

PREFACE

On November 2, 2010 and November 6, 2012, the voters of the City of Cannon Falls approved amendments to the City Charter. On November 2, 1995, the City Council of the City of Cannon Falls approved amendments to the Charter by Ordinance. On April, 7, 1992, the voters of the City of Cannon Falls approved a comprehensive revision of a Charter adopted on April 7, 1980. Prior to 1980, Cannon Falls operated under a Charter dating to February 13, 1905.

Providing a broad framework of authority within which City government is to operate, this Charter is the foundation upon which good government rests in Cannon Falls.

CITY CHARTER

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CHARTER OF THE CITY OF CANNON FALLS, MINNESOTA

CHAPTER 1

GENERAL PROVISIONS

SECTION 1.01 NAME AND BOUNDARIES. The City of Cannon Falls, Goodhue County, Minnesota, when this Charter takes effect, is and will continue to be a municipal corporation with the boundaries existing on the effective date of this Charter, or as later modified in accordance with law.

SECTION 1.02 POWERS OF THE CITY. The City has all powers that it is now or hereafter possible for a municipal corporation in the state of Minnesota to exercise in harmony with the constitutions of the State of Minnesota and of the United States. It is the intention of this Charter to confer upon the City every lawful power that the City would have if the power was specifically mentioned in this Charter. This Charter is to be construed liberally in favor of the City. The specific mention of particular powers in this Charter does not limit the powers of the City to those mentioned or limit the generality of the powers conferred by this Section.

CHAPTER 2

FORM AND ORGANIZATION OF GOVERNMENT

SECTION 2.01 FORM OF GOVERNMENT. The form of government established by this Charter is the “Mayor-Council” plan. Except as otherwise provided by law or this Charter, all powers of the City are vested in the Council.

SECTION 2.02 THE COUNCIL – COMPOSITION, ELECTION, QUALIFICATION, AND TERMS. The Council is composed of the Mayor exercising the power specified in Section 2.05 and six Council members. The Mayor and Council members must be elected at large by the voters of the City. The Mayor and Council members must qualify for and be sworn into office at the first regular Council meeting in January following their election. The Mayor and Council members will hold office until their successors are elected, qualified, and sworn into office. The term of office of the Mayor is four years. Four Council members will serve four year staggered terms and two Council Members will serve two year staggered terms, so that four Council members are elected at each biennial election. The Council will be the judge, as to qualification only, of the election of the Mayor and the Council members. The terms of office of the Mayor and Council members in office on the effective date of this Charter amendment shall be extended as provided in Section 12.07, Subd. 2 of this Charter.

SECTION 2.03 INCOMPATIBLE OFFICES. The Mayor or a Council member may not be appointed to a paid municipal office in the City nor be employed by the City. Upon resignation of the Mayor or a Council member, the Mayor or Council member may not be appointed to a paid municipal office in the City nor be employed by the City for a period of one (1) year. The Mayor and Council members may hold another compatible public office.

SECTION 2.04 VACANCIES.

Subd. 1. A vacancy in the office of Mayor or Council member exists for the following reasons:

- (a) failure of a person elected to the office to qualify for that office;
- (b) the death of the Mayor or a Council member;
- (c) the resignation of the Mayor or a Council member;
- (d) the Mayor or Council member ceasing to be a resident of the City;
- (e) conviction of the Mayor or a Council member of a felony either before or after qualification for office;
- (f) failure of the Mayor or a Council member to attend four (4) consecutive regular council meetings;
- (g) the Mayor or a Council member is found to be an incapacitated person pursuant to law; or
- (h) any reason specified by law.

Subd. 2. When a vacancy occurs, the Council must by resolution declare the vacancy to exist. If a regular City election is to be held within 90 days of the declaration of vacancy, the Council must forthwith appoint an eligible person to fill the vacancy until the second regular City election following the vacancy when the vacancy will be filled by election of the voters for the balance of the unexpired term, if any. If a regular City election is not to be held within 90 days of the declaration of vacancy, the Council must forthwith appoint an eligible person to fill the vacancy until the first regular City election following the vacancy when the vacancy will be filled by election of the voters for the balance of the unexpired term, if any.

Subd. 3. Upon the Council's declaration of vacancy on the City Council, the affirmative vote required to approve an appointment to the Council is reduced by the number of positions declared by the Council to be vacant.

SECTION 2.05 THE MAYOR.

Subd. 1. The Mayor is a member of the Council for the purposes of presiding at its meetings. The Mayor may not vote, except in case of a tie, when the Mayor may vote to break the tie. The Mayor may appoint Council committees. The Mayor may appoint City boards and commissions subject to confirmation of the appointments by the Council.

