:* Vice-chair Mary Anderson, Mayor of the city of Golden Valley, MN began a two-year term as Chair. The bylaws call for the Vice-chair to assume the Chair at the end of the term of the current Chair. David Fricke of the Minnesota Association of Townships was elected Vice-chair. The State/Local Fiscal Relationships Committee met in late January with Revenue Commissioner Triplett and his staff to review proposed tax law changes.

*June 5:* The Council Chair, past Chair and research director attended the 93rd meeting of the U.S. ACIR in San

Francisco, CA. Significant issues that were discussed at the conference included:

**Fiscal discipline at the federal level** to curb deficit spending by the federal government and a recommendation for a constitutional amendment requiring that the budget "be in balance each fiscal year."

**Fragmentation of local government in metropolitan areas.** A case study found that small governments providing service were more efficient in the allocation of resources than a central government. This seemed to be enhanced by the separation of the decision to provide the service and the delivery of the service. The U.S. ACIR 1987-88 work program will continue research on the relationship between fragmentation and government efficiency and responsiveness.

*September 3:* The focus of the meeting was to identify the 1988-89 work program initiatives for consideration at the ACSLR retreat. Five issues were identified for consideration as major work program projects at the retreat. The issues were:

- property tax reform,
- state mandates,
- education financing,
- health, welfare, corrections, and social service delivery systems, and
- judicial system financing.

These issues were assigned to a planning committee to prepare discussion papers for the retreat.

*September 23:* ACSLR Retreat. The purpose of the retreat was to create a definitive work program for the council for 1988-89. The planning committee had ordered the five issues into long-term (policy related) and short-term (program or operation modification) issues. An extensive discussion of the issues resulted in a consensus by the council that a fundamental question of responsibilities and authorities should be addressed before long-term and short-term problems could be resolved. The question of governance at the state and local government levels became the overriding issue affecting the decisions in resolving problems facing intergovernmental relations.

State and local government are a part of an integrated governing system for policy-making and the provision of public services. The state legislature makes decisions that directly affect this system. These decisions involve:

- decision making authority,
- service responsibility, and
- fiscal authority and responsibility.

The Council decided that the major focus of its work in 1988-89 would be a study of the structure of intergovernmental relations and recommendations to improve governance in Minnesota. The Council would also monitor the proposed changes in property tax structure and the manner in which mandates are authorized.

*November 5:* The Council reviewed the draft of the 1988-89 work program

to study "Governance Options." The Council made minor changes in the draft and approved the State and Local Service/Fiscal Responsibilities work program. The Council also appointed committees to monitor the progress of proposed property tax reforms and legislation that would create a process for reviewing mandates placed on local political subdivisions.

*November 17:* The Council met with Governor Perpich to discuss their work program for 1988-89. Chair Anderson described the preparation of the work program and the significance of the "State and Local Service/Fiscal Responsibilities Study" the Council will conduct during 1988-89. The Governor was very supportive of the work of the Council and feels the product of the "Governance Study" will be very useful to the state. He has instructed state agencies to cooperate in making this "very important project" successful.

*December 10:* The Council's Subcommittee on Land Use Legislation presented their final report to the members with recommendations on changes to be made in local land use authorities. The committee also submitted legislation that will modify those land use authorities in accordance with the recommendations in the report. The Council approved the report and its recommendations, and the legislation for submittal to the Governor and the 1988 Legislature. The Council also approved conducting phase I of the "State and Local Service/Fiscal Responsibilities Study."

## COUNCIL RECOMMENDATIONS ON LAND USE

### Introduction

A three part report titled "Land Use Legislation Study" was submitted to the Advisory Council on State-Local Relations by the Land Use Subcommittee at their December 11, 1987 meeting. Part one summarizes the work conducted on the planning enabling legislation affecting cities, towns, and counties. It also includes background information on the project, methodology, and the major problems and recommendations. Part two contains the list of problems and solutions identified by the study group. Part three includes the legislative recommendations. Part one is reprinted here. Parts two and three are available to interested parties from the Minnesota State Planning Agency (address and telephone number are listed in the front of this report).

### Background

The Governor's Advisory Council on State and Local Relations was created to monitor local government affairs and state local relationships, identify issues needing attention by the state and to make policy recommendations to the Governor. A major work task of the Council during the past two years was to review the planning enabling legislation for counties, cities and towns and to make recommendations for improvement.

It is widely recognized that unmanaged growth contributes to land speculation, rising energy consumption and higher public service costs. Further physical growth, for example; buildings, roads,

sewers, and other public improvements directly affect the productivity and use of the state's finite resources (farmland, shorelands, forest lands, wetlands, and mineral resources). It is in Minnesota's interest to encourage local units of government to manage growth effectively and to conserve natural resources to the maximum extent feasible.

