

CITY OF COON RAPIDS, MINNESOTA

CHAPTER 1-700

TAXATION AND FINANCES

1-701 Council to Control Finances. The Council shall have full authority over the financial affairs of the City, and shall provide for the collection of all revenues and other assets, the auditing and settlement of accounts, and the safekeeping and disbursements of public moneys, and in the exercise of a sound discretion, shall make appropriations for the payment of all liabilities and expenses.

1-702 Fiscal Years. The fiscal year of the City shall be the calendar year.

1-703 System of Taxation. Subject to the State constitution and except as forbidden by it or by State legislation, the Council shall have full power to provide by ordinance for a system of local taxation. In the taxation of real and personal property as such, the City shall conform as fully as possible to the general State law as to the assessment of such property and the collection of such taxes.

1-704 Board of Equalization. The Council shall constitute a Board of Equalization to equalize assessments of property for taxation purposes according to law.

1-705 Preparation of the Annual Budget. The City Manager shall prepare the estimates for the annual budget in accordance with generally accepted accounting procedures for municipal governments. The budget shall be by funds and shall include all the funds of the City. The estimates of revenues and expenditures for each fund budgeted, shall be arranged by program, department, division, or activity of the City.

In parallel columns shall be shown comparable information for the past two (2) completed fiscal years, and with respect to the current fiscal year, the budget, actual expenditures, and receipts for the first six (6) months and estimated expenditures and receipts for the balance of the year. All increases and decreases shall be clearly shown. Such information shall be printed or typewritten and copies shall be available to the public upon request.

The budget shall be submitted to the Council not later than its first regular monthly meeting in September or as set forth by State statute and shall be made public. The City Manager may submit with the budget such explanatory statement or statements as the City Manager may deem necessary. [Revised 7/6/93, Ordinance 1459]

1-706 Passage of the Budget. Not later than the first regular monthly meeting of the Council in September, the Council shall establish dates for public hearings on the budget. The meetings shall be conducted so as to give interested citizens a reasonable opportunity to be heard. The City Manager shall explain the various items thereof as fully as may be deemed necessary by the Council. The annual budget finally agreed upon shall set forth in detail the complete financial plan of the City for the ensuing fiscal year, and shall be approved by the majority vote of the Council. The sums appropriated shall not exceed the funds available for each fund. The Council shall adopt the budget by resolution. The Council shall also adopt a resolution levying whatever taxes it considers necessary within statutory limits for the ensuing year for each fund. The tax levy resolution shall be certified to the County office having

responsibility to receive such certificates. At the beginning of the fiscal year, the sums fixed in the budget resolution shall be and become appropriated for the several purposes named in the budget resolution and no other.[Revised 7/6/93, Ordinance 1459]

1-707 Enforcement of the Budget. It shall be the duty of the City Manager to strictly enforce the provisions of the budget. The City Manager shall only approve orders upon the City Treasury for expenditures for which an appropriation has been made in the budget resolution and for which there is a sufficient unexpended balance in the appropriated fund after deducting the total past expenditures and the sum of all outstanding orders and encumbrances against such fund. 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 in the budget resolution or for any amount in excess of the amount therein authorized shall be a personal obligation upon the person incurring the expenditure. [Revised 7/6/93, Ordinance 1459]

1-708 Alterations in the Budget. Upon adoption of the budget resolution the Council may increase the amounts fixed in the budget resolution only if and to the extent that the actual revenues exceed the funds available. The Council may at any time, by resolution approved by a majority of its members, reduce the sums appropriated for any purpose by the budget resolution. By a vote of four (4) members, the Council may authorize the transfer of sums from unencumbered balances of appropriations in the budget resolution to other purposes.

By a resolution approved by four (4) members, the Council may authorize the expenditure of other unappropriated funds, known as unencumbered fund balance; provided, however, that if the proposed expenditure for a single purpose exceeds 20 percent of the fund balance, the Council shall, prior to approving the expenditure, conduct a public hearing following published notice given at least ten (10) days prior to the hearing. The public shall be given the opportunity to be heard at the public hearing. [Revised 7/6/93, Ordinance 1459]

1-709 Contingency Appropriation in Budget. The Council may include a contingency appropriation as a part of the budget for each fund but not to exceed five percent (5%) of the budget for such fund. A transfer from the contingency appropriation to any other appropriation shall be made only by a vote of at least four (4) members of the Council, and shall be used only for the purposes designated by the Council.