Subd. 2. The Mayor must exercise all powers and perform all duties required by law and this Charter. The Mayor is the official head of City government for ceremonial purposes, for purposes of service of civil process, and purposes of martial law. The Mayor must study the operation of City government and report to the Council any neglect, dereliction of duty, or waste on the part of any City officer or department. In time of public danger or emergency, the Mayor may with Council consent take command of the police, maintain order, and enforce the law.

Subd. 3. An ordinance or a resolution adopted by the Council before it takes effect must be promptly presented to and approved by the Mayor. The Mayor approves the ordinance or the resolution by signing it and filing it with the City Administrator. If the Mayor does not file the signed ordinance or resolution with the City Administrator within five days, Sundays, Saturdays and holidays excluded, the ordinance or resolution is deemed approved. If the Mayor does not approve the ordinance or resolution, the Mayor must return it to the City Administrator with the Mayor's written objections for presentment to the Council at its next regular meeting or at a special meeting called for the purpose of reconsidering the ordinance or resolution. At that meeting, the vote by which the ordinance or resolution was adopted is deemed to be reconsidered. If, upon reconsideration, five Council members vote to approve the ordinance or resolution, it is adopted notwithstanding the Mayor's disapproval.

SECTION 2.06 MAYOR PRO-TEM. A Mayor pro-tem must be elected by the Council at its first regular meeting in January following the regular City election. The Mayor pro-tem presides at Council meetings in the Mayor's absence. The Mayor pro-tem may vote on all matters before the Council. The Mayor pro-tem serves until a successor is elected by the Council either upon its declaration of vacancy in the office of Mayor pro-tem or at the first regular Council meeting in January following the next regular City election. The Mayor pro-tem serves as Mayor in the event of the Mayor's disability or absence from the City or when a vacancy in the office of Mayor is declared by the Council.

SECTION 2.07 BOARDS, COMMISSIONS AND COMMITTEES. Except as otherwise provided by law or this Charter, there are no separate administrative boards, commissions, or committees except such boards, commissions, or committees established for administration of a municipal function jointly with another political subdivision. The Council performs the duties and exercises the powers of administrative boards, commissions, and committees. The Council may establish boards, commissions, and committees to advise the Council with respect to a municipal function or activity, to investigate a subject of interest to the City or to perform a quasi-judicial function.

The Mayor and Council members are not disqualified from serving on a board, commission, or committee by virtue of their office. If the purpose for which the board, commission, or committee is established is to continue beyond the terms of its initial members, the board, commission, or committee must be established by ordinance. Otherwise, the board, commission, or committee may be established by resolution.

CHAPTER 3

COUNCIL ORGANIZATION AND PROCEDURE

SECTION 3.01 COUNCIL ORGANIZATION. At the first regular meeting in January following the regular City election, the newly elected members of the Council will be sworn into office and assume their duties.

SECTION 3.02 COUNCIL MEETINGS. The Council meets at such time or times each month as may be set by ordinance with law. The Mayor or any two Council members may call a special meeting or an emergency meeting upon notice to the Mayor and each Council member in accordance with law. Actions and discussions at special and emergency meetings must be confined to the specific purposes set forth in the notice of the meeting and no other action may be taken at a special or emergency meeting. Meetings of the Council and its boards, commissions, and committees are public meetings. A citizen may have access to the minutes and records of the Council and its boards, commissions, and committees at all reasonable time in accordance with law.

SECTION 3.03 RULES OF PROCEDURE AND QUORUM. The Council determines its own rules of procedure and order of business. Unless otherwise provided by this Chapter, ordinance, or other law, four Council members constitute a quorum to act upon any matter, but a smaller number may adjourn from time to time.

SECTION 3.04 ORDINANCES, RESOLUTIONS AND MOTIONS, LEGISLATION MUST BE ENACTED BY ORDINANCE. Legislation must be enacted by ordinance. The Council may by ordinance provide that payment of liabilities, making and assessing of local improvements, issuance of bonds, and other administrative matters relating to a specific municipal act and not of general application, must be accomplished by resolution. Except as otherwise provided in this Charter or law, an affirmative vote of a majority of the Council members present is required for the adoption of ordinances, resolutions and motions. All matters of administration not requiring approval by resolution under this Charter or law may be approved by motion.

SECTION 3.05 PROCEDURE ON ORDINANCES. The enacting clause of an ordinance is: “THE CITY OF CANNON FALLS ORDAINS”. An ordinance may not contain more than one subject which must be expressed in the title. An ordinance must be introduced in writing. An ordinance, except an emergency ordinance, may not be adopted for at least ten (10) days after being introduced, nor more than ninety (90) days after being introduced. Any person may obtain, prior to adoption, a copy of an ordinance which has been introduced by requesting the copy from the City Administrator. A fee may not be charged for the copy except when an ordinance codification is introduced in which case a reasonable administrative fee may be imposed.