The planning enabling legislation is that body of state laws which delegates planning responsibilities to cities, counties, and towns and forms the essential foundation of a growth management program. **The County Planning Act, M.S. 394.21 to 394.37, the Municipal Planning Act, M.S. 462.51 to 462.364, and the Township Law, M.S. 366.10 to 366.19,** make significant distinctions between the responsibilities and duties of these levels of local government in planning and land use control. They also identify ways that units of local government should interact when carrying out their responsibilities. Given current coordinating problems, it is evident that any changes in planning or zoning responsibilities of one unit of government can profoundly impact the operations and effectiveness of others.

In Minnesota, most changes in planning and zoning legislation have taken place in an incremental fashion. Legislative changes are often made because of the primary effort of a single interest group which reflects a competitive position rather than one of cooperation. Sometimes the implications for other units of government are addressed,

sometimes not. While one jurisdiction may solve its problems, the ill effects may be transferred to another and coordination between governmental units may become more difficult.

Provisions inconsistent with sound planning principles have been periodically added to the planning laws, confusing those who are trying to improve their implementation controls. Several examples are found in the Municipal Planning Act including inconsistent application of zoning and subdivision regulations and lack of clarity regarding membership on a joint board intended to deal with land use issues in the urban fringe. There are other areas where language in the planning legislation does not clearly spell out the legal procedures to be followed in developing plans and ordinances nor does it clearly establish limits of power among local levels of government.

Such legislation often requires extensive legal research to interpret the contradictions and their relationship to each separate planning act. These laws are extremely complex, yet they have never been examined in a comprehensive manner. The "quick fix" or "patch work" approach has not worked well in the past. If local units of government are to develop sound growth management controls and to improve their coordination, they must be provided with laws that are current, clear, and free of contradictions. It is for this reason that the ACSLR has made the study and analysis of the land use planning legislation a priority during the past two years.

## Methodology

The ACSLR appointed a subcommittee on land use legislation to carry out the analysis of the planning legislation. The subcommittee is composed of two elected officials from a county, township and a city, representation from each of the three associations representing local jurisdictions, legislative staff representing the House and Senate Local Government Committees and a legislator.

To broaden participation and yet ensure that work tasks are effectively completed the subcommittee proposed the establishment of a work group. The work group was composed primarily of technical people and practitioners like zoning administrators and planners from local governments. Also included on the work group were staff from the Municipal Board, a regional development commission, Metropolitan Council, State Planning Agency and a consultant.

The work group was charged with the responsibility of analyzing the legislation and preparing recommendations for review by the subcommittee. The main purpose of the subcommittee was to oversee and coordinate work being conducted by the work group, review the recommendations of the work group and prepare recommendations for consideration by the ACSLR. While having two bodies involved in this work element took more time, the advantage gained by providing broader participation made it well worth the effort.

A joint meeting of the subcommittee and work group was held in

November 1985 to provide the two bodies with some background information on the ACSLR, discuss the composition and role of each body, discuss the work program and provide members with an opportunity to ask questions about the project. At this meeting it was decided that the work group would begin work immediately and report back to the subcommittee once they had prepared recommendations.

The work group met five times during the winter and early spring of 1986 to identify problems and issues with the planning legislation. The technique used was essentially the brainstorming method where as many problems and issues as possible were listed. These were categorized under major topics such as comprehensive plan, zoning ordinance, variance, and conditional use.

In May the work group began work on the second phase of the work program which was to identify solutions to the various problems identified. To conserve time and to avoid having the entire work group address each topic individually, it was decided to break the work group up into four sub-work groups. Each sub-work group was responsible for preparing solution statements and recommended legislative language for several topics. Each sub-work group met four or five times during May and June to complete this work. The solutions and proposed legislative language were compiled into a single report and sent to each work group member for their review.

Meetings of the full work group were held almost weekly from early July until the middle of August and twice a week from mid August until early October to discuss the solutions and

proposed legislative language. In early October, 1986, the work group completed its initial analysis and prepared two draft documents for review by the subcommittee; the first contained a list of the problems and recommended solutions, the second contained the proposed planning legislation.

The subcommittee's initial review of the work group's recommendations revealed the complexity and controversial nature of the land use topic. Consequently, rather than making a formal recommendation to the ACSLR at the November 13, 1986 meeting, the subcommittee requested additional time for discussion of the reports prepared by the work group and an opportunity to seek additional public input.

The subcommittee has been meeting regularly since the November 1986 ACSLR meeting to complete work on the project. In addition to the regular discussions of the subcommittee, informational meetings were held at six locations in the state during the month of September 1987. Locations were: Hibbing, Bemidji, Redwood Falls, Owatonna, St. Cloud and Plymouth. The primary purpose of these meetings was to provide interested persons with a better understanding of the proposed changes to the planning legislation and to give them an opportunity to express their concerns and provide suggestions for improvement. Also, elected officials, planning commission members, staff and interested public were notified of the project through local government publications and news letters. Readers were told where they could get a copy of the proposal and were



asked to submit written comments by October 1, 1987.