1-710 Disbursements. No disbursement of the City funds, with the exception of imprest funds, shall be made except by check signed by the City Manager and Treasurer and specifying the purposes for which the disbursement is made and the fund from which it is drawn. No such check shall be issued until the claim to which it relates has been supported by an itemized bill, payroll, or timesheet approved and signed by the responsible City officer who vouches for its correctness and reasonableness. The City Manager shall note on each contract requiring the payment of money by the City the particular fund out of which it is to be paid. The Council may make further regulations for the safekeeping and disbursement of the funds of the City. [Revised 7/6/93, Ordinance 1459] [Revised 8/19/03, Ordinance 1811]

1-711 Funds to Be Kept. Subdivision 1. There shall be maintained in the City Treasury the following funds:

(1) General Fund. To account for all financial transactions not properly accounted for in any other fund. Into this fund shall be paid all money not provided herein or by statute to be paid into any other fund.

(2) Special Revenue Funds. To account for the proceeds of specific revenue sources (other than special assessments) or to finance specified activities as required by law or administrative regulation. [Revised 7/6/93, Ordinance 1459]

(3) Debt Service Funds. To account for the payment of interest and principal on long-term debt other than revenue bonds. Into this fund shall be paid all receipts from taxes or other sources for the payment of principal and interest of all obligations issued by the City, except bonds payable from special revenues, or proceeds of a municipally-owned utility. Out of this fund shall be paid the principal and interest of such obligations when due. Any surplus in such fund not needed immediately for debt service may be invested under the direction of the Council in such securities as are authorized by statute for the investment of such funds; and such investments may be liquidated at any time. To the extent required by law, a separate account in the debt service fund shall be maintained for each issue of City obligations. [Revised 7/6/93, Ordinance 1459]

(4) Capital Projects Funds.

(a) To account for the receipt and disbursement of monies used for the acquisition of capital facilities. A separate account in the Capital Projects Funds shall be kept for each capital project.

(b) A Special Assessment Fund shall be maintained within the Capital Projects Funds to account for special assessments levied to finance public improvements or services deemed to benefit the property against which the assessments are levied. There shall be paid into this fund: (1) collections of special assessments, with interest, levied against benefitted property; (2) proceeds of bonds or warrants sold by the City to finance local improvements to be paid for, in whole or in part by special assessments, and the proceeds of interfund loans; (3) amounts from other City funds representing either (a) apportionments of costs against the City at large, (b) benefit assessments against City property, or (c) appropriations to maintain the integrity of the fund. There shall be paid out of this fund: (1) all expenses and costs of the improvement projects financed through the fund; (2) the redemption of all special assessments fund obligations, with interest, at or before maturity, and any interfund loans; and (3) abatements of assessments and refunds of receipts in error. The Council shall maintain the integrity of this fund by appropriations from tax funds if necessary, and in addition may, by ordinance, create and maintain in the fund a cash reserve sufficient for working capital purposes. In order to anticipate the collection of special assessments and the municipal share of the cost of a local improvement or improvements, the Council may, by a majority vote, issue and sell obligations pledging the full faith and credit of the City, or pledging only special assessments, in such amounts and maturities as it may determine. Such obligations may be temporary obligations which mature within three years from date of issue, payable before or at the end of their term in whole or in part from the proceeds of issuance of definitive obligations. If any temporary obligations are not paid at maturity, the City may be required by the holders thereof, to issue in exchange therefore, on a par-for-par basis, definitive obligations which shall bear interest at a rate not to exceed State law, shall mature serially in such years and amounts that they, together with other obligations payable from the special assessment fund, can be paid when due from the budgeted receipts of the fund, and shall be subject to redemption and prepayment on any interest payment date. Such temporary obligations shall not be subject to the tax levy requirement set forth in

Minnesota Statutes Section 475.61, or any law amendatory thereof or supplemental thereto. The aggregate amount of obligations outstanding at any time shall not exceed the sum of the following: (1) all assessments levied and uncollected; (2) cost of work in progress to be financed in whole or in part by special assessments; (3) cash on hand to pay for any obligations outstanding, and (4) the cash reserve for working capital as previously determined by ordinance. In order that the fund may be administered on a self-sustaining basis, all local improvement projects financed through it shall, upon completion, be certified by the City Manager as to total cost, which shall thereupon be apportioned by the Council either as assessments against benefitted property or as amounts due from other City funds. Amounts apportioned against other City funds shall be due when installments of special assessments levied for the same project are due, corresponding assessment rolls shall be charged interest as in the case of assessments and shall be credited to the fund, with any interest due, when collected. To the extent required by law, a tax for the City's share of the cost shall be levied before any obligations against the fund are issued and sold. When a local improvement to be financed wholly or partly from special assessment is undertaken under any applicable statute, any provision of this subdivision inconsistent with the statute shall not apply. [Revised 7/6/93, Ordinance 1459]