SECTION 3.06 EMERGENCY ORDINANCES. An emergency ordinance is an ordinance adopted for the immediate preservation of the public peace, health, morals, safety, or welfare. The emergency must be defined and declared in a preamble to the ordinance. The Council must vote on the preamble separately. Both the preamble and the ordinance must be adopted by an affirmative vote of at least four Council members. Prosecution may not be based upon provisions of an emergency ordinance until twenty-four (24) hours after the ordinance has been adopted by the Council and posted in three (3) conspicuous places, or until the ordinance has been published once in the official newspaper, unless the person charged with the violation has actual notice of the adoption of the ordinance prior to the act or omission of which complaint is made.

SECTION 3.07 AMENDMENT AND REPEAL OF ORDINANCES. An ordinance amending a previous ordinance must identify the sections of the previous ordinance to be amended and restate them in their new amended format. An ordinance amending a previously codified ordinance must identify the chapter, section, subdivision, subparagraph, and item designations of the codified ordinance and restate them in their new amended format. An ordinance repealing a previous ordinance must refer to the previous ordinance to be repealed by its number and caption. An ordinance repealing a previously codified ordinance must refer to the subject matter, chapter, section, subdivision, subparagraph and item designations of the codified ordinance.

SECTION 3.08 SIGNING AND PUBLICATION OF ORDINANCES AND RESOLUTIONS. An ordinance or a resolution adopted by the Council must be signed by the Mayor and attested by the City Administrator. An ordinance must be published once in the official newspaper except if notice of the adoption of emergency ordinance is given by posting, then publication is not required. If the Council determines that publication of the title and a summary of an ordinance clearly informs the public of the intent and effect of the ordinance, the Council may by an affirmative vote of five Council members direct that only the title of the ordinance and a summary be published with notice that a printed copy of the ordinance is available for inspection by any person during regular office hours at the office of the City Administrator and any other location which the Council designates. A copy of the entire text of the ordinance must be posted in a public location which the Council designates. Prior

to the publication of the title and summary, the Council must approve the text of the summary and determine that it clearly informs the public of the intent and effect of the ordinance. The publishing of an ordinance by title and summary approved by the Council fulfills all legal publication requirements of this Charter and under law as completely as though the entire ordinance was published. The text of the summary must be published in a body type no smaller than brevier or eight-point type as defined in Minnesota Statutes.

SECTION 3.09 WHEN RESOLUTIONS AND ORDINANCES TAKE EFFECT. A resolution or an emergency ordinance takes effect immediately upon adoption or at such later date as may be fixed in the resolution or ordinance. An ordinance, not an emergency ordinance, takes effect on the day after its publication or at such later date as may be fixed in the ordinance. An ordinance adopted by the voters of the City takes effect immediately upon adoption or at such later time as may be fixed in the ordinance. An ordinance passed under the initiative power may not be repealed or amended by the Council except by its submission to the voters by the Council at a regular or special City election.

SECTION 3.10 REVISION AND CODIFICATION OF ORDINANCES. The City may revise, rearrange and codify its ordinances with such additions and deletions as may be deemed necessary by the Council. An ordinance code adopted by the Council must be published in book, pamphlet or continuously revised loose-leaf form and copies must be made available by the Council at the City Administrator's office for general distribution to the public free or at a reasonable charge. Distribution of an ordinance code in its published form is sufficient notice of any ordinance provision not previously published or posted if a notice that copies of the codification are available at the City Administrator's office is published once weekly for at least two (2) successive weeks in the official newspaper.

CHAPTER 4

ADMINISTRATION

SECTION 4.01 THE COUNCIL. The Council is the chief administrative body of the City. Its administrative powers may be enforced by an administrative code enacted in the form of an ordinance or an administrative chapter in an ordinance book.

SECTION 4.02 DEPARTMENTS OF ADMINISTRATION. The Council may create such departments and divisions for the administration of City affairs as it may deem necessary or proper, and from time to time alter their powers and organization. The administrative code may create, limit, and regulate all City departments and divisions.

SECTION 4.03 CITY ADMINISTRATOR. The Council must appoint a City Administrator. The Administrator must be chosen solely on the basis of training, experience and administrative qualifications. The Administrator may be appointed for an indefinite period, and may be removed by the Council at will. The Administrator is responsible to the Council for the proper administration of City affairs, as set forth in an ordinance prescribing the powers and duties of the Administrator. The Council may designate a properly qualified person as acting Administrator to perform the duties of the Administrator during the absence or disability of the Administrator, or while the office is vacant. The Council must by resolution or ordinance define what constitutes the absence or disability of the Administrator for purposes of this Section.

SECTION 4.04 FILING AND EXECUTION OF DOCUMENTS. Unless otherwise specifically provided, all contracts, documents, instruments and papers required to be filed with the City under this Charter or by law must be filed with the office of the City Administrator. All City contracts, documents, instruments, and papers must be executed in the name of the City and signed by the Mayor and attested by the City Administrator.