During the months of October and November the subcommittee considered all of the comments and suggestions presented at the informational meetings and those received through the mail. The proposed legislation, contained in part three, was revised to incorporate this latest information and represents the final recommendation of the subcommittee.

### **Major Problems and Recommendations**

The narrative that follows has been arranged by categories such as the comprehensive plan, zoning ordinance, and subdivision regulations. Under each category is a brief description of the issue or problem. This is followed by one or more recommendation statements. This is by no means a complete listing of the problems or recommendations identified. Those mentioned earlier are contained in part two. However, it is intended to alert readers to the most significant problems identified and to develop recommendations having the greatest policy implications.

### **Codification of the Planning Laws**

The three planning laws which enable local governments to plan and zone are located in various sections of the statutes. As a result comparisons are difficult. Moreover, in some cases terms and procedures are duplicative while in other cases different terms are used to apply to the same procedures.

### **Recommendation**

- Develop a single unified planning law that eliminates duplicative terms and procedures and incorporates, where possible, provisions that can apply to all local governments.

### **Comprehensive Plan**

It is unclear to many people if the current planning laws actually require the adoption of a comprehensive plan prior to adopting regulatory controls such as subdivision and zoning ordinances.

The definition of the comprehensive plan is unclear in the city and county planning laws. At the present time the county planning law refers to a comprehensive plan while the municipal planning law refers to a land use plan as well as a comprehensive plan. The township law does not refer to a comprehensive plan.

### **Recommendations**

- Require local governments to prepare and adopt a comprehensive plan prior to adopting regulatory controls such as subdivision and zoning ordinances.
- Require local governments which have adopted official controls and have not adopted a comprehensive plan to do so within five years.
- Provide a clear definition of what constitutes a comprehensive plan and satisfies the comprehensive plan requirement.
- Require that the planning commission prepare the comprehensive plan.

- A simple majority of the council is all that is required to adopt a comprehensive plan unless contrary to the planning commission recommendation in which case a two-thirds majority shall be necessary.

### **Planning Commission**

Planning commission duties and responsibilities and requirements for membership, length of stay, election of the chairperson, and dissolution are either lacking or are inconsistent in the three planning laws.

While all three planning laws refer to planning commissions, none is clear on whether a local government must create a commission in order to prepare and adopt plans and regulatory controls. This creates confusion for many local governments wishing to initiate a planning program.

### **Recommendations**

- Combine the duties and responsibilities of municipal and county planning commissions into a single section of the law.
- Develop language regarding how a planning commission may be dissolved that is consistent for all local governments.
- Require the establishment of a planning commission in any local governmental unit which has or intends to prepare a comprehensive plan and official controls.
- In cities and townships elected officials may be appointed to the planning commission.
- Retain current language for counties which permits only one

elected official on the planning commission.

- Give counties greater flexibility in determining representation from urban and rural areas.

### **Zoning Ordinance**

There has been some confusion concerning whether the comprehensive plan or the zoning ordinance takes precedence when they are inconsistent. This has been more troublesome in the metropolitan area where the Metro Land Planning Act gives greater emphasis to the comprehensive plan. Recent amendments to the planning law were an attempt to clarify this point but have not totally succeeded.

There has also been a lot of confusion about what is meant by being consistent or inconsistent with the comprehensive plan.

### **Recommendations**

- Make it very clear that the zoning ordinance and the comprehensive plan must be consistent.
- Provide a definition of consistency.
- Move language dealing with handicapped and day care facilities into section on zoning.
- Make conditional rezoning unlawful

### **Subdivision Regulations**

The current county planning law mentions only briefly the subdivision of land as an official control. It provides little in the way of guidance concerning authority, terms of the regulations, platting, filing and

recording of conveyances and procedures for notifying towns, yet, most county subdivision regulations contain just such elements. The township law provides no guidance regarding subdivision regulations.

The municipal planning law allows cities to require that each developer dedicate land or an equivalent amount of money for acquisition of land for park purposes. A growing number of cities have more land than they need and would like to use the money for development rather than further acquisition.

The current language is unclear regarding what constitutes acceptance of the dedication. In addition it is also unclear what constitutes acceptance in cases where the unit of government approving the subdivision, (for example a county) is not the unit of government, (for example a township) that will receive and be responsible for the dedication.

#### **Recommendations**

- Give counties the same authority to develop subdivision regulations as available to cities and towns.
- Insert language that makes it clear that local governmental units may use the money dedicated for parks for either acquisition or development.
- Ensure that formal acceptance does not occur until the local government receiving the dedicated land has passed a resolution accepting the dedication.

