

# **CHARTER**

## **CITY OF CHISHOLM**

**Passed December 23, 2008**

**EFFECTIVE JANUARY 7<sup>TH</sup>,  
2009**

# **CHISHOLM CITY COUNCIL OF 2009**

## **Mayor**

Michael Jugovich

## **Councilors**

Ron Alexander

Mary Benson

Steve Cook

Colleen Drow

Ron Novaselec

# CHARTER COMMISSION

Todd A. Scaia, Chairman

Allan Spector, Vice-Chairman

Kendra Casey

Mark Casey

Tom Fink

Richard Holland

Jim Kosluchar

Alex Madich

Graham T. Nash

Fr. Bogdan Zjalic

Charter Attorney Ronald Simonson

# CHARTER COMMISSION

At the request of a local group of citizens from the City of Chisholm, a Charter Commission was appointed by the District Court in the fall of 2003 to revise the City's current charter. This charter replaces the revised charter of 1981 as well as the original charter of 1934.

The new charter revisions were presented to the Chisholm City Council from 2003-2009 and passed at the Council level, thus, not needing to be presented at a general election. The final revised charter was completed on January 12th, 2009.

The charter of 2009 was a product of a lengthy, enduring, and educational journey. The purpose of the Charter Commission was to simplify and update the outdated City Charter. In addition, it was vitally important to the Commission, to allow the City Council as much flexibility as possible to operate the City of Chisholm and create efficiencies in the best interests of its citizens. The charter commission met on a monthly basis from 2003-2009 taking into consideration the new changes in state statutes as well as the many changes that have occurred in the City of Chisholm since 1981. Because of the extensive period of time to complete the charter revisions, several citizens served on the charter commission as well as the City Council. The final group of charter commissioners, as well as Council members are included in the prior pages.

# TABLE OF CONTENTS

## Contents

<u>CHAPTER ONE</u> .....	9
<u>Name and Boundaries</u> .....	9
<u>Section 1 – Name of City</u> .....	9
<u>Section 2 – Boundaries of City</u> .....	9
<u>CHAPTER TWO</u> .....	10
<u>Section 3 – General Powers of the City</u> .....	10
<u>Section 4 – Interpretation of the Charter</u> .....	10
<u>CHAPTER THREE</u> .....	11
<u>Elective Officers and Elections</u> .....	11
<u>Section 5 – Elective Officers, Terms, Compensation</u> .....	11
<u>Section 6 – Conduct of Elections</u> .....	11
<u>Section 7 – General and Primary Election Dates</u> .....	11
<u>Section 8 – Vacancies of Office</u> .....	11
<u>Section 9 - Recall of Elective Officers</u> .....	11
<u>CHAPTER FOUR</u> .....	13
<u>Executive and Administrative Officers</u> .....	13
<u>Section 10 – Administrative Officers &amp; General Provisions</u> .....	13
<u>Section 11 – Office of the Mayor</u> .....	13
<u>Section 12 – City Clerk-Treasurer/Administrator, Powers &amp; Duties</u> .....	14
<u>Section 14 – The City Assessor, Building Official, Zoning Official, Powers &amp; Duties</u> .....	14
<u>Section 15 – City Engineer/Public Works Director, Powers &amp; Duties</u> .....	15
<u>Section 16 – Removal of the Officers of the City</u> .....	15
<u>CHAPTER FIVE</u> .....	16
<u>The City Council, Powers, Organization and Procedure</u> .....	16
<u>Section 17 – Powers of the Council</u> .....	16

<u>Section 18 – Organization of the Council.</u> .....	16
<u>Section 19 – Meetings of the Council.</u> .....	16
<u>Section 20 – Legislative Procedure.</u> .....	16
<u>Section 21 – Passage of Ordinances and Resolutions.</u> .....	17
<u>Section 22 – Initiative, Preliminary Stage.</u> .....	17
<u>Section 23 – Action on Initiative Petition.</u> .....	17
<u>Section 24 – Referendum, Preliminary Stages</u> .....	18
<u>Section 25 – Action on Referendum.</u> .....	18
<u>CHAPTER SIX</u> .....	19
<u>Finance</u> .....	19
<u>Section 26 – Council to Control Finances and Fiscal Year.</u> .....	19
<u>Section 27 – System of Taxation.</u> .....	19
<u>Section 28 – Submission of the Budget.</u> .....	19
<u>Section 29 – Capital Improvement Program and Fund</u> .....	19
<u>Section 30 – Council Action on Budget.</u> .....	20
<u>Section 31 – Enforcement and Alterations of the Budget.</u> .....	20
<u>Section 32 – Funds, Indebtedness, and Emergency Funding.</u> .....	21
<u>Section 33 – Board of Equalization.</u> .....	21
<u>Section 34 – Cemetary Improvement Fund.</u> .....	21
<u>Section 35 – Finance, Letting of Contracts.</u> .....	21
<u>CHAPTER SEVEN</u> .....	21
<u>Departments and Commissions of the City</u> .....	22
<u>Section 36 – Police Commission, Powers, and Duties.</u> .....	22
<u>Section 37 – Public Utilities Commission, Membership &amp; Terms.</u> .....	22
<u>Section 38 – Public Utilities Commission, Powers &amp; Duties.</u> .....	23
<u>CHAPTER EIGHT</u> .....	24
<u>Library</u> .....	24
<u>Section 39 – Library Department &amp; Board of Trustee Appointments.</u> .....	24

CHAPTERNINE.....25  
Miscellaneous and Transitional Provisions.....25  
    Section 40 – Oath of Office.....25  
    Section 41 – Succession of Rights and Liabilities.....25

**CITY OF CHISHOLM  
ST. LOUIS COUNTY  
STATE OF MINNESOTA  
JANUARY 7<sup>TH</sup>, 2009**

# CHAPTER ONE

## Name and Boundaries

**Section 1 – Name of City.** The City of Chisholm in the County of St. Louis, State of Minnesota, shall upon the taking effect of this Charter, continue to be a city under the name of the “City of Chisholm” and shall continue to be a municipal corporation.