SECTION 4.05 THE CITY ATTORNEY. The Council must appoint a City Attorney and such assistants as may be necessary and advisable to represent the City in civil and criminal matters. The City Attorney is responsible directly to the Council. Among other duties, the City Attorney must attend Council meetings, approve all bonds to which the City is a party as to form, approve all sureties required by the City, furnish legal opinions upon request by the Council, and act as the revisor of ordinances for the City.

SECTION 4.06 CITY EMPLOYEES, THEIR WAGES, SALARIES, BENEFITS AND REGULATIONS. The Council has complete authority with reference to employment, suspension, and discharge of City appointed officers and employees; wages and salaries to be paid such appointive officers and employees; their benefits, supervision and lines of authority; and all other matters of personnel management, supervision, regulations, and contractual provisions, subject to civil service laws now in effect for the City or which may be adopted in the future by the City. All appointive officers and employees of the City serve at the pleasure of the Council subject to this Charter and law and any applicable collective bargaining agreements.

SECTION 4.07 POLICE CHIEF AND PEACE OFFICERS.

Subd. 1. The Council has complete authority with reference to appointment of the Chief of Police and peace officers, subject to the provisions of this section. If the Council determines to appoint a Chief of Police or peace officer, the Police Commission must first recommend a candidate for appointment. The Police Commission must recruit and screen applicants and conduct any investigation and interviews it deems appropriate in order to make a recommendation for appointment to the City

Council. The City Council may appoint the candidate recommended by the Police Commission, or it may require the Police Commission to recommend another candidate. The appointment of a Chief of Police or peace officer must comply with City personnel rules and regulations and applicable collective bargaining agreements.

Subd. 2. The Council has complete authority with reference to employment, discipline, suspension, and discharge of the Chief of Police and peace officers; wages and salaries to be paid the Chief of Police and peace officers, their benefits, supervision and lines of authority; and all other matters of personnel management in accordance with City personnel rules and applicable collective bargaining agreements.

SECTION 4.08 PURCHASES AND CONTRACTS. The Council is the chief purchasing agent of the City. The Council must approve City purchases and contracts in accordance with the Charter and law. When competitive bids are required by law for a City purchase or contract, the Council must follow applicable law in the bidding and award process. The Council may adopt by ordinance such other provisions for notice, bidding, and contracting on the City's behalf as the Council deems reasonable and necessary. The Council may provide for the sale and disposition of unclaimed property by ordinance in accordance with applicable law.

SECTION 4.09 INVESTIGATION OF CITY AFFAIRS.

Subd. 1. The Council and Mayor or either of them, and any City peace officer or officers formally authorized by either of them, may investigate the City's affairs and the conduct of City departments, officers, and employees, and for this purpose, may subpoena witnesses, administer oaths, take testimony, and require the production of evidence. The Mayor may not expend City funds, other than by designating a City peace officer or officers to investigate as provided in this section.

Subd. 2. The Council may audit the accounts of any City officer or department. The Council may conduct a survey or research study of subjects of City concern.

CHAPTER 5

NOMINATIONS AND ELECTIONS

SECTION 5.01 REGULAR ELECTIONS. The regular City election is held on the first Tuesday following the first Monday in November of each even-numbered year at the place or places designated by Council resolution. The City Administrator must publish in the official newspaper a notice of the election at least 14 days prior to the election. Failure to publish and post the notice does not invalidate the election.

SECTION 5.02 SPECIAL ELECTIONS. The Council may by resolution order a special election as provided by law and establish the procedures for holding the election. The City Administrator must publish in the official newspaper and post at City Hall a notice of the special election at least 14 days prior to the election. Failure to publish and post the notice does not invalidate the election. The procedure at a special election must conform as nearly as possible to the procedure applying to other City elections.

SECTION. 5.03 PROCEDURE AT ELECTIONS. Subject to this Charter and law, the Council may by ordinance further regulate the conduct of City elections. Except as otherwise provided by this Charter and ordinance, State law applies to City elections.

CHAPTER 6

TAXATION AND FINANCES

SECTION 6.01 COUNCIL TO CONTROL FINANCES. The Council is responsible for the financial affairs of the City. The Council must provide the collection of revenues, the safe keeping of assets, the auditing and settlement of accounts, and the safekeeping and disbursement of City monies. The Council must provide appropriations sufficient to pay City liabilities and expenses. The Council must provide for an audit of the City accounts at least once a year. The Council may, by ordinance, provide for additional auditing and the creation of such accounts as allowed by law.

SECTION 6.02 FISCAL YEAR. The fiscal year of the City is the calendar year.

SECTION 6.03 SYSTEM OF TAXATION. Subject to the State Constitution, and except as forbidden by it or by state law, the Council may provide by ordinance of a system of local taxation.