#### **Extraterritorial Authority**

Authority to extend subdivision controls beyond the corporate limits is inconsistent with the authority to extend zoning control in the same area. Currently a city may extend its subdivision controls two miles beyond its boundaries even if a county has subdivision controls. The only time a city may not extend its subdivision authority into the two mile area is when a township has adopted subdivision controls.

However, the city is restricted from extending its zoning regulations into the two mile area if either the county or the township have adopted zoning controls.

#### **Recommendations**

- Make extraterritorial subdivision authority consistent with extraterritorial zoning authority.
- Combine the various provisions in current law into a separate section dealing solely with extraterritorial controls.

#### **Board of Adjustment**

The municipal and county planning laws are very different in their determination of who can be on the board of adjustment. The county law does not permit any elected official or employee to be a member of the board. The municipal law makes no such distinction and in fact permits the council or the planning commission to serve this function. Having the council serve this function may result in a conflict of interest since they are the body that originally enacted the law. The township law is silent on this matter.

Many boards of adjustment are not keeping adequate records of their hearings primarily because the legislation does not provide guidance on how this should be done. If challenged, such boards might find their actions difficult to defend in court.

#### **Recommendations**

- No elected official should be permitted to sit on the board of adjustment except in cities and towns where the governing body is also the planning commission. In such cases one elected official may sit on the board.
- Require that one planning commission member sit on the board of adjustment.
- Board actions in counties must be appealed to district court. In cities and towns board actions may first be appealed to the city council or the town board.
- Place the appeals process in a single section of the law and require that all appeals be handled within 90 days.

#### **Variance**

There is no definition of the term variance in any of the three planning statutes. Moreover, the language describing undue hardship is not consistent in the county and city planning laws and does not define what an undue hardship is. In addition the term, undue hardship is overly restrictive and where followed to the letter of the law makes a variance almost impossible to grant even though the result of the variance would not be seen by the adjacent property owner and would be in keeping with the spirit and intent of the

law. Many cities have indicated that they are probably in violation of this statute simply because it is too strict and not very practical.

#### **Recommendations**

- Provide a clear definition of a variance
- Require that counties, cities and towns use the same standard - unnecessary difficulty - when considering variances.
- Clearly list those criteria which constitute an unnecessary difficulty.
- All variances should be effective when the board makes its decision not when filed with the county recorder.

#### **Public Hearing**

The language referring to public hearings is located in several places in the municipal planning law. For example, public hearing requirements are mentioned in the sections on subdivision regulations, comprehensive plan, zoning ordinance, and board of adjustment. In addition the procedures for holding public hearings are different in the county and city planning laws causing unnecessary confusion. Public hearings are not addressed in the township law

Current language is unclear concerning whether the affected adjacent local government must be notified of a public hearing. In many cases a subdivision just outside the corporate limits may be affected as much by a proposed zoning change or conditional use as a subdivision within the city. Yet, under current law it is unclear whether persons in this subdivision would be notified of the

public hearing. Some cities have indicated that they do not notify property owners outside their corporate limits.

#### **Recommendations**

- Combine the notice requirements for counties, cities and towns for conditional uses, variances, and re-zonings.
- Provide that notification of the public hearing for conditional uses, variances, rezoning, zoning, and subdivision approval be given to all property owners within 350 feet of the boundaries of the subject property or to the nearest 10 property owners.
- Provide that notice must be sent to local governments within 350 feet of the boundaries of the subject property if the subject property is located in an incorporated area and one-half mile if located in an unincorporated area.
- Provide additional time for local government staff and planning commissions to review applications necessitating a public hearing.

#### **Joint Planning Board**

Cooperative planning and regulation of land by city, county, and township government has long been a problem in the fringe area of cities. Legislation providing for the creation of a joint planning board was passed during the 1982 legislative session to provide local government with a tool to deal with land use problems in the urban fringe.

Efforts to create a joint planning board have been thwarted by a lack of participation by some of the involved

local governments. This may be due to not understanding what the board can do, fear of giving up control, or that the responsibilities are too threatening.

#### **Recommendations**

- Make the existing joint planning board less threatening by providing for a two step process to deal with urban fringe problems. The first step would result in the creation of an advisory board which could be initiated by a resolution of one of the affected local governments. The advisory board would have review authority but no authority to prepare plans and regulatory controls.
- Step two would involve creating a joint planning board that would have the authority to prepare plans and controls, review conditional use permits, and make recommendations to the local governing bodies concerning land use issues affecting growth and development in the fringe area. It would require a two-thirds vote of local governments participating on the joint advisory board.
- Provide that the area in which the joint advisory board and the joint planning board function may extend up to one-quarter mile into a city.

#### **Filing and Recording**

Filing and recording of official controls, comprehensive plans and amendments has created an unnecessary burden for county recorders, particularly in rapidly

developing counties. In addition procedures for filing and recording conveyances are lacking in the county planning law.