**Section 2 – Boundaries of City.** The territory constituting the City of Chisholm, and the limits and boundaries thereof, shall be as follows:

Section Sixteen (16): The Southwest Quarter (SW1/4) and the West one-half of the Southeast Quarter (W1/2 of SE1/4) thereof; Section Seventeen (17): The Southeast Quarter (SE1/4) thereof; Section Twenty (20): The East one-half of the Northeast Quarter (E1/2 of NE1/4) and the East one-half of the Southeast Quarter (E1/2 of SE1/4) thereof; Section Twenty-one (21): the whole thereof; Section Twenty-two (22): The whole thereof; Section Twenty-three (23): The South one-half of the Northwest Quarter (S1/2 of NW1/4) thereof; Section Twenty-seven (27): The Southwest Quarter of the Northwest Quarter (SW1/4 of NW1/4) thereof; Section Twenty-eight (28): the whole thereof; Section Twenty-nine (29): the East one-half of the Northeast Quarter (E1/2 of NE1/4) and the East one-half of the Southeast Quarter (E1/2 of SE1/4) thereof; all in Township, Fifty-eight (58) North, Range Twenty (20) West of the Fourth Principal Meridian.

## CHAPTER TWO

**Section 3 – General Powers of the City.** The City of Chisholm shall have and use its present seal and may alter it at its pleasure; may contract and be contracted with; may take by purchase, condemnation or otherwise, hold, and convey all such real and personal property as its purposes may require, or the transaction of the business may render convenient, within or without the limits of the City, as now provided by law; may sue and be sued; may acquire, construct, own, lease, and operate public utilities and public works and improvements; may grant franchises or licenses for construction, operation and maintenance of the public utilities in the City, and shall have the power to establish fees and regulations for the operation thereof, may assess, levy, and collect taxes for general or special purposes on all subjects or objects which the City is not by law forbidden to tax; may levy and collect assessments for local improvements; may borrow money on the faith and credit of the City, or on the public utility or other property owned by the City; may appropriate the money of the City for all lawful purposes; for the protection and promotion of the health and welfare of the residents of the City, may license and regulate persons, corporations, and associations engaged in any business, occupation, trade or profession; may define, prohibit, abate, and suppress all things detrimental to the health, morals, comfort, safety, convenience, and welfare of the inhabitants of the City, and all nuisances and causes thereof; may regulate the construction, height, and materials used in all buildings in the City and the maintenance and occupancy thereof; may take and enforce local police and sanitary regulations; may pass ordinances for maintaining and promoting peace, good government, and welfare of the City, and for the performance of all the functions thereof; may exercise such powers beyond its corporate limits as may be necessary for the effective exercise of any power granted herein as is now authorized by law; may contract for the exchange of or use of its services beyond its corporate limits with other municipalities or political subdivisions; and, in addition thereto, the City of Chisholm shall have and exercise all powers, functions, rights, and privileges exercised by, or which are possible to, or inherent in municipal corporations, including all powers granted by the general laws of the State of Minnesota to cities of the fourth class which are not in conflict with or inconsistent with or in derogation of the powers granted or enumerated in the Charter and which are not denied to it by the constitution or the laws of the State of Minnesota.

**Section 4 – Interpretation of the Charter.** The provisions of this Charter shall be construed liberally in favor of the City, to the end that it may have all the powers necessary for the efficient conduct of its municipal affairs. The specific mention of particular municipal powers in other sections of this Charter shall not be construed as limiting the general powers of the City to those specifically mentioned. All powers of the City of Chisholm, unless otherwise provided in this Charter, shall be exercised by the City Council, or under its direction.

## CHAPTER THREE

### Elective Officers and Elections

**Section 5 – Elective Officers, Terms, Compensation.** The elective officers of the City shall be a Mayor and five (5) Council members, all of whom shall be elected at large from the City. The Mayor shall hold office for a term of four (4) years and Council Members shall hold office for a term of four (4) years, commencing on the first day of January following his/her election to office and until his/her successor shall have been elected and qualified.

The Mayor and each Council Member shall set and receive salary in accordance with the Laws of the State of Minnesota.

**Section 6 – Conduct of Elections.** All matters relating to municipal elections, whether general or special, shall be governed by the applicable election laws of the State of Minnesota.

**Section 7 – General and Primary Election Dates.** There shall be a biennial City Primary Election held on the first Tuesday after the second Monday in September of each year. There shall be a biennial City General Election held on the first Tuesday after the first Monday of November of each year. Special Elections may be held for any purpose authorized by Minnesota statute and shall be conducted in accordance with applicable Minnesota Statutes.

**Section 8 – Vacancies of Office.** Whenever a vacancy occurs in any elective office of the City, the Council shall, within thirty (30) days, by resolution, appoint a qualified person to serve until the next City General Election.