SECTION 6.04 BOARD OF EQUALIZATION. A board of equalization composed of at least three Council members selected by the Council is established to equalize assessments of property for taxation purposes according to law.

SECTION 6.05 PREPARATION OF ANNUAL BUDGET. The Council must adopt an annual budget. The Council must also adopt an ordinance specifying the officer or officers responsible for preparation of the budget, the procedure to be followed, and its form and content.

SECTION 6.06 ADOPTION OF THE BUDGET. The budget must be considered by the Council no later than the first regular meeting of the Council in September or as otherwise required by law. The Council may consider the budget at subsequent meetings until a budget is adopted. The Council must give interested citizens reasonable notice and opportunity to be heard at the budget

meetings. The sums appropriated by the budget may not exceed the estimated revenues and reserves available to fund the expenditures in the budget. The Council must adopt the budget by resolution not later than the date provided by law. The budget resolution must state the total sum appropriated for each fund and each department with such segregation of objects and purposes of expenditures as deemed necessary by the Council. The budget resolution or a separate related tax resolution of the Council must levy sufficient taxes to provide adequate revenues for the budgeted expenditures. The City Administrator must certify the budget resolution or separate related tax resolution to the county auditor in accordance with the law. The sums fixed in the budget resolution are appropriate for the purposes identified in the budget resolution.

SECTION 6.07 ENFORCEMENT OF THE BUDGET. The Council must enforce the budget. The Council may not approve a payment or permit the incurring of an obligation by the City unless funds for the payment or obligation are appropriated by the budget and there is a sufficient unexpended balance in the appropriation after deducting prior expenditures and encumbrances against the appropriation. An officer or employee of the City may not place an order or make a purchase for the City unless the order or purchase is authorized in the budget.

SECTION 6.08 ALTERATIONS IN THE BUDGET. The Council may not increase the amounts appropriated in the budget resolution beyond estimated revenues except to the extent actual receipts exceed the estimated revenues. The Council may by resolution reduce an appropriation for any purpose in the budget or authorize the transfer of sums from unencumbered appropriations in the budget to other purposes.

SECTION 6.09 MAKING DISBURSEMENTS. Disbursements of City funds may not be made except by check signed by authorized City officers or employees and specifying the purpose for which the disbursement is made and the fund from which it is drawn. A check may not be issued until there is money to the credit of the fund from which it is to be paid sufficient to pay it, together with all outstanding orders upon the fund. Provided, that a negative balance may be shown where there are other credits or receivables at the time the order is drawn sufficient to cover all orders. The Council may, by ordinance, make further regulations for the safekeeping and disbursement of the funds of the City. Such ordinance may, amount other things, authorize the use of facsimile signatures.

SECTION 6.10 FUNDS TO BE KEPT. The City Treasury must be classified as to funds and must provide for a general fund and such other funds as may be required by law, this Charter, ordinance, the budget resolution, or other resolution. The Council may by ordinance or resolution make interfund loans except from trust and agency funds.

SECTION 6.11 ACCOUNTS AND REPORTS. The Council must prescribe and enforce proper accounting methods, forms, blanks, and other devices consistent with law, this Charter, and ordinances. The Council may require monthly or quarterly statements showing the amount of money in

the City Treasury, the status of all funds, the amount spent chargeable against each of the annual budget appropriations and the balances left in each, and such other information about the finances of the City as the Council may require. Once each year a report must be submitted to the Council covering the entire financial operations of the City for the past year.

SECTION 6.12 DESIGNATING DEPOSITORIES. The Council must annually designate depositories for City funds in accordance with law. A depository must be located within the United States. A depository also must be located within the boundaries of the City unless the Council determines by resolution that designation of a depository located outside the boundaries of the City is required to serve the City's best interest.

SECTION 6.13 CITY INDEBTEDNESS. Except as provided in this Chapter and by law, obligations of the City may not be issued to pay current expenses but the Council may issue and sell its obligations for any other municipal purpose in accordance with law and within the limits prescribed by law. Except in the case of obligations for which an election is not required by this Charter or law, such obligations may not be issued and sold without the approval of a majority of the voters of the City at a general or special City election.

SECTION 6.14 TAX ANTICIPATION CERTIFICATES. At any time after January 1st, the Council may issue certificates of indebtedness in anticipation of collection of taxes levied for any fund but not yet collected. The total amount of certificates issued against a fund for a fiscal year with interest thereon until maturity may not exceed ninety percent (90%) of the total current taxes for the fund uncollected at the time of issuance plus the cash on hand in the fund. The certificates may be issued on terms and conditions determined by the Council. The certificates must mature not later than April 1 of the year following their issuance. The proceeds of the tax levied for the fund against which certificates are issued together with the full faith and credit of the City must be irrevocably pledged for the payment of the certificates at maturity or by earlier redemption in the order of their issuance against the fund.