#### **Recommendations**

- Require the filing and recording of conditional use permits and variances.
- Require that comprehensive plans and official controls be filed but not recorded.
- Remove language requiring that official controls and comprehensive plans be filed with adjacent local governments.

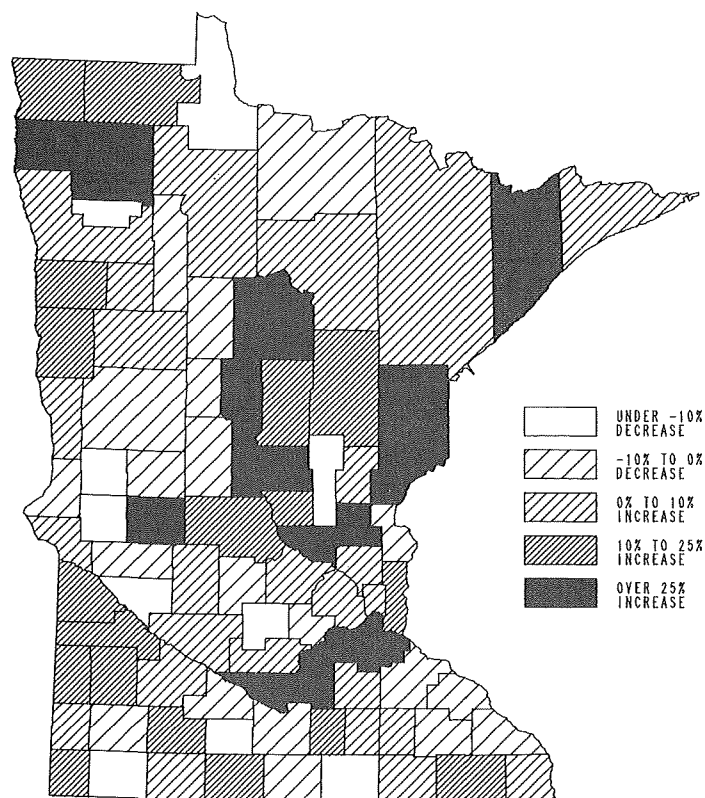
#### **Impact Fees**

Financial resources available to local units of government have decreased because of diminished state and federal funds. Yet the need to improve existing public facilities or to construct new ones is ever increasing. Rather than imposing an additional burden on the general taxpayer, local governments are turning to impact fees, which shift the costs of these public facilities to the private sector.

#### **Recommendations**

- Develop language that permits local units of government to establish an impact fee for the development or improvement of existing or future public facilities.
- Require that the proposed public improvement is identified in the community's capital improvement program.

## PERCENT CHANGE IN NUMBER OF PUBLIC EMPLOYEES 1981-1986



Product of DATANET PLUS

SOURCE: Covered Employment (202 data), Department of Jobs & Training

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## STATE AND LOCAL SERVICE/FISCAL RESPONSIBILITIES STUDY

### The Issue

One of the major decisions made at the ACSLR Retreat was to establish a project that would produce a series of recommendations to clarify the roles of state and local government in Minnesota. Many of the problems identified dealt with uncertainty about authority for a particular service, who should pay for the service, who determines the need for the service, how is the need determined, and who delivers the services.

This finding was also one of the products of a Legislative Conference on Local Governance. One of the recommendations of that conference was to ask the ACSLR to study the issue and to make recommendations to the Governor and Legislature on actions needed to improve the current system.

It is proposed that the ACSLR conduct a study that defines our current system of governance in Minnesota and makes recommendations in the following three areas:

- assignment of authorities
- delivery of services
- fiscal responsibilities

It is proposed that the study be conducted in two phases. Phase I would involve the collection of information on the various services provided by state and local government. Although primarily an objective effort, it would also begin to identify any issues or problems that are apparent regarding assignment of authority, service delivery and fiscal responsibilities. The product from the first phase would be an appendix

containing a list of all services provided, an overview or summary report describing those services where problems are apparent and a list of nominated key services needing more detailed study.

Phase II would involve the prioritization of the nominated key services. Ultimately, this could result in addressing the issue of service delivery and authority in total or the selection of a single service that would serve as the pilot for more detailed analysis. The result of the analysis would be to provide recommendations affecting assignment of authority, service delivery, and fiscal responsibilities for the specific service, or services analyzed. Where possible these recommendations will be applied to other service areas. Legislation incorporating the recommended changes would be developed for review by the ACSLR and the Governor. Introduction of the legislation during the 1989 legislative session is anticipated.

A draft work program guiding the development of Phase I and Phase II was approved by the council at its November 5 meeting. It is expected that the work program will be modified and a more detailed work program will be prepared following preliminary meetings of the Advisory Panel.