**Section 9 - Recall of Elective Officers.** Any four (4) electors of the City may form themselves into a committee for the purpose of bringing about the recall of any elected officer of the City. The committee shall certify to the City Clerk-Treasurer/Administrator the name of the officer whose removal is sought, a statement of not more than 250 words of the grounds for removal, and declaration of their intention to bring his/her recall. A copy of this certificate shall be attached to each signature paper and no signature paper shall be put into circulation prior to such certification. The petition for the recall of any official, consisting of a certificate identical with that filed with the City Clerk-Treasurer/Administrator, together with all the signature papers and affidavits thereto attached, shall be signed by a number of the voters equal to at least 25% of the total number of votes cast at the last preceding regular municipal election for the office. All the signatures need not be on one signature paper, but the circulator of every such paper shall make an affidavit that each signature appended to the paper is the genuine signature of the person whose name it purports to be. Within thirty (30) days after the filing of the original certificate, the committee shall file the completed petition in the office of the City Clerk-Treasurer/Administrator, who shall examine the same within the next five (5) days and if he/she finds it irregular or insufficient in any way, he/she shall so notify one or more members of the committee. The committee shall be given ten (10) days in which to file additional signature papers and to correct the petition in all respects, but they may not change the statement of the

grounds upon which the recall is sought. If, at the end of that time, the City Clerk-Treasurer/Administrator shall find the petition still to be irregular or insufficient, he/she shall notify all the members of the committee to that effect and shall file the petition in his/her office and no further action shall be taken thereon.

If the petition is found sufficient, the City Clerk-Treasurer/Administrator shall transmit it to the City Council without delay, and shall also notify the person sought to be recalled of the sufficiency of the petition and of the pending action. The Council shall, at its next meeting, provide for the holding of a special recall election for the office. The recall election shall be held not less than thirty (30) days nor more than forty-five (45) days thereafter, provided that, if any other election is to occur within sixty (60) days after such meeting, the Council may, in its discretion, provide for the holding of the recall election at that time. In the published call for the election there shall be given the statement of the grounds for the recall and also, in not more than 500 words, the answer of the officer concerned in the justification of his/her course in office.

In the recall election the officer whose recall is sought, if convicted of a felony, shall not be a candidate. Any other person or persons may file as candidates for the office not later than ten (10) days prior to the date of the recall election. Such filing, except for the specification of the dates, shall be according to the appropriate state law. The candidate receiving the greatest number of votes in the recall election shall be deemed elected to complete the unexpired term of the office for which he/she was elected. Should no other candidate beside the incumbent file prior to the ten (10) days before the recall election, the election shall not be held and the incumbent shall thereupon complete the expired term of his/her office. Should the incumbent resign his/her office prior to ten (10) days before the recall election, the election shall not be held and the City Clerk-Treasurer/Administrator shall thereupon certify the office to be vacant. Any vacancy created by such resignation shall be filled by the Council as herein provided.

## CHAPTER FOUR

### Executive and Administrative Officers

**Section 10 – Administrative Officers & General Provisions.** At its first regular meeting in January, the Council shall appoint the following administrative officers: City Clerk-Treasurer/Administrator, City Attorney, City Engineer/Public Works Director, and City Assessor. Prior to appointment, each administrative officer shall be appointed solely on the basis of merit and fitness for his/her duties after each annual review. The Council shall adjust such compensation for each administrative officer as will secure competent and faithful performance of the duties thereof. Such compensation may be increased from time to time at the discretion of the Council. Such compensation shall not be decreased during the said term of office unless in conformance with a general reduction in compensation for all appointed officers of the City. The Council shall have the power to authorize the appointment or employment of such deputies, assistants, or other personnel as the proper management of each administrative office may require.

**Section 11 – Office of the Mayor.** The Mayor shall be a member of the City Council and shall preside at all meetings of that body; he/she shall vote as a member of the Council upon all questions. It shall be his/her duty to see that the laws of the State of Minnesota, the provisions of this Charter and the ordinances of the City are duly observed and enforced with the City. He/she shall see that all other officers of the City discharge their respective duties and to that end may institute and maintain appropriate action against any delinquent officer of the City. He/she shall, from time to time, give the Council such information and may recommend such measures as he/she shall deem advantageous to the City.

The Mayor shall sign all bonds and obligations of the City, certificates of indebtedness and all warrants drawn by the City Clerk-Treasurer/Administrator and shall sign all contracts, deeds, or documents entered into by the City, except as might otherwise be provided in this Charter or by law. He/she shall make semi-annual reports on or before the 30<sup>th</sup> day of June and the 31<sup>st</sup> day of December of each year to the Council on the general condition of the affairs of the City.

**Section 12 – City Clerk-Treasurer/Administrator, Powers & Duties.** The City Clerk-Treasurer/Administrator shall have accounting experience or other equivalent experience. He/she shall be a full time officer of the City, and during his/her term shall hold no other employment or engage in any other business or profession during regular City office hours. He/she shall keep the corporate seal of the City and all papers and records thereof, except as herein otherwise provided and shall attest to the signature of the Mayor to all contracts and ordinances and affix the seal of the City to the same and deliver the same to the proper party. He/she shall attend all meetings of the Council and keep a record of all proceedings. He/she shall be the sole purchasing agent for the City or his/her deputy and subject to the Uniform Municipal Contracting Law, MSA 471.345, and its amendments. The Council reserves the authority to establish lower purchasing limits, than that allowed by statute. The Council shall audit all purchases. He/she shall maintain a system, which will give him/her control over all purchases by all departments in the City and shall maintain books and records for that purpose.

The City Clerk-Treasurer/Administrator shall supervise the printing and publication of all notices, minutes of Council proceedings, ordinances and charter provisions. A list of the bills and other obligations approved and paid by the Council shall be published once in a legal newspaper prior to the 15<sup>th</sup> day of the succeeding month. He/she shall maintain books of accounts, which shall show the financial condition of the City and its various departments. It shall contain a record of all bonds, orders, or other evidence of indebtedness. He/she shall be the custodian of all bonds, certificates of indebtedness or other securities of the City or its departments. Said books and records shall be maintained in a form, as required by the statutes and regulations of the State of Minnesota or the United States. The City Clerk-Treasurer/Administrator shall exercise administrative control over all City departments, boards, or commissions created by the City Council, excepting those departments, boards, or commissions, whereby the duties or control are specifically reserved by Minnesota State Statutes. He/she shall prepare and submit to the Council an annual budget. He/she shall perform all duties as may be required of him by the Laws of the State of Minnesota or this Council.

