

AMENDED CHARTER OF THE CITY OF CANBY
EFFECTIVE JANUARY 1, 2011

CHAPTER 1
NAME, BOUNDARIES, POWERS, AND GENERAL PROVISIONS

Section 1.01. Name and Boundaries. The City of Canby, Yellow Medicine County, Minnesota shall continue to be a municipal corporation under that name and with the same boundaries as now are or hereafter may be established.

Section 1.02. Powers of the City. The city shall have all powers which it may now or hereafter be possible for a municipal corporation in this state to exercise in harmony with the constitutions of this state and of the United States. It is the intention of this charter to confer upon the city every power which it would have if it were specifically mentioned. The charter shall be construed liberally in favor of the city and the specific mention of particular municipal powers in other sections of this charter does not limit the powers of the city to those thus mentioned. Unless granted to some other officer or body, all powers are vested in the city council.

CHAPTER 2
FORM OF GOVERNMENT

Section 2.01. Form of Government. The form of government established by this charter is the "Council-Administrator Plan." Except as otherwise provided by law or this charter, all powers of the city are vested in the council. The city administrator shall be the head of the administrative branch of the city government and shall be responsible to the council for the proper administration of all city affairs.

Section 2.02. Boards and Commissions. There shall be no separate administrative board of health, library board, or any other administrative board or commission except for the administration of a function jointly with another political subdivision. The council shall itself be and perform the duties and exercise the powers of such boards and commissions provided for by statute. The council may, however, establish boards or commissions to advise the council with respect to any municipal function or activity, to investigate any subject of interest to the city, or to perform quasi-judicial functions.

Section 2.03. Council Composition and Election. The council shall be composed of a mayor and four council members who shall be qualified electors and who shall be elected at large. Each council member shall serve for a term of four years and until a successor is elected and qualifies. The mayor shall serve for a term of four years and until a successor is elected and qualifies.

Section 2.04. Incompatible Offices. No member of the council shall hold an incompatible office as set forth under Minnesota law.

Section 2.05. Vacancies. An elective office becomes vacant when the person elected or appointed thereto dies before taking office or fails to qualify, or the incumbent dies, resigns in writing filed with the city administrator, is convicted of a felony, ceases to reside in the city, or is adjudged incompetent by a court of competent jurisdiction. In each such case the council shall by resolution declare the vacancy to exist and shall forthwith appoint an eligible person to fill the vacancy until the next regular election when the office shall be filled for the unexpired term.

Section 2.06. The Mayor. The mayor shall preside at meetings of the council and shall have a vote as a member. The council shall choose from its members a president pro tem who shall hold office at the pleasure of the council. The president pro tem shall serve as president in the mayor's absence and as mayor in case of the mayor's disability or absence from the city. The mayor shall be recognized as head of the city government for all ceremonial purposes, by the courts for the purpose of serving civil process, and by the governor for purposes of martial law, but shall have no administrative duties. The mayor shall receive such salaries or wages as may be fixed by the council.

Section 2.07. Salaries. The mayor and council members shall receive such compensation as is fixed by the council in accordance with law. The city administrator and all subordinate officers and employees of the city shall receive such salaries or wages as may be fixed by the council.

Section 2.08. Investigation of City Affairs. The council may make investigations in to the affairs of the city and the conduct of any city department, office or agency and for this purpose may subpoena witnesses, administer oaths, take testimony, and require the production of evidence. The council shall provide for an audit of the city's accounts at least once a year by the state department in charge of such work or by a public accountant. At any time the council may provide for an examination or audit of the accounts of any city officer or agency and it may provide for any survey or research study of any subject of municipal concern.

CHAPTER 3 COUNCIL PRODECURE

Section 3.01. Council Meetings. The council shall meet regularly at least once each month at such times and places as the council may designate by rule. The mayor or any two members of the council may call special meetings of the council upon at least twelve hours notice to each member and such reasonable public notice as may be prescribed by council rule in compliance with the laws of Minnesota. To the extent provided by law, all meetings of the council and its committees shall be public and any citizen shall have access to the minutes and records of the council at all reasonable times.