CHAPTER 7

PUBLIC IMPROVEMENT AND SPECIAL ASSESSMENTS

SECTION 7.01 IMPROVEMENTS AND ASSESSMENTS. The City may make any type of public improvement not forbidden by law and may levy special assessments against benefitted property for all or a portion of the cost of the local improvements in accordance with law.

SECTION 7.02 ASSESSMENTS FOR SERVICE. The Council may provide by ordinance and in the manner provided by law that the cost of City services to public or private property may be assessed against benefitted property and collected in the same manner as special assessments. Such

ordinances may include, but not by way of limitation, provisions for collection of delinquent City utility accounts and charges as special assessments. In such cases, the property benefitted in the premises upon which such utilities were delivered or services rendered.

SECTION 7.03 LOCAL IMPROVEMENTS REGULATIONS. The Council may prepare and adopt a comprehensive local improvement ordinance prescribing the procedure for making and levying assessments for local improvements. The Council in making local improvements and levying assessments may elect to either use the state law or the local improvement ordinance adopted by the Council.

CHAPTER 8

EMINENT DOMAIN

SECTION 8.01 ACQUISITION OF PROPERTY. The City may acquire, by purchase, gift, eminent domain, or otherwise property within or outside its boundaries needed by the City for a public purpose. In acquiring property by exercising the power of eminent domain, the City must proceed in accordance with law.

CHAPTER 9

FRANCHISE

SECTION 9.01 FRANCHISE REQUIRED. Except as otherwise provided by law, a person, firm or corporation may not place or maintain a permanent or semi-permanent fixture in, over, upon, or under a street or other public place in the City for the purpose of operating a public utility or for any other purpose without a franchise from the City. A franchise may be granted only by ordinance, which may not be an emergency ordinance. An ordinance granting a franchise must contain all the terms and conditions of the franchise. The grantee must pay the cost of publication of the franchise ordinance. A franchise is not effective unless it has been unconditionally accepted in writing by the grantee and the written acceptance filed with the City Administrator.

SECTION 9.02 TERM. An exclusive or a perpetual franchise may not be granted. A franchise for a term exceeding twenty (20) years is not effective until approved by a majority of the voters at a regular or special City election.

SECTION 9.03 PUBLIC HEARING. Before a franchise ordinance is adopted, the Council must hold a public hearing on the matter. Notice of the hearing must be published at least once in the official newspaper not less than (10) days prior to the date of the hearing.

SECTION 9.04 REGULATION. Subject to applicable law, the Council may by ordinance reasonably regulate and control the exercise of a franchise, including the rates, fares, or prices to be charged by the grantee. Unless prohibited by law, the ordinance may impose a franchise fee on the grantee. The City may inspect the books and records of the grantee at reasonable times. The Council may require the grantee to provide the City with written reports on the grantee's operation in the City. The value of a franchise may not be included in either the valuation of the grantee's property in regulating rates, fares, or prices under an applicable law, ordinance, or regulation or in proceedings for City acquisition of the grantee's property by purchase or eminent domain.

SECTION 9.05 RENEWALS. The renewal or modification of a franchise is subject to the limitations of this Chapter and is granted in the same manner as a new franchise.

CHAPTER 10

PUBLIC OWNERSHIP AND OPERATION OF UTILITIES

SECTION 10.01 OWNERSHIP, OPERATION, AND ACQUISITION OF UTILITIES.

The City may own and operate any water, gas, electric, heating, telephone, transportation, or other public utility authorized by law or this Charter for supplying its own needs for utility service and products and services to others within or outside of the boundaries of the City. Subject to applicable law the City may construct, maintain, enlarge, extend, repair, and operate public utility facilities and may acquire any existing utility properties needed for that purpose. A proceeding to acquire a public utility may not be consummated unless the City has funds in the Treasury to pay for the acquisition or has made provision for paying for the property proposed to be acquired. The Council must supervise the operation of all public utilities owned by the City.

SECTION 10.02 RATES AND FINANCES. The Council may establish just and reasonable rates and charges for municipal utility services, prescribe the time and manner of payment for the services, and make such other regulations, including penalties for their violations, as may be necessary for the protection, maintenance, operation, extension, and improvement of the utilities and for the sale of the City's utility products and services.

SECTION 10.03 PURCHASE OF UTILITY PRODUCTS WHOLESALE. The Council may, in lieu of providing for the local production of gas, electricity, water and other utilities, purchase such a product wholesale and resell it to others.

SECTION 10.04 CONTRACT FOR OPERATION OF UTILITY. Subject to applicable law, the council may by ordinance, which may not be an emergency ordinance, adopted by an

affirmative vote of five Council members, contract for a term not to exceed ten years with any person, firm, or corporation for the operation of any utility owned by the City, upon such terms and conditions as the Council deems necessary and in the public interest.