**Section 13 – City Attorney, Powers & Duties.** The City Attorney shall be the chief legal officer of the City and shall have been, prior to his/her appointment, admitted to practice in the Supreme Court of this State for at least two (2) years. It shall be his/her duty, when necessary, to appear in and conduct all civil suits and legal proceedings in which the City or any department thereof shall be directly or indirectly interested; when necessary, to take charge of and conduct prosecutions for the violations of all ordinances, resolutions, or regulations of the Council or any commission or officer of the City; to give written legal opinions or advice on any matters respecting their official duties or municipal affairs; to perform such duties consistent with his/her office as may be required of him/her by the Council and such further duties as may be imposed by law on city attorneys. No special or assistant attorney shall be employed by any department of the City without the request of the City Attorney and the prior approval of the City Council. In addition to compensation provided herein, the Council may make such provisions for clerical assistance for such City Attorney as it may deem necessary.

**Section 14 – The City Assessor, Building Official, Zoning Official, Powers & Duties.** The City Assessor shall meet the qualifications for an assessor as provided for in applicable

Minnesota Statutes. The City Assessor shall make a fair and equitable valuation of all taxable property in the City, according to the tax laws of the State of Minnesota. His/her assessment may be revised, in the interest of fairness, by the Board of Equalization of the City Council established in accordance with the laws of this State. The assessor shall perform such duties as may be requested of him/her by the Laws of the State of Minnesota or by the Council.

When a vacancy occurs in the positions of City Assessor, Building Official, or Zoning Official, the City Council shall appoint a City Assessor, Building Official, Zoning Official. This position may be held by one person if the person is licensed and certified by the State of Minnesota as a Certified Minnesota Assessor Specialist and as a Certified Building Official. The Council shall fix such compensation as will secure competent and faithful performance of the duties of his/her office/offices.

**Section 15 – City Engineer/Public Works Director, Powers & Duties.** When a vacancy occurs in the position of City Engineer/Public Works Director, the City Council shall appoint a City Engineer/Public Works Director, if available, solely on the basis of merit and fitness for his/her duties. He/she shall be a full time officer of the City and during his/her term as City Engineer/Public Works Director he/she shall hold no other regular employment or engage in any other regular business or profession during regular City office hours. He/she shall perform such duties appropriate to his/her office as the Council may require. The Council shall establish the compensation for the City Engineer/Public Works Director at the time of his/her appointment.

**Section 16 – Removal of the Officers of the City.** Any Administrative officer of the City, or any or all members of any Commission of the City, may be removed from his/her office by the affirmative vote of a simple majority of all Council members. No such officer shall be so removed except for just cause, nor unless he/she has first been furnished with a written copy of the charges against him/her and has reasonable opportunity to be heard, in person or by counsel, in his/her own defense.

## CHAPTER FIVE

### *The City Council, Powers, Organization and Procedure*

**Section 17 – Powers of the Council.** The powers of the Council shall be as specified or implied in the provisions of this Charter and may be further specified or implied by the laws of the State of Minnesota.

**Section 18 – Organization of the Council.** The Council shall annually on the first Tuesday in January, next succeeding the regular municipal election, organize and at the time of its organization proceed to elect from its own number, a President and Vice President for the ensuing one year and such other officers as may be necessary for the transaction of its business. Such election shall be by ballot and the affirmative vote of a majority of all the members shall be by ballot and the affirmative vote of a majority of all the members shall be necessary to elect. The President, in the absence of the Mayor, and the Vice President, in the absence of the Mayor and President, shall preside over the meetings of the City Council, and likewise in such absence shall sign all the resolutions and ordinances passed by the City Council. In case of an emergency during the absence of the Mayor from the City or his/her inability for any reason to discharge the duties of his/her office he/she shall have and exercise all of the powers and duties of the Mayor, under the style of “acting Mayor.” The acts of such acting Mayor shall have the same force and effect as if performed by the Mayor.

**Section 19 – Meetings of the Council.** At its annual organizational meeting, the Council shall prescribe rules for its own guidance and the time for its regular meetings. It shall also provide for the calling of special meetings. No business shall be transacted at a special meeting unless such business shall have been specified in the call for such a special meeting. A majority of the members-elect of the Council shall constitute a quorum, but less than a majority may adjourn from time to time, and a minority as well as a majority may compel the attendance of absent members. It shall also, at such organizational meeting designate one (1) newspaper which shall have been in business for not less than one year prior to its designation as the official newspaper of the City, in which shall be published all official notices and proceedings as provided for in this Charter.

**Section 20 – Legislative Procedure.** Every legislative act of the City Council shall be by ordinance. In all other matters, as may be specified herein or as the Council may deem proper, the Council may act by the resolution or by motion to be entered in the minutes. The style of all ordinances shall be “The City Council of the City of Chisholm does ordain as follows.” No ordinance, except for the general appropriation, shall contain more than one subject which shall be expressed in its title, nor shall any ordinance be amended after its introduction so as to change its original purpose. No ordinance shall be introduced except at a regular meeting, at which meeting each member of the Council shall receive an exact copy of the ordinance as introduced and at which meeting such ordinance shall have its first reading. The ordinance shall receive its second reading and be passed only at a regular or adjourned regular meeting occurring at least one week subsequent to the time at which the first reading was had. Except in the case of an emergency, any item of business brought on for discussion by the Council for the first time, shall

be tabled upon request of the two members of the Council in attendance at such meeting. If such a demand is made, the matter shall immediately be tabled without further discussion. Actions on such matter may be taken at any subsequent meeting of the Council occurring not less than seven (7) days following its tabling. An emergency ordinance is an ordinance necessary for the immediate preservation of the public peace, health, morals, safety or welfare in which the emergency is defined and declared in a preamble and the ordinance is adopted by a vote of at least five (5) members of the Council. The adoption of an emergency ordinance shall require only one reading before passage.