(5) Enterprise Funds. To account for the financing of services to the general public where all or most of the costs involved are paid in the form of charges by users of such services. Into the fund shall be paid all monies derived from the sale of obligations issued on account of such services and all monies derived from the sale of such services and from the sale of property used in connection with such services. There shall be paid out of this fund the cost of purchase, construction, operation, maintenance, and repair of such services including principal and interest on obligations issued for such services. A separate account in the Enterprise Funds shall be kept for each enterprise. [Revised 7/6/93, Ordinance 1459]

(6) Internal Service Funds. To account for the financing on a cost-reimbursement basis of goods or services provided by one department or agency to other departments or agencies within the City. [Revised 7/6/93, Ordinance 1459]

(7) Trust and Agency Funds. To account for assets held by the City as trustee or agent for individuals, private organizations, and other governmental units. [Revised 7/6/93, Ordinance 1459]

1-712 Accounts and Reports. The City Manager shall be the chief accounting officer of the City and of every branch thereof. The City Manager shall submit to the Council a statement each month showing the amount of money in the custody of the City Treasurer, the status of all funds, the amount spent or chargeable against each of the annual budget allowances and the balances left in each, and all the other information about the finances of the City as the Council may require. Once each year, on or before the last day of April, the City Manager shall submit a report to the Council covering the entire financial operations of the City for the past year. This report shall show: the actual receipt and expenditures, omitting duplications and stating the cash balance at the beginning of the last fiscal year and at the close; the total outlays for operating and maintenance, and the total capital outlays, the condition of each of the funds; the total receipts by sources and the total expenditures by general purposes; the total outstanding bonds and debts of the City, when due, the amount of new bonds issued and the amount redeemed, and the interest rate of each; the condition of all the annual budget allowances; a statement of general fixed assets owned by the City; and such further information as the City Manager deems advisable or the Council requires. [Revised 7/6/93, Ordinance 1459]

1-713 Power of Taxation. The City shall have, in addition to the powers of this Charter expressly or impliedly granted, all the powers to raise money by taxation pursuant to the laws of the State which are applicable to cities of the class of which it may be a member from time to time, provided that the amount of taxes levied against real and personal property within the City for general City purposes shall not exceed the limitations as set forth by State statute. [Revised 7/6/93, Ordinance 1459]

1-714 City Indebtedness. Except as provided in Sections 1-713, 1-715, 1-716 and 1-717 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 provided by law. Except in the case of obligation for which an election is not required by this Charter or by State law, no such obligation shall be issued and sold without the approval of the majority of the voters of the City voting thereon at a general or special election. [Revised 7/6/93, Ordinance 1459]

1-715 Tax Anticipation Certificates. At any time after January 1 following the making of an annual tax levy, the Council may issue certificates of indebtedness in anticipation of the collection of taxes levied for any fund not yet collected. The total amount of certificates issued against any fund for any year with interest thereon until maturity shall not exceed 60 percent of the total current taxes for the fund 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 and payable not later than the first day of April of the year following their issuance. The proceeds of the tax levied for the fund against which tax anticipation certificates are issued and the full faith and credit of the City shall be irrevocably pledged for the redemption of the certificates in the order of their issuance against the fund.

1-716 Emergency Debt Certificates. If in any year the receipts from taxes or other sources should from unforeseen cause become insufficient for the ordinary expenses of the City, or if any calamity or other public emergency should subject the City to the necessity for making extraordinary expenditures, the Council may, by ordinance, issue and sell on such terms and in such manner as the Council determines emergency debt certificates to run not to exceed two (2) 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 at least four (4) (Effective 01/01/94 will be five (5)) members of the Council. It may be passed as an emergency ordinance. [Revised 02/23/93, Ordinance 1439]

1-717 Capital Improvement Bonds. The City Council may, by ordinance and without an election, authorize the issuance of general obligation bonds. The bonds shall be issued in accordance with the provisions of Chapter 475 of the laws of Minnesota. The net proceeds of such bonds shall be used for the acquisition of specific assets, which shall be itemized within the ordinance authorizing such issuance, but shall not be used for the acquisition of land, or automobiles, nor the construction of buildings or sidewalks, nor the purchase of one (1) major item of equipment costing less than \$10,000. The term of such bonds shall be the expected life of the improvement or asset to be acquired or five (5) years, whichever shall be the lesser. Bonds of not more than four one hundredths of one percent (.04%) of the market value of the property within the City in face value may be issued in one (1) fiscal year. At the end of any fiscal year the net debt accumulated under the provision shall not exceed fifteen hundredths of

one percent (.15%) of the market value of the property within the City. The Council may each year levy a property tax in excess of any Charter or statutory limitations in an amount sufficient to pay the costs of principal and interest payable upon such bonds in the following year. [Revised 7/6/93, Ordinance 1459]