SECTION 10.05 PUBLIC UTILITY: HOW SOLD. A public utility owned by the City may not be sold or otherwise disposed of by the City unless the full terms of the proposition of sale or other disposition are approved by a majority of the voters at a regular general or special City election.

CHAPTER 11

INITIATIVE AND REFERENDUM

SECTION 11.01 GENERAL AUTHORITY. The voters of the City may, in accordance with this Charter, propose ordinances not contrary to this Charter or law and require ordinances to be submitted to a vote by processes known respectively as initiative and referendum.

SECTION 11.02 PETITIONS. An initiative or a referendum is initiated by a petition signed by registered voters of the City equal in number to at least fifteen percent (15%) of the votes cast for the office of President of the United States at the last preceding presidential election. A petition is sponsored by a committee of five (5) voters whose names and addresses must appear in the petition. A petition may consist of one or more papers, but each paper circulated separately must contain at its head or attached to the paper the statement required by Section 11.04 or 11.05, as the case may be. A person signing a petition must list that person's name and street address. Each page of the petition must have attached a certificate, verified by oath, that each signature is the genuine signature of the person whose name it purports to be. The person making the certificate must be a registered voter of the City. A person whose name appears on a petition may withdraw the name by a written statement filed with the City Administrator prior to the Council's determination of the petition's compliance with this Chapter.

SECTION 11.03 DETERMINATION OF COMPLIANCE AND DISPOSITION. At its next meeting following the filing of a petition, the Council must examine the petition and determine by resolution that the petition complies with this Chapter. If the Council determines by resolution that the petition does not comply with this Chapter, the Council must direct the City Administrator to deliver a copy of the petition, together with a copy of the Council's resolution to the sponsoring committee. Within 30 days after receiving the petition and resolution from the City Administrator, the committee may file additional corrected signature pages with the City Administrator for presentment to the Council and otherwise correct the petition. If the Council determines by resolution that the corrected petition does not comply with this Chapter, the Council must direct the City Administrator to file the corrected petition and the Council's resolution in the City Administrator's office and notify the sponsoring

committee in writing of the Council's determination. The final determination of the Council that the petition does not comply with this Chapter does not prevent the filing of a new petition for the same purpose or prevent the Council from submitting the ordinance that was the subject of the petition to the voters at the next regular or special City election.

SECTION 11.04 INITIATIVE. An ordinance, except an ordinance:

- (a) relating to the budget or capital program,
- (b) the appropriation of money,
- (c) the levy of taxes,
- (d) the compensation of City officers or employees, or
- (e) the zoning or rezoning of land may be proposed by a petition pursuant to this Chapter.

The petition must state at the head of each page or have attached to each page the text of the proposed ordinance. If the Council adopts the proposed ordinance or adopts the ordinance with amendments and a majority of the members of the sponsoring committee do not disapprove the amended ordinance by a written statement filed with the City Administrator no later than ten (10) days after adoption of the ordinance, the ordinance need not be submitted to the voters. If the Council does not adopt the ordinance in a form acceptable to a majority of the sponsoring committee within 60 days after the adoption of the Council's resolution determining that the petition complies with this Chapter, the ordinance must be submitted to the voters at the next special or general City election. If a City election is not scheduled to be held within 120 days after receipt of the petition by the City Administrator, the ordinance must be submitted to the voters at a special election to be held within 120 days after receipt of the petition by the City Administrator. The ordinance, if approved by the voters, is effective either immediately or at a later date specified in the ordinance.

SECTION 11.05 REFERENDUM. An ordinance subject to the initiative may be subjected to referendum by a petition received by the City Administrator prior to the effective date of the ordinance. The petition must state, at the head of each page or have attached to each page, a description of the ordinance, in adequate detail to clearly identify the ordinance. Any ordinance upon which a petition is filed, other than an emergency ordinance, must be suspended in its operation as soon as the petition is found in compliance with this Chapter. If the ordinance is not thereafter entirely repealed, the ordinance must be placed on the ballot at the next regular City election or at a special City election called for the purpose of voting on the ordinance. The ordinance, if approved by the voters, continues in effect or is effective as otherwise provided in this Charter, as the case may be. The ordinance, if not approved by the voters, is deemed repealed on the day following certification of the election results on the referendum. If a petition is filed against an emergency ordinance, the ordinance must remain in effect but may be repealed if a majority of the voters voting on the ordinance vote against it.

CHAPTER 12

MISCELLANEOUS PROVISIONS

SECTION 12.01 OFFICIAL PUBLICATIONS. The Council at its first meeting in each year must designate a legal newspaper of general circulation in the City as its official newspaper. Ordinances and other matters required by law, this Charter, or the Council to be published must be published in the official newspaper.

SECTION 12.02 OATH OF OFFICE. Elected and appointed officers of the City when required by this Charter or law must, before taking office, take and subscribe to an oath of office in the form required by law.