**Section 21 – Passage of Ordinances and Resolutions.** Every ordinance and resolution, except as is in this Charter otherwise provided, shall be passed by a majority vote of the members-elect of the City Council taken by yeas and nays, which shall be entered upon its journal. It shall then be signed by the Mayor and attested by the City Clerk-Treasurer/Administrator. Every ordinance shall be published once in the official newspaper of the City before it takes effect.

**Section 22 – Initiative, Preliminary Stage.** Any five (5) voters may form themselves into a committee for the initiation of any ordinance. After formulating their proposed ordinance, they shall file a verified copy thereof with the City Clerk-Treasurer/Administrator, together with their names and addresses as members of such a committee. They shall also attach verified copy of the proposed ordinance to each of the signature papers to be circulated, together with their names, and addresses and the petition shall consist of the signature papers and the affidavits and documents attached thereto. Each such signature paper shall be accompanied by an affidavit of the circulator thereof, testifying that each signature of the person it purports to be. All such signature papers shall be filed in the office of the City Clerk-Treasurer/Administrator as one instrument and he/she shall within ten (10) days thereafter ascertain by examination the number of voters whose signatures are appended thereto. If he/she finds the petition to be irregular or to be signed by less than fifteen (15%) percent of the total number of voters who cast their votes at the last preceding regular municipal election, he/she shall at once notify one or more members of the committee. The committee shall then be given thirty (30) days in which to correct the petition or to file additional signature papers. If at the end of that period the petition is found still to be insufficient or irregular, the committee shall be notified and all further proceedings concerning this particular petition shall cease; provided, however, that this shall not be construed to prevent the filing of a new petition for the same purpose at some subsequent date, nor to prevent the Council from enacting the proposed ordinance.

**Section 23 – Action on Initiative Petition.** Should the City Clerk-Treasurer/Administrator find the petition to be in due form and signed by at least fifteen (15%) per cent of the total number of voters who cast votes in the last preceding regular municipal election, he/she shall submit the petition to the Council at their next regular meeting. The Council shall thereupon: a) enact it as an ordinance within sixty (60) days from the time the petition was submitted to it by the City Clerk-Treasurer/Administrator in a form satisfactory to at least 4/5ths of the members of the committee sponsoring the petition, or b) submit the proposal to a vote of the people at any regular election of the City within four (4) months from the date of submission of the petition to the Council or if no such election is due to be held during such time, to submit the proposal to a vote of the people at a special election to be held for that purpose, not less than thirty (30) days nor more than ninety (90) days from the date of submission of the petition to the Council. If

upon election the proposed ordinance shall received a majority of the votes cast thereon, it shall take effect as if enacted as an ordinance by the Council. Any such ordinance adopted by a vote of the people shall not be repealed or amended, except through the initiative procedure.

**Section 24 – Referendum, Preliminary Stages.** Any five (5) voters may form themselves into a committee to petition a vote of the people on any ordinance passed by the Council before said ordinance takes effect. After formulating their objections to said ordinance, they shall file a verified copy thereof with the City Clerk-Treasurer/Administrator, together with their names and addresses as members of the committee. They shall attach a copy of their objections and their names and addresses to each signature paper to be circulated. Upon the filing of their objections with the City Clerk-Treasurer/Administrator, the effective date of such ordinance shall be stayed. Within thirty (30) days after the filing aforesaid, the committee shall file the completed petition with the City Clerk-Treasurer/Administrator together with affidavits testifying that each signature thereon is the genuine signature of the person it purports to be. He/she shall examine the same within the next ten (10) days and if he/she finds it to be in due form and to be signed by at least fifteen (15%) per cent of the total number of votes cast at the last preceding regular municipal election, the City Clerk-Treasurer/Administrator shall declare the petition to be adequate and shall forward the same to the Council at its next regular meeting. If the City Clerk-Treasurer/Administrator shall find the petition to be insufficient or irregular, the committee shall be given an additional ten (10) days to correct such insufficiencies or irregularities. If at the end of that time, the City Clerk-Treasurer/Administrator shall find the petition to still be insufficient or irregular, he/she shall notify the members of the committee to that effect and the petition shall thereupon be deemed to have failed and the ordinance shall take effect at once or at such other time as the ordinance may designate.

**Section 25 – Action on Referendum.** The City Clerk-Treasurer/Administrator shall refer the petition to the Council as adequate. The Council shall (a) repeal the ordinance objected to, or amend it in a manner satisfactory to 4/5ths of the members of the committee sponsoring the petition, or (b) submit the ordinance to a vote of the people at any regular election to be held within sixty (60) days from the date of submission of the petition to the Council, or if no election is due during such time, to submit the ordinance to a vote of the people at a special election to be held during such time. If, at such election, the ordinance shall receive a majority of the votes cast thereon, it shall take effect at once or at such other time as may be therein designated.

## CHAPTER SIX

### Finance

**Section 26 – Council to Control Finances and Fiscal Year.** The Council shall have full authority over the financial affairs of the City. It shall provide for the collection of all revenues and other assets, the auditing and settlement of accounts, and the safekeeping and disbursement of public monies. The fiscal year of the City shall be the calendar year.