Section 3.02. Secretary of Council. The city administrator shall act as secretary of the council. The city administrator shall keep a journal of council proceedings and perform such other duties as this charter or the council may require. The council may designate any other city official or employee except the city administrator or a member of the council to act as secretary of the council.

Section 3.03. Rules of Procedure and Quorum. The council shall determine its own rules and order of business. A majority of all members shall constitute a quorum but a smaller number may adjourn from time to time. The council may by rule provide a means by which a minority may compel the attendance of absent members.

Section 3.04. Ordinances, Resolutions and Motions. Except as otherwise provided in this charter, all legislation shall be by ordinance. The votes of council members on any action taken shall be recorded in accordance with statute. Except as otherwise provided in this charter, an affirmative vote of a majority of all the members of the council shall be required for the adoption of all ordinances and resolutions.

Section 3.05. Procedure on Ordinances. Every proposed ordinance shall be presented in writing. No ordinance shall contain more than one subject which shall be clearly expressed in its title. The enacting clause shall be, "The City of Canby ordains." No ordinance except an emergency ordinance shall be adopted at the meeting at which it is introduced and at least three days shall elapse between its introduction and final passage, other than emergency ordinances.

Section 3.06. Emergency Ordinances. 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 a majority of the council.

Section 3.07. Procedure on Resolutions. Every resolution shall be presented in writing and read in full before adoption, unless the reading is dispensed with by unanimous consent.

Section 3.08. Signing and Publication of Ordinances and Resolutions. Every ordinance or resolution passed by the council shall be signed by the mayor, attested by the city administrator, and filed and preserved. Every ordinance shall be published at least once in the official newspaper. To the extent and in the manner provided by law an ordinance may incorporate by reference a statute, state administrative rule or regulation of Minnesota, a code, or ordinance or part thereof without publishing the material referred to in full.

Section 3.09. When Ordinances and Resolutions Take Effect. Every resolution and emergency ordinance shall take effect immediately upon its passage or at such later date as it specifies. Every ordinance and resolution adopted by the voters of the city shall take effect immediately upon its adoption or at such later date as it specifies.

Section 3.10. Amendment and Repeal of Ordinances and Resolutions. Every ordinance or resolution repealing all or part of a previous ordinance or resolution shall give the number, if any, and the title of the ordinance or resolution to be repealed in whole or in part. No ordinance or resolution shall be amended by reference to the title alone, but such an amending ordinance or resolution shall set forth in full each section or subdivision to be amended and shall indicate by appropriate type or symbols matter to be omitted or added.

Section 3.11. Revision and Codification of Ordinances. The city may revise, rearrange and codify its ordinances with such additions and deletions as may be deemed necessary. The ordinance code may be published in book, pamphlet, or continuously revised loose-leaf form and copies shall be made available by the council at the office of the city administrator for general distribution to the public free or for a reasonable charge. Publication in such a code shall be a sufficient publication of any ordinance provision not previously published if a notice that copies of the codification are available at the office of the city administrator is published in the official newspaper for at least two successive weeks.

CHAPTER 4 NOMINATIONS AND ELECTIONS

Section 4.01. The Regular Municipal Election. A regular municipal election shall be held on the first Tuesday after the first Monday in November of each even-numbered year, at such place or places as the city council may designate. The city administrator shall give at least two weeks published notice of the time and place of holding such election and of the officers to be elected, but failure to give such notice shall not invalidate the election.

Section 45.02. Special Elections. The council may by resolution order a special election and provide all means for holding it. The administrator shall give at least two weeks published notice of a special election. The procedure at such election shall conform to the general state laws on municipal elections.

Section 4.03. Filing for Office. Filing requirements for office shall conform to the general state laws on municipal elections.

Section 4.04. Procedure at Elections. Subject to this charter and applicable state laws, the council may by ordinance further regulate the conduct of municipal elections. Except as otherwise provided by this charter and supplementary ordinances, general state laws on elections shall apply to municipal elections.

CHAPTER 5 INITIATIVE AND REFERENDUM

Section 5.01. General Voter Authority. The voters of the city shall have the right, in accordance with this charter, to propose ordinances and to require ordinances to be submitted to a vote by processes known respectively as the initiative and referendum.