SECTION 12.03 OFFICIAL BONDS. Officers and employees of the City as required by law or ordinance must, before assuming office or employment, give a corporate surety bond to the City as security for the faithful performance of duties and the safekeeping of public funds. The bond must be in the form and amount fixed by the Council and may be either an individual or blanket bond. The bond must be approved as to form by the City attorney, approved by the Council, and filed with the City Administrator. The premium on the bond must be paid by the City.

SECTION 12.04 SALE OF REAL PROPERTY. The sale of real property owned by the City must be authorized by ordinance which may not be an emergency ordinance. The net proceeds of the sale of real property owned by the City must be used to retire outstanding debt incurred by the City in the acquisition or improvement of that property or of other property used for the same public purpose. If there is no such outstanding debt on the property sold or on other property used for the same public purpose, the Council may by ordinance or resolution designate some other public use for the proceeds, including placing the net proceeds in a sinking fund.

SECTION 12.05 VACATION OF STREETS. The Council may, by resolution adopted by an affirmative vote of five Council members and in accordance with the law, vacate a street, alley, public ground, public way, or part thereof in the City. A vacation may be commenced by the Council on its own motion for a public purpose or by a petition signed by a majority in number of the owners of land abutting a street, alley, or part thereof proposed to be vacated. A petition to vacate a street, alley, or part thereof must be signed by all the owners of land abutting the street, alley, or part thereof when the street, alley, or part thereof does not connect with another street or alley. A vacation may be made only after a public hearing is held before the Council on the matter. A 14-days published notice and a 10-days mailed notice to affected property owners of the public hearing on the vacation must be given by the City Administrator. Failure to give mailed notice or any defect in the notice does not invalidate the proceedings. The City Administrator must file a notice of completion of the vacation proceedings with the appropriate county officer. Failure to file the notice does not invalidate the proceedings.

SECTION 12.06 OFFICIAL INTEREST IN CONTRACTS. Except as otherwise permitted by law, an official or officer of the City who is authorized to take part in any manner in any contract with the City may not voluntarily have a personal financial interest in or personally benefit from the contract.

SECTION 12.07 EFFECT OF CHARTER REVISION.

Subd. 1. This Charter is effective thirty (30) days after the election at which it is adopted. Nothing in this Charter is to be construed to modify, abrogate or abridge (a) the rights, duties, liabilities, privileges or immunities of the City, (b) the ordinances and resolutions of the City, (c) pending or completed condemnation, improvement or assessment proceedings, or (d) the qualifications or terms of the office of City officers as they existed on the effective date of this Charter, except as otherwise specifically provided in this Charter. This Charter is not to be construed to affect, modify or repeal any special law of the state applicable to the City.

Subd. 2. Transition of Terms of Office, Elections, and Vacancies.

- A. Mayor. Beginning with the regular city election in 2014 the term of office of the Mayor shall be for four years.
- B. 2014 Council Seats. Beginning with the regular city election in 2014 the term of two of the open Council seats shall be four years and the term of one of the open Council seats shall be for two years.
- C. 2016 Council Seat. Beginning with the regular city election in 2016 the term of two of the open Council seats shall be for four years and the term of one of the open Council seats shall be for two years.
- D. Vacancies During Transition. If a vacancy in the office of Mayor or Council Member is declared to exist after the adoption of the Charter amendment, but before its effective date, the Council must appoint an eligible person to fill the vacancy. The term of office of that person so appointed shall be the same term as the office vacated, as if there had been no vacancy in that office.

CERTIFICATE OF ADOPTION
OF
REVISED HOME RULE CHARTER

STATE OF MINNESOTA)
)ss
COUNTY OF GOODHUE)

I, Aaron S. Reeves, City Administrator of the City of Cannon Falls do hereby certify that the Revised Charter attached hereto and made a part hereof, is a true and correct copy of the Charter returned and filed with the City by the City Council.

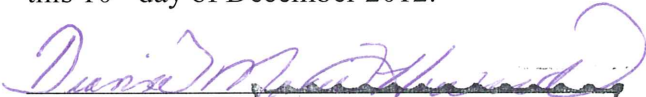
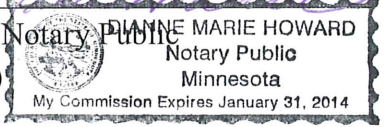
I further certify that such revised Charter was duly adopted by the voters of the City at a regular City election held on Tuesday the 6th day of November 2012 by a vote of 1,299 YES and 369 NO. Such revised Charter was effective 30 days after approval at said election.

Witness my hand and the corporate seal of the City of Cannon Falls, Goodhue County, Minnesota, this 10th day of December 2012.



Aaron S. Reeves, City Administrator

Submitted and sworn to before me
this 10th day of December 2012.


Dianne Howard, Notary Public
(SEAL)  DIANNE MARIE HOWARD
Notary Public
Minnesota
My Commission Expires January 31, 2014