**Section 27 – System of Taxation.** Subject to the state constitution, and except as forbidden by it or by state law, the Council shall have the full power to provide by ordinance for a system of local taxation. This authority includes the power by ordinance to assess, levy, and collect taxes on all subjects or objects of taxation except as limited or prohibited by the Constitution of the State of Minnesota, by the Charter of the City of Chisholm or by laws imposing restrictions upon the City irrespective of charter provisions.

**Section 28 – Submission of the Budget.** Annually, the City Clerk-Treasurer/Administrator shall submit to the Council his/her recommended budget in accordance with a budget calendar to be established by ordinance, or in the absence of ordinance, by September 1. The budget shall provide a complete financial plan for all City funds and activities for the ensuing fiscal year and, except as required by law or Charter, shall be in such form as the City Clerk-Treasurer/Administrator deems desirable or the Council may require. It shall include summary and show in detail all estimated income and all proposed expenditures, including debt service and comparative figures for the current fiscal year, actual and estimated, and for the preceding fiscal year. In addition to showing proposed expenditures for the current operations, it shall show proposed capital expenditures to be made during the year and the proposed method of financing such capital expenditure. For each utility operated by the City, the budget shall show anticipated net surplus or deficit and the proposed method of disposition, and subsidiary budgets for each utility giving income and expenditure information, which shall be included or attached as appendices. The total proposed operating budget to be provided from the property tax should not exceed the amounts authorized by law and this Charter. Consistent with these provisions, the budget shall contain such information and be in the form prescribed by ordinance and by statute.

**Section 29 – Capital Improvement Program and Fund.** The City Clerk-Treasurer/Administrator shall prepare and submit to the Council a recommended five (5) year capital improvement program no later than June 1 each year or as prescribed by the City Council. The capital improvement program shall include a list of all capital improvements proposed to be undertaken during the next five (5) fiscal years with appropriate supporting information as to the necessity for such improvements; cost estimates, method of financing and recommended time schedules for each such improvement; and the estimated annual cost of operating and maintaining the facilities to be constructed or acquired. This information shall be revised and extended each year for capital improvements still pending or in process.

There shall be maintained a fund to be designated as the "Capital Improvement Fund" into which shall be paid all proceeds from the sale of any property of the City, such amounts realized from the sale of any bonds or certificates of indebtedness issued on account of such fund, and the

amounts collected from special assessments for such improvements. In addition to the foregoing, it shall be maintained by an annual tax levy of not less than 10% of the total City levy to be made by the City Council, except as in this section otherwise provided. Out of such funds shall be paid the cost of acquiring all real property and appurtenances and the construction and improvement of all buildings and permanent improvements of any kind that the City is authorized to provide or acquire. This does not limit the use of other funds for such projects nor the use of special assessments for financing. The City shall maintain such fund sufficient to meet the expense or cost of all such improvements as the same become payable as in this Charter provided, and out of such fund shall also be paid the cost of replacement of permanent improvements, other than ordinary repairs, maintenance or supplies.

**Section 30 – Council Action on Budget.** The budget shall be considered at the first regular monthly meeting of the Council in September and at subsequent meetings until a budget is adopted for the ensuing year. The meetings shall be conducted as to give interested citizens a reasonable opportunity to be heard. The Council may revise the proposed budget, but no amendment shall increase the authorized expenditures to an amount greater than the estimated income. The Council shall adopt a budget in accordance with Minnesota law by a resolution, which shall set forth the total for each budgeted fund and each department with such segregation as to objects and purposes of expenditures as the Council deems necessary for the purposes of budget control. The Council shall also adopt a resolution levying the amount of taxes provided in the budget and the City Clerk-Treasurer/Administrator shall certify the tax resolution to the county auditor in accordance with Minnesota law. Adoption of the budget resolution shall constitute appropriations at the beginning of the fiscal year of the sums fixed in the resolution for the several purposes named in the budget resolution and no other.

**Section 31 – Enforcement and Alterations of the Budget.** The City Clerk-Treasurer/Administrator shall strictly enforce the provisions of the budget in consultation with the City Council. He/she shall not authorize any payment or the incurring of any obligations by the City unless an appropriation has been made in the budget resolution and there is a sufficient unexpended balance left after deducting the total past expenditures and encumbrances against the appropriation. No officer or employee of the City shall place any order or make any purchase except for a purpose and to the amount authorized in the budget resolution. Any obligation incurred by any person in the employ of the City for any purpose not authorized shall be a personal obligation upon the person incurring the obligation. No check shall be issued or transfer made to any account other than one owned by the City until the claim to which it relates has been supported by and itemized bill, payroll, time-sheet or other document approved and signed by the responsible city officer who vouches for its correctness and reasonableness. After the budget resolution has been adopted, the Council shall not increase the amounts fixed in the resolution beyond the estimated receipts except to the extent that actual receipts exceed the estimate. At any time the Council may, with a resolution approved by the majority of the members, reduce the sums appropriated for any purpose by the budget resolution or authorize the transfer of sums from unencumbered balances or appropriations in the budget resolution to other purposes. All purchases, sales, leases, or contracts shall be made by the Council or any commission or any officer for or on behalf of the City or a commission in compliance with the provisions of Minnesota Statutes Section 471.35, or any future amendments thereto.