Section 5.02. Petitions. An initiative or referendum shall be initiated by a petition signed by registered voters of the city equal in number to 20 percent of those who voted in the last preceding city election. Each petition shall be sponsored by a committee of five voters whose names and addresses shall appear on the petition. A petition may consist of one or more papers, but each paper circulated separately shall contain at its head or attached to it the statement required by Section 5.05 or 5.06, as the case may be. Each signer shall sign their name and give their street address. Each separate page of the petition shall have appended to it 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 shall be a resident of the city. Any person whose name appears on a petition may withdraw their name by a statement in writing filed with the city administrator before the administrator advises the council of the sufficiency of the petition.

Section 5.03. Determination of Sufficiency. Immediately upon receipt of the petition, the city administrator shall examine the petition as to its sufficiency and report to the council within 20 days. Upon receiving the report, the council shall determine by resolution the sufficiency of the petition.

Section 5.04. Disposition of Insufficient Petition. If the council determines that the petition is insufficient or irregular, the city administrator shall deliver a copy of the petition, together with a written statement of its defects, to the sponsoring committee. The committee shall have 30 days in which to file additional signature papers and to correct the petition in all other particulars. If at the end of that period the council finds that the petition is still insufficient or irregular, the city administrator shall file the petition and notify the sponsoring committee. The final finding that the petition is insufficient or irregular shall not prejudice the filing of a new petition for the same purpose nor shall it prevent the council from referring the ordinance to the voters at the next regular or special election at its option.

Section 5.05. Initiative. Any ordinance except an ordinance relating to the budget or capital program, the appropriation of money, the levy, of taxes, or the salaries of city officers or employees, may be proposed by a petition which shall state at the head of each page or attached thereto the exact text of the proposed ordinance. If the council passes the proposed ordinance with amendments and a

majority of the sponsoring committee do not disapprove the amended form by a statement filed with the city administrator within 10 days of its passage by the council, the ordinance need not be submitted to the voters. If the council fails to enact the ordinance in an acceptable form within 60 days after the final determination of sufficiency of the petition, the ordinance shall be placed on the ballot at the next election occurring in the city. If no election is to occur within 120 days after the filing of the petition, the council may call a special election on the ordinance to be held within such period. If a majority of those voting on the ordinance vote in its favor, it shall become effective 30 days after adoption unless the ordinance specifies a later effective date.

Section 5.06. Referendum. Any ordinance subject to the initiative may be subjected to referendum by a petition which shall state, at the head of each page or on an attached paper, a description of the ordinance. Any ordinance, upon which a petition is filed, other than an emergency ordinance, shall be suspended in its operation as soon as the petition is found sufficient. If the ordinance is not thereafter entirely repealed, it shall be placed on the ballot at the next election or at a special election called for that purpose, as the council determines. If a majority of the voters voting thereon favors the ordinance, it shall go into effect immediately or on the date specified in the ordinance; if a majority of the electors voting thereon votes against the ordinance, it shall be considered repealed upon certification of the election results. If a petition is filed against an emergency ordinance, the ordinance shall remain in effect but shall be repealed if a majority of the voters voting on the ordinance vote against it.

CHAPTER 6 ADMINISTRATION OF CITY AFFAIRS

Section 6.01. The City Administrator. The city administrator shall be the chief administrative officer of the city. The city administrator shall be chosen by the council solely on the basis of training, experience, executive and administrative qualifications. The city administrator need not be a resident of the city at the time of appointment but may reside outside the city while in office only with the approval of the council. The city administrator shall be appointed for an indefinite term and may be removed at any time by an affirmative vote of a majority of the council. The council may appoint a qualified person to perform the duties of the administrator during absence or disability or while the office is vacant.

Section 6.02. Powers and Duties of the City Administrator. Subdivision 1. The city administrator shall be responsible to the council for the administration of the city's affairs. The city administrator shall have the powers and duties set forth in the following subdivisions.

Subdivision 2. The city administrator shall see that this charter and the laws, ordinances, and resolutions of the city are enforced.

Subdivision 3. The city administrator shall direct and supervise all departments, offices, and agencies of the city, except as otherwise provided by law or charter.

