

## CHARTER

### CHAPTER V

#### Taxes and Finance

Section 5.1 FISCAL YEAR. The fiscal year of the City shall be a regular calendar year, starting on the first day of January in each year and terminating on the 31<sup>st</sup> day of December in such year. (As amended, Ordinance No. 657, adopted 5/3/77.)

Section 5.2. PROPERTY TAX. All property taxes shall be assessed and collected in the manner provided by law. Ad valorem taxes on real and personal property shall be levied in specific amounts by resolution adopted by the city council on or before the date prescribed by Minnesota State Statutes Chapter 275 as now existing or hereafter amended. (As amended, Ordinance No. 1478, adopted 2/6/12).

Section 5.3 BOARD OF EQUALIZATION. The city council shall meet at the council room as a Board of Equalization for the purpose of reviewing the assessment of property in the City on such date as is established from time to time by applicable Minnesota Statutes and regulations of the Department of Taxation. A majority of the board shall constitute a quorum. The board may adjourn from day to day until the hearing is finished. (As amended, Ordinance No. 823, adopted 3/1/83.)

Section 5.4 TAXING POWERS. In addition to any specific powers granted by law, the city council may levy and collect taxes for general or special purposes on all subjects or objects which the City may lawfully tax.

Section 5.5 BUDGET ESTIMATES. On or before the first Monday in August, the heads of departments, officers, boards, commissions, or committees of the city council charged with the management of any department shall deliver to the city clerk an estimate in writing of all expenditures for such department during the ensuing fiscal year, specifying in detail the purposes thereof.

Section 5.6 PREPARATION OF BUDGET. On or before the date prescribed by Minnesota State Statutes Chapter 275 as now existing or hereafter amended, the city administrator or other officer designated by the city council shall prepare a proposed budget estimate for the entire City which shall show expenditures of all departments for the ensuing fiscal year, including the amounts which will be required to pay interest and principal on outstanding debt and the salaries and other costs and showing in detail the amounts necessary to be appropriated to each department. The budget estimate shall also show the estimated revenues from fines, licenses, and other sources of revenue exclusive of property taxes and the amount to be raised by ad valorem taxes. (As amended, Ordinance No. 1017, adopted 12/4/90 and Ordinance No. 1478, adopted 2/6/12.)

Section 5.7 BUDGET APPROVAL. On or before the date prescribed by Minnesota State Statutes Chapter 275 as now existing or hereafter amended, the city council by resolution shall adopt a budget stating the amount required to pay expenses

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of the City for the ensuing fiscal year and showing in detail the amount allowed to each department, office, board, or commission and the amount of taxes to be levied. In event the entire budget or any item thereof is vetoed by the mayor, it may be passed by a five-sevenths vote in the manner provided in this charter for vetoed ordinances or resolutions. (As amended Ordinance No. 1478, adopted 2/6/12.)

Section 5.8 TAX LEVY. On or before the date prescribed by Minnesota State Statutes Chapter 275 as now existing or hereafter amended, the city clerk shall transmit to the county auditor of Steele County a statement of the amount of ad valorem taxes to be levied by the City and all special assessments of the City to be collected by the county auditor during the ensuing year, and such taxes and special assessments shall be levied and collected and payment thereof enforced with and in like manner as State and other taxes are levied and the collection enforced. (As amended, Ordinance 1478, adopted 2/06/12.)

Section 5.9 FUNDS. The monies and securities in the City treasury, except funds under the jurisdiction of the Public Utilities Commission, shall be credited to the following funds, to-wit:

(a) A Bond and Interest Fund into which shall be paid all monies, raised by taxation or otherwise provided, for the payment of bonds of the City and interest thereon and bonds and interest shall be paid from such fund.

(b) A General Fund into which shall be paid all monies from taxes, receipts from licenses and fees, fines and costs, sales of City property, or from any other source except such as are expressly allocated to a special fund. All ordinary current expenses, debts and liabilities of the City shall be paid from such fund.

(c) The city council may create other funds which it deems necessary for the efficient accounting of the City's affairs. Each fund so designated shall receive a like proportion of tax proceeds as the taxes levied for such fund bear to total taxes levied by the City in accordance with the annual budget.

The several funds shall be kept separate and distinct and the city clerk or the treasurer of the several boards or commissions charged with the management of the funds shall keep a separate account of receipts and disbursements thereof. Each fund shall be devoted only to the particular purpose for which it was created, provided that the city council may at any time for any lawful purpose transfer money under its control from one fund to another fund and it shall make provision in the next budget for return of the amount to the fund from which it was taken.

Section 5.10 PAYMENTS FROM TREASURY. No money shall be paid out of the City treasury except upon an order specifying the fund as authorized by resolution or informal motion of the city council or of the board or commission charged with the management of the fund and signed by the officer designated by such managing body. Each order shall be made payable to a named person or his/her order and upon

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presentation shall be charged against the fund on which it is drawn. The total amount of such orders shall never exceed the amount budgeted to each fund. In event there is an insufficient amount on hand to the credit of any fund to pay an order presented for payment, such order may be marked not paid for want of funds and shall thereafter bear interest until paid at such rate as designated by the city council. Each order shall be called for payment as soon as a sufficient amount is available in the fund. (As amended, Ordinance No. 1017, adopted 12/4/90.)

Section 5.11 ANNUAL REPORTS. On or before the fifteenth day of March, the city clerk shall make and submit to the city council a statement of the financial operations of the City for the preceding fiscal year, including a statement of the financial condition of the City at the close of such fiscal year, which shall show all operations and the condition in a manner consistent with accounting methods of the City.

Section 5.12 BORROWING. Bonds or other obligations of the City may be issued in the manner provided by law.

Section 5.13 CERTIFICATES OF INDEBTEDNESS. Whenever any public improvement is ordered by the city council, the cost of which is to be paid by special assessments upon benefited property pursuant to Chapter VI hereof, the City may issue "certificates of indebtedness" to finance the improvement. Said certificates of indebtedness shall bear interest at a rate not to exceed the maximum amount allowable under Minnesota law, shall mature in not more than twenty (20) years, and shall pledge the full faith and credit of the City to their payment.

Section 5.14 TEMPORARY BORROWING. By vote of five-sevenths of all members and under such regulations as it may prescribe, the city council may issue temporary certificates of the City in anticipation of taxes or other revenues collectable during the current fiscal year. Such certificates shall bear interest at a rate not to exceed the maximum allowable rate permitted under Minnesota law, and shall fall due in not exceeding one (1) year from their date. The total amount of such certificates shall not exceed one-third of the anticipated taxes or other revenues and the proceeds shall be applied to the same purpose as such taxes or other revenues. When the proceeds of such taxes or other revenues are received, a sufficient amount shall be used for payment of the certificates and interest thereon.

Section 5.15 ADJUSTMENT OF ACCOUNTS. The city council shall examine and adjust the accounts of all City officers, boards, and employees excepting the Public Utilities Commission, shall employ expert accountants to make an annual examination, and shall require such officers, boards, and employees to produce and exhibit to the city council or to any committee thereof all books, papers, and vouchers belonging to their respective offices. If any such officer, board, or employee shall refuse to comply, the city council shall declare the office vacant and may commence such suit or other proceedings as it may deem suitable. The city clerk shall keep a full and complete record of all settlements and adjustments of accounts.