**Section 32 – Funds, Indebtedness, and Emergency Funding.** There shall be maintained in the City treasury a general fund, capital improvement fund, a cemetery fund, and such other funds as may be required by statute, ordinance, or resolution. The Council may, by ordinance or resolution, make inter-fund loans, except from trust, sinking funds, and agency funds, as it may deem necessary and appropriate. Except as provided in the following paragraphs of Section 32, no obligations shall be issued to pay current expenses, but the Council may issue and sell obligations for any other municipal purpose in accordance with law and within the limitations prescribed by law. Except in the case of obligations for which an election is not required by this Charter or by law, no such obligations shall be issued and sold without the approval of the majority of voters voting on the question at a general or special election. The Council may issue certificates of indebtedness in anticipation of state and federal aids and the collection of taxes levied the previous year for any funds and not yet collected. The total amount of certificates issued against any fund for any year together with interest thereon until maturity shall not exceed the total of state and federal aids and current taxes due to the fund and uncollected at the time of issuance. Such certificates shall be issued on such terms and conditions as the Council may determine, but they shall become due not later than one (1) year following their issuance. The proceeds of the tax levied, and such state or federal aids as the governing body may have allocated for the fund against said tax anticipation certificates, and the full faith and credit of the City shall be irrevocably pledged for the redemption of the certificates.

If, for any year the receipts from taxes or other sources should for some unforeseen cause become insufficient for the ordinary expenses of the City, or if any calamity or other public emergency necessitates the making of extraordinary expenditures, the Council may by ordinance, issue on such terms and in such a manner, as the Council determines emergency debt certificates to run not to exceed three (3) years. A tax sufficient to pay principal and interest on such certificates with the margin required by law shall be levied as required by law. The ordinance authorizing an issue of such emergency debt certificates shall state the nature of the emergency and be approved by the majority of the City Council. It may be passed by emergency ordinance.

**Section 33 – Board of Equalization.** The City Council shall serve as the Board of Equalization for the purpose of equalizing assessments of property for taxation purposes according to Minnesota law.

**Section 34 – Cemetery Improvement Fund.** All proceeds from the sales of cemetery lots along with the appropriations that the City Council may make from the General Fund and all increments or interest or gifts or devises that may be made thereto shall be deposited and placed into said account. The fund shall be maintained at a minimum principal of \$75,000. Upon the vote of the majority of the City Council, the interest and increase on the principal may be used for purposes of improving and maintaining the cemetery.

**Section 35 – Finance, Letting of Contracts.** In all matters respecting the affairs and management of the City of Chisholm, the City Council shall have power to let contracts. All purchase sales, leases, or contracts shall be made by the City Council in compliance with Minnesota State Statutes.

## CHAPTER SEVEN

### Departments and Commissions of the City

**Section 36 – Police Commission, Powers, and Duties.** This Police Department shall be governed by the Police Commission whose members shall be citizens of the state and residents of the City of Chisholm, which shall consist of three (3) voting members. The Commissioners shall be appointed by the Council of the City, and when first created one (1) Commissioner shall be appointed for the term of one (1) year, who shall be the President of the Commission for one (1) year, one for the terms of two (2) years and one for the term of three (3) years, and all Commissioners shall hold their office until their successors are appointed and qualified. Commissioners presently serving will continue in office until their term expires. Should the office of any Commissioner become vacant before the expiration of the term for which appointed, the vacancy shall be filled in the same manner as the original appointment and the Commissioner so appointed shall serve the balance of the unexpired term with the term being included as the equivalent of one (1) full term. Commissioners shall serve without pay and shall be eligible for reappointment; provided however, that no Commissioners shall be appointed for more than two (2) consecutive terms of three (3) years. No Commissioner shall at the time of the appointment or while serving, hold any elected office under the City, the State of Minnesota, the United States, or any public corporation or political subdivision thereof, or employment under the City, or employment under a police department of any city, other than as a member of a civil service commission or other municipal personnel. Each Commissioner, before entering upon duties, shall subscribe and file with the City Clerk-Treasurer/Administrator an oath for the faithful discharge of the duties. There shall be appointed each year by the City Council one (1) member of the Commission whose term of office shall be for three (3) years, and each member of the Commission shall be President of the Commission during the last year of the member's term. Appointments of Commissioners shall be made in January of each year and the Commissioners will take office on or before February 1<sup>st</sup> following their appointment.

The Police Commission shall have absolute control and supervision over the employment, promotion, discharge, and suspension of all officers and employees of the Police Department. The Commission may not however, prescribe any residency requirement for the positions under its control, unless approved by the City Council. Subject to the statutes of the State of Minnesota, the spending of the Police Commission shall be set by ordinance of the City Council of the City of Chisholm. It shall be the duty of the Commissioners to study and adopt such practices and policies consistent with the Charter and the provisions of the laws of the State of Minnesota, as will preserve order, promote the observance of law and protect life and property.

**Section 37 – Public Utilities Commission, Membership & Terms.** The Department of Public Utilities (water, wastewater, refuse, recycling, and storm drainage) shall consist of five (5) members who are citizens of the State of Minnesota, residents of the City of Chisholm, and shall be appointed by the Council of the City of Chisholm. When first created, two (2) Commissioners shall be appointed for the term of one (1) year and three (3) for the term of two (2) years. All Commissioners shall hold their office until their successors are appointed and qualified. Commissioners presently serving will continue in office until their term expires. Should the office of any Commissioner become vacant before the expiration of the term for

which they were appointed, the vacancy shall be filled in the same manner as the original appointment and the Commissioner so appointed shall serve the balance of the unexpired term with the term being included as the equivalent of one (1) full term. There may be one (1) elected Council Member on the Public Utilities Commission and will count as one of the five (5) Commissioners as a voting member. Commissioners shall serve without pay and shall be eligible for reappointment; provided however, that no Commissioner shall be appointed for more than two (2) consecutive terms of two (2) years. With the exception of the appointed Council Member, a Commissioner shall not hold any City public office or any other employment under the City during the term they serve as a Public Utilities Commissioner. Each Commissioner, before entering upon his/her duties, shall subscribe and file with the City Clerk-Treasurer/Administrator an oath for the faithful discharge of duties. Appointments of Commissioners shall be made in January of each year and the Commissioners will take office on or before February 1<sup>st</sup> following their appointment. There shall be at least two (2) Commissioners appointed each year thereafter by the City Council whose term of office shall be for two (2) years, and each member of the Commission shall be eligible for appointment to offices of the Commission for the maximum of two (2) consecutive terms.