Subdivision 4. The city administrator shall attend all meetings of the council and may take part in discussion but not vote; but the council may, in its discretion, exclude the city administrator from any meeting, at which the city administrator's removal is considered.

Subdivision 5. The city administrator shall recommend to the council for adoption such measures, as the city administrator deems necessary for the welfare of the people and the efficient administration of the city's affairs.

Subdivision 6. The city administrator shall keep the council fully advised on the financial condition and needs of the city, and the city administrator shall prepare and submit to the council the annual budget and capital program.

Subdivision 7. The city administrator shall submit to the council and make available to the public a complete report on the finances and administrative activities of the city at the end of each fiscal year.

Subdivision 8. The city administrator shall perform such other duties as are prescribed by charter or may be required by the council. The city administrator shall be subject to the direction of the council and shall have such duties in connection with the keeping of the public records, the custody and disbursement of the public funds, and the general administration of the city's affairs as the council may prescribe. The city administrator may be designated to act as secretary of the council and also as treasurer.

Section 6.03. Administrative Organization. The council may by ordinance establish city departments, offices, and agencies and prescribe their functions. No power or duty conferred by this charter upon a particular office or agency shall be transferred to any other.

Section 6.04. Subordinate Officers. There shall be a city administrator and such officers subordinate to the city administrator as the council may establish by ordinance. The council may by ordinance abolish offices which have been created by ordinance and it may combine the duties of various offices as it may see fit.

Section 6.05. Purchases and Contracts. The city administrator shall be the chief purchasing agent of the city. All city purchases and contracts shall be made or let after approval by the council. Contracts shall be made in compliance with the uniform contracting law, and whenever competitive bids are required, the contract shall be let to the lowest responsible bidder. All contracts, bonds and instruments of any kind to which the city is a party shall be signed by the mayor and the city administrator on behalf of the city and shall be executed in the name of the city. The council may by ordinance adopt further regulations for the making of bids and the letting of contracts.

CHAPTER 7 TAXATION AND FINANCES

Section 7.01. Council to Control Finances. 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.

Section 7.02. Fiscal Year. The fiscal year of the city shall be the calendar year

Section 7.03. System of Taxation. Subject to the state constitution, and except as forbidden by it or by state law, the council shall have 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 state constitution, by this charter or by laws imposing restrictions upon the city irrespective of charter provisions.

Section 7.04. Submission of Budget. Annually the city administrator shall submit to the council a 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 administrator deems desirable or the council may require. It shall include a 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 the preceding fiscal year. In addition to showing proposed expenditures for current operations, it shall show proposed capital expenditures to be made during the year and the proposed method of financing each such capital expenditure. For each utility operated by the city, the budget shall show anticipated net surplus or deficit and the proposed method of its disposition, and subsidiary budgets for each such utility giving income and expenditure information shall be included or attached as appendices. The total proposed operating budget to be provided from the property tax shall 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 law.

Section 7.05. Capital Improvement Program. The administrator shall prepare and submit to the council a recommended five-year capital improvement program no later than June 1 each year. The capital improvement program shall include a list of all capital improvements proposed to be undertaken during the next five 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. The council shall hold a public hearing on the capital improvement program and adopt it with or without amendment no later than August 15.

Section 7.06. 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 so conducted as to give interested citizens a reasonable opportunity to be heard. The council may revise the proposed budget but no amendment to the budget shall increase the authorized expenditures to an amount greater than the estimated income. The council shall adopt the budget no later than 29 December. The council shall also adopt a resolution levying the amount of taxes provided in the budget and the administrator shall certify the tax resolution to the county auditor in accordance with law. Adoption of the budget resolution shall constitute appropriations at the beginning of the fiscal year of the sums fixed for the several purposes named.

Section 7.07. Enforcement of the Budget. The city administrator shall enforce strictly the provisions of the budget. The city administrator shall not authorize any payment or the incurring of any obligation 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 in the budget resolution or for any amount in excess of the amount 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 an itemized bill, payroll, or time-sheet or other document approved and signed by the responsible city officer who vouches for its correctness and reasonableness.

Section 7.08. Alterations in the Budget. 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, by resolution approved by a majority of its members, reduce the sums appropriated for any purpose by the budget resolution or authorize the transfer of sums from unencumbered balances of appropriations in the budget resolution to other purposes.