### Study Work Program

#### (Preliminary)

- I. ACSLR reviews proposal and makes decision on study

- A. ACSLR appoints steering committee to guide development of study
  - B. SPA assigns staff person to serve the steering committee and coordinate the study
  - C. State agencies and local government associations contacted to assist in preparation of study
- II. Historical perspective - state/local service relationship
- A. Conduct literature search to learn if a similar study has been done in other states.
    - Identify major issues and problems,
    - List solutions or important recommendations
  - B. Provide background on state/local service relationship in Minnesota.
- III. Service Authorities
- A. Collect information on services provided through an inquiry form outlining the type of information needed for each identified service.
    - Type of service/client
    - Who delivers the service and how is it delivered
    - Financing of service
    - Is the responsibility for funding and providing the service at issue
      - Counties
      - Cities
      - Townships
      - State
  - Prepare draft report of Phase I consisting of information received from steps II and III A above.
  - B. Information Review

- Establish committee to review draft
  - Identify gaps and factual errors
  - review summary report and help phrase issues
  - endorse and/or nominate key issues
- Review draft with steering committee
- C. Finalize Information
  - Revise draft based on comments from steps 1 and 2 above
  - Review with steering committee
  - Make additional changes and prepare summary report
- IV. Phase One Evaluation
  - A. ACSLR reviews and discusses data and summary report
    - ACSLR prioritizes service areas for more detailed study.
    - ACSLR makes a decision on how to proceed with Phase II of the study. Some options include:
      - selecting single service area to serve as a pilot for more detailed study
      - selecting several major service areas for more detailed analysis
      - address the issue of service delivery and authority for all services.
  - Study development
    - steering committee or another committee appointed to conduct Phase II
    - staffing commitments and assignments
    - work program prepared.

- B. Draft Report
  - Draft report on service area analysis is prepared.
    - Contains recommendations for clarifying and streamlining responsibilities.
    - Distributed to a broad range of persons with an interest in this service area.
    - Revise and submit to steering committee.
    - Revise and submit to full ACSLR for approval and submittal to the Governor.
- C. Legislation
  - Upon approval of draft Phase II report prepare proposed legislation for ACSLR review.
  - Introduce legislation during the 1989 legislative session.

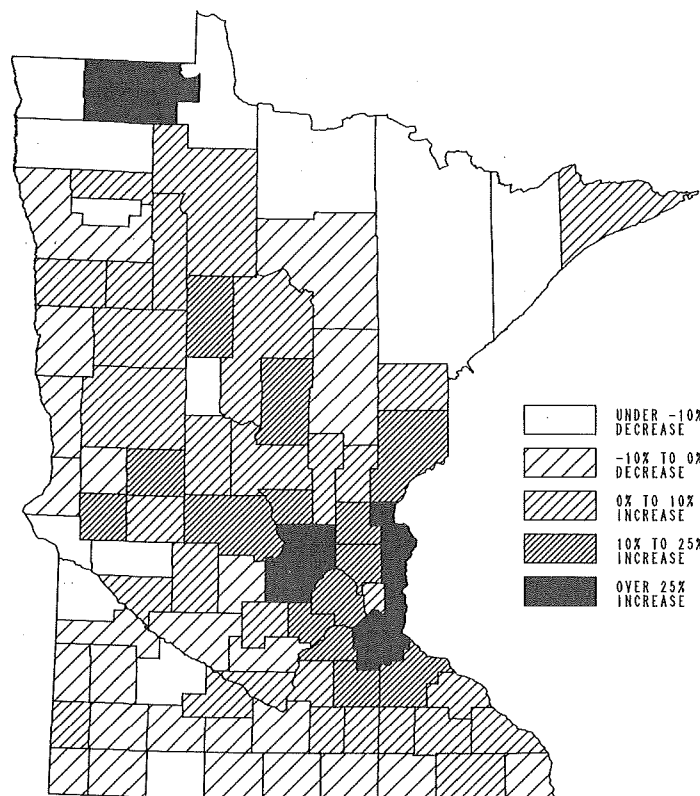
### Project Chronology

*September 23, 1987:* ACSLR planning retreat endorses project to

clarify roles of state and local government  
*October 12-13:* Need for study endorsed by local government conference  
*October 19:* Staff meets with ACSLR executive committee to discuss study  
*November 5:* Staff proposes to ACSLR a two phase study to review state/local service responsibility ACSLR approves moving forward on Phase 1  
*November 13:* Staff meets to further outline workplan, discuss need for project director, other staff assignments and need for a project design session  
*November 17:* ACSLR meets with Governor who endorses project  
*December 4:* SPA staff workplan development session  
*December 9:* Project director assumes responsibilities  
*December 11:* Full ACSLR meeting  
*December 22:* Phase 1 project design workshop