**Section 38 – Public Utilities Commission, Powers & Duties.** The Public Utilities Commission shall be responsible for the overall operations and oversight of the Public Utilities Department. Duties will include human resources for the effective recommendation of appointments, promotions, disciplinary action, suspension, demotions or the removal of all personnel assigned to the Public Utilities Department (water, wastewater, refuse, recycling, and storm drainage) along with the City Council who shall be required to take the final action. The Public Utilities Commission shall have recommending oversight over the finances and monies appropriated by the City Council for the Department of Utilities. Subject to the statutes of the State of Minnesota, the spending of the Chisholm Public Utilities Commission shall be set by ordinance of the City Council of the City of Chisholm.

The Commission shall establish the charges and fees against each class of consumer, public or private, of utilities consumed by such class of consumer. Said charges and fees, as set by the Commission, shall support the total costs of operations of the Department of Public Utilities. In the establishment of rates, the Public Utilities Commission shall satisfy the requirements of the Office of the Minnesota State Auditor, Office of Management and Budget of the United States or related Federal or State agencies and outside independent auditors. Further, the Commission shall conform to any and all past, present and future financial requirements to ensure yielding and appropriate sums for the depreciation reserve, working capital accounts, along with ensuring sufficient funds for the retirement of any bonded indebtedness incurred by the City for the operation, maintenance, capital improvements and future project requirements of the Public Utility Department, including any liabilities such as unfunded retirement for its personnel.

No change in charges nor assessment of new charges for services shall go into effect for thirty (30) days following the date of the rate change. Within the thirty (30) day period, the City Council may veto the rate change or assessment of new charges for services. In the event of a veto, no rate change or assessment for new charges shall be effective. From the various funds of the department and the proceeds of such bonds of the City, as may be sold to provide funds for capital expenditures, the Commission shall have the power to purchase or otherwise acquire such

equipment, materials, and facilities as operation of the department may require, and to sell or otherwise dispose of such materials, equipment or facilities as it may deem desirable. The Commission shall comply with Minnesota statutes on the sale of any and all of its utilities to any person or corporate body. The Commission shall have control over funds derived from the operation of the department and the proceeds of such bonds of the City as may be sold to provide funds for its capital expenditures as the funds relate to that sale. The Commission may make transfers between funds for its capital expenditures. Said transfers shall be subject to the restrictions of the Minnesota statute and accounting standards. Any bonded indebtedness outstanding, on the date of the adoption of this amendment for utility improvements, shall be assumed by the Commission and payments shall be made in accordance with resolutions previously adopted by the City Council authorizing the issuance of bonds. Only the City Council shall be authorized to sell bonds backed by the good faith of the City of Chisholm.

## **CHAPTER EIGHT**

### **Library**

**Section 39 – Library Department & Board of Trustee Appointments.** In addition to the Departments and Commissioners created under Chapter Seven (7) of this Charter, there is hereby established a Library Department.

The department shall be governed by the Library Board of Trustees consisting of five (5) voting members, known as the "Advisory Board." The members shall be citizens of the State of Minnesota and residents of the City of Chisholm. Trustees shall be appointed by resolution of the City Council, and when first created one (1) Trustee shall be appointed for a term of one (1) year, two (2) for a term of two (2) years and two (2) for a term of three (3) years. All trustees shall hold office for terms hereafter provided and until their respective successors are appointed and qualified. Trustees or the Commissioners presently serving shall continue to serve in the office until their term expires. Should the office of any Trustee become vacant before the expiration of the term for which appointed, the vacancy shall be filled in the same manner as the original appointment and the Trustee so appointed shall serve the balance of the unexpired term with the term being included as the equivalent of one (1) full term. Trustees shall serve without pay and shall be eligible for reappointment; provided, however, that no Trustee shall be appointed for more than three (3) consecutive terms of three (3) years. There may be one (1) elected Council Member on the Library Board of Trustees and will count as one (1) of the five (5) Trustees as a voting member. All other Trustees shall not hold any public office or any other employment of the City of Chisholm during the term they serve as a Trustee. Each Trustee, before entering upon his/her duties, shall subscribe and file with the City Clerk-Treasurer/Administrator an oath for the faithful discharge of his/her duties. Appointments of Trustees shall be made in January of each year and the Trustee shall take office on or before February 1<sup>st</sup> following their appointment.

It shall be the duty of the Library Board of Trustees to provide advisory oversight of the functions of the library.

This Charter does not prohibit the joint operations of libraries by the City of Chisholm and any school district operating within the City of Chisholm.

## CHAPTER NINE

### Miscellaneous and Transitional Provisions

**Section 40 – Oath of Office.** Every officer of the City, elective or appointive, shall, before entering upon the duties of his/her office, take and subscribe an oath of office in substantially the following form: “I do solemnly swear, that I will support the Constitution of the United States of America and of the State of Minnesota, and I will faithfully and honorably discharge the duties vested in me as \_\_\_\_\_ of the City of Chisholm.”

**Section 41 – Succession of Rights and Liabilities.** Upon taking effect of this Charter, the City of Chisholm shall be vested with all the rights and immunities formerly vested in the City of Chisholm and shall be subject to all liabilities existing against the City at that time. All ordinances, resolutions, and regulations enforced at the time of the adoption of this Charter, and not in conflict with its provisions shall continue in force until duly amended or repealed. Any tax levy, assessment, condemnation or other municipal actions in process when this Charter takes effect shall be continued and completed under the laws under which such proceedings were begun.