Section 7.09. Funds. There shall be maintained in the city treasury a general fund and such other funds as may required by statute, ordinance, or resolution. The council may, by ordinance or resolution, make inter-fund loans, except from trust and agency funds, as it may deem necessary and appropriate.

Section 7.10. City Indebtedness. Except as provided in Sections 7.11 and 7.12, 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 the voters voting on the question at a general or special election.

Section 7.11. Anticipation Certificates. At any time after January 1 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 fund 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 April 1 of the 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 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.

Section 7.12. Emergency Debt Certificates. If in any year the receipts from taxes or other sources should from 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 manner as the council determines, emergency debt certificates to run not to exceed three 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 certificate shall state the nature of the emergency. It may be passed as an emergency ordinance.

CHAPTER 8 PUBLIC IMPROVEMENTS AND SPECIAL ASSESSMENTS

Section 8.01. Power to Make Improvements and Levy Assessments. The city may make any type of public improvement not forbidden by law and levy special assessments to pay all or any part of the cost of such improvements as are of a local character. The total assessments for any local improvement may not exceed the cost of the improvement, including all costs and expenses connected therewith, with interest. No assessment shall exceed the benefits to the property.

Section 8.02. Assessments for Services. The council may provide by ordinance that the cost of city services to streets, sidewalks, or other public or private property may be assessed against property benefited and collected in the same manner as special assessments.

Section 8.03. Local Improvement Procedure. When the city undertakes any local improvement to which the state local improvement code applies, it shall comply with the provisions of that law. The council may by ordinance prescribe the procedure to be followed in making any other local improvement and levying assessments therefore.

CHAPTER 9 EMINENT DOMAIN

Section 9.01. Acquisition of Property. The city may acquire, by purchase, gift, condemnation, or otherwise, any property, either within or without its boundaries, that may be needed by the city for any public purpose. In acquiring property by exercising the power of eminent domain, the city shall proceed according to Minnesota Statutes, Chapter 117 or other applicable law.

CHAPTER 10 FRANCHISES

Section 10.01. Franchises Required. Except as otherwise provided by law, no person, firm, or corporation shall place or maintain any permanent or semi-permanent fixtures in, over, upon, or under any street or public place for the purpose of operating a public utility or for any other purpose, without a franchise therefore from the city. A franchise shall be granted only by ordinance, which shall not be an emergency ordinance. Every ordinance granting a franchise shall contain all the terms and conditions of the franchise. The grantee shall bear the costs of publication of the franchise ordinance and shall make a sufficient deposit with the administrator to guarantee publication before the ordinance is passed.

Section 10.02. Term. No exclusive or perpetual franchise shall ever be granted. No franchise for a term exceeding twenty years shall be effective until approved by a majority of the electors voting thereon.

Section 10.03. Public Hearing. Before any franchise ordinance is adopted, the council shall hold a public hearing on the matter. Notice of such hearing shall be published at least once in the official newspaper not less than ten days prior to the date of the hearing.

Section 10.04. Power of Regulation Reserved. Subject to any applicable law the council may by ordinance reasonably regulate and control the exercise of any franchise as permitted by law. No franchise value shall be included in the valuation of the grantee's property in regulating utility rates, fares, or prices under any applicable law, ordinance, or regulation or in proceedings for municipal acquisition of the grantee's property by purchase or eminent domain.

Section 10.05. Renewals or Extensions. Every renewal or modification of a franchise including an existing franchise, shall be subject to the same limitations and shall be granted in the same manner as a new franchise.

CHAPTER 11 PUBLIC OWNERSHIP AND OPERATION OF UTILITIES

Section 11.01. Acquisition and Operation Utilities. The city may own and operate any water, gas, light, power, heat, telephone, transportation or other public utility for supplying its own needs for utility service or for supplying utility service to private consumers or other governmental agencies. It may construct all facilities reasonably needed for that purpose and may acquire an existing utility properties so needed. The city shall not acquire or construct any public utility unless the proposition to acquire or to construct it has been incorporated in an ordinance and adopted by the council. Such ordinance shall not be an emergency ordinance.