# PERCENT CHANGE IN NUMBER OF PRIVATE EMPLOYEES 1981-1986



Product of DATANET PLUS

SOURCE: Covered Employment (202 data), Department of Jobs & Training

**PIC**  
Planning Information Center  
Minnesota State Planning Agency  
612-296-1211

## APPENDICES

Executive Order 85-1  
Council Bylaws  
Membership and Officers

## EXECUTIVE ORDER 85-1

PROVIDING FOR THE ESTABLISHMENT OF  
THE GOVERNOR'S ADVISORY COUNCIL ON  
STATE-LOCAL RELATIONS

as amended by

## EXECUTIVE ORDER 85-16

**I, RUDY PERPICH, GOVERNOR OF  
THE STATE OF MINNESOTA**, by  
virtue of the authority vested in me by  
the constitution and the applicable  
statutes, do hereby issue this  
Executive Order:

**WHEREAS**, questions regarding the  
division of service delivery and  
financing responsibilities and powers  
between the state and its local  
governments are of preeminent  
importance for responsible and  
efficient governance; and

**WHEREAS**, the state is responsible  
for the overall design of a workable  
system of local governments; and

**WHEREAS**, it is desirable to improve  
the state government's capacity to  
anticipate and identify emerging  
issues in state-local relations and to  
improve the quality of discussion of  
state-local relations issues;

**NOW, THEREFORE**, I order:

1. There is hereby created a  
Governor's Advisory Council on  
State-Local Relations to monitor  
local government issues and  
state-local relations, and to advise  
the Governor on state-local issues.
2. The Council shall be composed  
of the following:
  - a. Two members appointed by  
the League of Minnesota Cities,
  - b. Two members appointed by  
the Association of Minnesota  
Counties,
  - c. Two members appointed by

the Association of Minnesota  
Townships,

d. Two members appointed by  
the Minnesota School Boards  
Association,

e. One member appointed by  
the Minnesota Association of  
Regional Commissions,

f. The Commissioner of the  
Department of Trade and  
Economic Development,

h. The Commissioner of the  
Department of Education,

i. The Commissioner of State  
Planning Agency,

j. The Chairman of the  
Metropolitan Council,

k. The Commissioner of the  
Department of Finance,

l. The Commissioner of the  
Department of Revenue, and

m. The Commissioner of the  
Department of Human Services.

The Speaker and the Minority Leader  
of the House of Representatives are  
each invited to appoint one  
Representative to the Council. The  
Majority Leader and Minority Leader  
of the Senate are also each invited to  
appoint one Senator to the Council.

In the event that an agency or  
department head who is a member of  
the Council is unable to attend a  
scheduled meeting, he or she shall  
designate a deputy or an assistant to  
represent the department or agency.

The Council shall elect a chairperson  
from among its membership, and  
adopt bylaws governing its operation.

### 3. Duties of the Council

The Council shall monitor local  
government affairs and state-local  
relationships, identify issues needing  
attention by the state, and make

policy recommendations to the  
Governor. These responsibilities shall  
be met through the following  
activities:

- a. Informal hearings and surveys  
to solicit local government  
attitudes on state-local issues.
- b. Review and comment on  
proposals submitted to the  
Council for review by the Governor.
- c. Review of special research  
reports and issue papers on local  
government issues prepared by  
state agencies and departments.
- d. Development of policy  
recommendations on specific  
issues.

The Council shall prepare an annual  
report identifying emerging issues  
prior to each legislative session. The  
report shall be presented to the  
Governor's Subcabinet on Local and  
Regional Affairs no later than  
November 15 of each year.

The Council shall meet at least four  
times each year or more often, as  
requested by the Governor.

### 4. Administrative Provisions

The Commissioner of the State  
Planning Agency shall provide staff  
support as deemed necessary for the  
Council to fulfill its duties.

## BY LAWS

Governor's Advisory Council on State-Local Relations

Adopted June 26, 1985

### Section 1. AUTHORIZATION

The Governor's Advisory Council on State-Local Relations is established by Executive Order 85-1 dated January 22, 1985.

### Section 2. PURPOSES

The purpose of the Council is to monitor local government issues and state-local relations, and to advise the Governor and Legislature on state-local affairs.

### Section 3. DUTIES

The Council shall monitor local government affairs and state-local relationships, identify issues needing attention by the State, and make policy recommendations to the Governor and legislature. These responsibilities shall be met through the following activities:

- a. informal hearings and surveys to solicit local government attitudes on state-local issues,
- b. review and comment on proposals submitted to the Council for review by the Governor,
- c. review of special research reports and issue papers on local government issues prepared by state agencies and departments, and
- d. development and adoption of policy recommendations on specific issues.

### Section 4. MEMBERSHIP

- A. Twenty members with full voting rights shall be appointed by the authorities indicated in Executive Order 85-1, as amended

by Executive Order 85-16. Written notice of appointments shall be provided by the appointing agency to the Commissioner of the State Planning Agency.