Section 11.02. Regulations and Rates. The council may by resolution fix rates, fares, and prices for any municipal utility, prescribe the time and manner of payment for any such service, make such other regulations as may be necessary, and prescribe penalties for violation of such regulations.

Section 11.03. Lease of Plant. The council may by resolution contract with any person, firm, or corporation for the operation of any municipal utility for a term not to exceed ten years.

Section 11.04. Sale of Public Utility. No public utility owned by the city shall be sold or otherwise disposed of by the city unless the full terms of the proposition of sale or other disposition are embodied in an ordinance approved by a majority of the voters voting thereon at a general or special election. Any sale, lease or abandonment of a water works or light plant shall be subject, in addition, to the requirements of state law.

CHAPTER 12 GENERAL PROVISIONS

Section 12.01. Official Publication. The council shall annually at its first meeting of the year designate a legal newspaper of general circulation in the city as its official newspaper in which shall be published ordinances and other matters required by law to be so published as well as such other matters as the council may deem it in the public interest to have published in this manner.

Section 12.02. Oath of Office. Every elected or appointed officer of the city shall, before entering upon the duties of office, take and subscribe an oath of office in substantially the following form, "I do solemnly swear (or affirm) to support the constitution of the United States and of this state and to discharge faithfully the duties devolving upon me as . . . (title of office) of the City of Canby to the best of my judgment and ability."

Section 12.03. Official Bonds. The city administrator, the city treasurer, and such other officers or employees of the city as may be specified by ordinance shall each, before entering upon the duties of the respective office or employment, give a corporate surety bond to the city as security for the faithful performance of official duties and the safekeeping of the public funds. Such bonds shall be in such form and amounts the council determines and may be either individual or blanket bonds in the discretion of the council. They shall be approved by the city council and filed with the city administrator. The provisions of state laws relating to official bonds not inconsistent with this charter shall be complied with. The premiums on such bonds shall be paid by the city.

Section 12.04. Official Interest in Contracts. Except as otherwise permitted by law, no officer of the city who is authorized to take part in any manner in any contract with the city shall voluntarily have a personal financial interest in or personally benefit from such contract.

Section 12.05. Sale of Real Property. No real property of the city shall be disposed of except by ordinance. The net cash proceeds of any sale of the property shall be used to retire any outstanding indebtedness incurred by the city in the acquisition or improvement of the property. Any remaining net proceeds shall be used to finance other improvements in the capital improvement budget or to retire any other bonded indebtedness.

Section 12.06. Vacation of Streets. The council may by ordinance approved by a majority of the council vacate any street or alley or other public grounds thereof within the city. Such vacation may be made only after published notice and an opportunity for affected property owners and public to be heard, and upon such further terms and by such procedure as the council by ordinance may prescribe. A notice of completion of such proceedings shall be filed with the proper county officers in accordance with law.

Section 12.07. City to Succeed to Rights and Obligations of Former City. The city shall succeed to all the property, rights, and privileges, and shall be subject to all legal obligations of the city under the former charter.

Section 12.08. Existing Ordinances Continued. All ordinances and regulations of the city in force when this charter takes effect and not inconsistent with this charter are continued in full force and effect until amended or repealed.

Section 12.09. Pending Condemnations, Improvements and Assessments. Any condemnation, improvement, or assessment proceeding in progress when this charter takes effect shall be continued and completed under the laws under which such proceedings were begun. All assessments made by the city prior to the time when this charter takes effect shall be collected as if this charter had not been adopted.

Section 12.10. Ordinances to Make Charter Effective. The council shall by ordinance, resolution, or other appropriate action take such steps as may be necessary to make effective the provisions of this charter.

Section 12.11. Present Officers Continued. The present officers of the city shall continue in their respective offices and functions and shall continue to govern the city under the laws and charter previously in effect until the officers provided for by this charter have been elected and qualify. They shall make such financial and other provisions for the fiscal year 2010 as will serve to carry on the government until a government has been set up under this charter, and they shall make provision for the election of the first city council as provided in Chapter 4 of this charter.

Section 12.12. Present Boards and Commissions. All boards and commissions established when this charter takes effect are continued in their respective functions.

Section 12.13. This charter becomes effective 1 January 2011.