- B. Terms of membership shall be at the discretion of each of the appointing authorities. Vacancies created for any reason shall be filled within 60 days by the appointing authority responsible for the vacated membership position.

### Section 5. OFFICERS

- A. At the first meeting after January 1 of off-numbered years, the Council shall elect a chairperson and a vice-chairperson for two-year terms from among members appointed by:

1. The League of Minnesota Cities,
2. The Association of Minnesota Counties,
3. The Minnesota Association of Townships, and
4. The Minnesota School Boards Association.

- B. The chairperson and vice-chairperson shall not be drawn from members appointed by the same appointing authority.

- C. The chairperson and vice-chairperson shall be elected in such manner that a second member from any eligible appointing authority in (A) shall not be elected until there has been an opportunity for an officer to be elected from each of the eligible appointing authorities in (A).

- D. The vice-chairperson shall become chairperson upon the end of the chairperson's term, or if the office of chairperson is vacated for any other reason.

### Section 6. MEETINGS

- A. The Council shall meet at least four times each year. At its first meeting after January 1, of each year, the Council shall adopt a meeting schedule for the following 12-month period,

- B. Additional meetings may be called by the chairperson, at the request of a majority of the membership, or by an approved motion at a meeting of the Council.

- C. Written notice of meeting time and location shall be mailed to members 30 days prior to a scheduled meeting.

- D. Items of business may be placed on the agenda for a future meeting by the chairperson, or by an approved motion or, between scheduled meetings, by request of three members to the chairperson.

- E. Conduct of proceedings shall be in accordance with Robert's Rules of Order, revised, except as otherwise provided in these bylaws or by state law.

- F. An executive director, or other staff person assigned to the Council by the Director of the State Planning Agency for that purpose, shall act as secretary to the Council. Said person shall keep minutes of proceedings, prepare meeting notices, and prepare meeting agendas in consultation with the chairperson.

- G. A simple majority of the voting membership shall constitute a quorum.

- H. Motions must receive an affirmative vote from a majority of a quorum for approval.

- I. Motions do not require a second for consideration.

- J. The chairperson, or vice-chairperson acting in the absence of the chairperson, may make motions and is afforded full rights and privileges of membership, including voting.

- K. Only members or their designated alternatives may vote. Alternates are afforded voting privileges only if the member notifies the chairperson of the identity of the alternate.

### Section 7. COMMITTEES

Committees may be appointed by the Council to advise the Council in the conduct of its business. Committees may include persons other than members of the Council.

### Section 8. OFFICIAL POLICY RECOMMENDATIONS

Resolutions expressing policy positions or recommendations of the Council must be approved by simple majority vote of the full Council membership.

### Section 9. AMENDMENTS

These bylaws may be amended by a motion approved by at least two-thirds of the full Council membership. Written notice of proposed amendments must be made to all members at least 30 days before the meeting at which the amendment is to be considered.

### Section 10. TIME OF TAKING EFFECT

These bylaws shall take effect when approved by a least two-thirds of the members present and voting at a meeting of the Council.

## **MEMBERSHIP**

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Governor's Advisory Council on State-Local  
Relations (as of November 15, 1987).

### **Officers**

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Mary Anderson, Chair  
David Fricke, Vice-Chair

### **Members**

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Appointed by the League of Minnesota Cities:

Mary Anderson, Mayor  
Golden Valley  
Sam Huston, Mayor  
St. Cloud

Appointed by the Association of Minnesota  
Counties:

Dorothy Grotte, Commissioner  
Martin County  
Paul McCarron, Commissioner  
Anoka County

Appointed by the Association of Minnesota  
Townships:

David Fricke, Executive Director  
Association of Minnesota  
Townships  
Henry Schumann, Past President  
Association of Minnesota  
Townships

Appointed by the Minnesota School Boards  
Association:

Willard Baker, Executive Director  
Minnesota School Boards  
Association  
Harry Sjulson, President  
Minnesota School Boards

### **Association**

Appointed by the Minnesota Association of  
Regional Commissions:

Morris Gordon, Chair  
Minnesota Association of  
Regional Commissions  
(MARC)

Appointed by House Leadership:

Rep. David Battaglia  
District 6A  
Rep. John Burger  
District 43A

Appointed by Senate Leadership:

Sen. Robert Schmitz  
District 36  
Sen. Earl Renneke  
District 35

Designated by Executive Order:

Lani Kawamura, Commissioner  
State Planning Agency  
John James, Commissioner  
Department of Revenue  
David Speer, Commissioner  
Department of Trade and  
Economic Development  
Ruth Randall, Commissioner  
Department of Education  
Tom Triplett, Commissioner  
Department of Finance  
Sandra Gardebring, Commissioner  
Department of Human  
Services  
Steve Keefe, Chair  
Metropolitan Council