

**FRIDLEY CITY CHARTER**  
**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, and shall provide for the collection of all revenues and other assets, the auditing and settlement of accounts, and the safekeeping and disbursement of public moneys. In the exercise of a sound discretion it shall make provisions for the payment of all liabilities and expenses. The Council shall establish the fiscal year for the City.

Section 7.02. POWER OF TAXATION.

1. The City shall have, in addition to the powers by 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. The amount of taxes levied against real and personal property within the City for general City purposes shall not exceed five percent (5%) more than the prior year tax levy. Moreover, if necessary, the tax levy may be increased up to an additional three percent (3%) with an affirmative vote of at least four members of the Council. (Ref. Ord. 592, 1102, 11/7/00 Amendment, and Ord 1345)

Nothing in this provision shall be construed to impair any general obligation the City may have in support of otherwise lawful indebtedness or similar obligation supported by the full faith and credit of the City, provided, however, that long-term, general obligation indebtedness shall not be used for the purpose of funding the routine and daily business operations of the City. (Ref Ord 1152)

2. The City Council may also levy a tax against real and personal property within the City in addition to said limit as defined in paragraph 1 provided the Council shall:
  - A. Adopt a resolution declaring the necessity for an additional tax levy and specifying the purposes for which such additional tax levy is required.
  - B. Hold a public hearing pursuant to three (3) weeks' published notice in the official newspaper of the City setting forth the contents of the resolution described in Subdivision A.
  - C. Adopt after such public hearing a resolution by an affirmative vote of a least four (4) members of the Council which shall be presented as a clear and concise 'plain language' ballot question at the next regular municipal election. (Ref. Ord. 592, 1102 and 11/7/00 Amendment)
  - D. The additional tax levy shall take effect if 51% of the votes cast at said election are in favor of its adoption.

3. Any other fees created, or increased beyond the limits set forth in subsection 1, shall require voter approval as stipulated in subsection 2.
  - A. For the purposes of this subsection, "fees" includes sales and use taxes, gas and electric franchise fees and any other fee that produces a tax burden or direct financial obligation for all property owners and/or residents of Fridley. (Ref Ord 1152, 1244, 1352)
  - B. For the purposes of this subsection, the term "fees" does not include: utility charges, recycling fees, Parks and Recreation Department participation fees, charges for photo-copying, sales of municipal liquor store products, or civil and criminal fines and other charges collected in cases of restitution or violation of law or contract. The term "fees" also does not include rental housing fees, building permit fees, liquor license fees, the extension or transfer of cable television service authority to additional service providers for which fees are already being charged, fees for the operation of junk yards, annual license fees for the operation of pawn shops and other regulated business, and any other charge for services, including health and safety related Code enforcement, and other goods, services or materials routinely provided by the City to its citizens or other members of the public which, by law, must be limited to the actual cost of the service being provided. The term "fees" shall not include any special assessments made under Minnesota state law. (Ref Ord 1152, 1244, 1352)
  - C. All fees and other charges referenced in Section B above shall be designed to cover the cost of the service and anticipated future costs. For the purposes of this subsection, "fee increase" includes a new tax or fee, a monetary increase in an existing tax or fee, a tax or fee rate increase, an expansion in the legal definition of a tax or fee base, and an extension of an expiring tax or fee. (Ref Ord 1152, 1352)
  - D. For the purposes of this subsection, "city" includes the city itself and all its departments and agencies that are organized to exercise the "Powers of the City" as defined in Chapter 1 of this Charter. "City" shall not include any body of government owing its existence to separate constitutional or statutory authority outside of the Charter, regardless of whether that other body of government has jurisdiction or performs duties and services within the boundaries of the City. (Ref Ord 1152)
  - E. For the purpose of addressing natural disasters this subsection does not apply to any specific emergency measure authorized in Section 7.08 or state law. (Ref 11/7/00 Amendment, Ord 1345)

**Section 7.03. BOARD OF REVIEW.**

The Council shall constitute a board of review and shall meet as such in the usual place for holding Council meetings to review, amend and equalize the assessed valuations according to state law. (Ref. Special Election 4/12/60, Ord. 592, Ord 1345)

**Section 7.04. PREPARATION OF ANNUAL BUDGET.**

The city manager shall prepare the estimates for the annual budget. The budget shall include all funds identified by the city manager as requiring annual budget estimates. The budget shall include any estimated deficit/surplus for the current year. The budget shall contain sufficient detail readily understood and contain explanatory statements as deemed necessary.

The estimates of revenues and expenditures for general and special revenue funds shall be by organizational unit and include comparative figures for the current year and actual figures for the two preceding fiscal years. Expenditure estimates shall be divided into three (3) major subdivisions as follows:

- A. Salaries and Wages,
- B. Ordinary Expenses,
- C. Capital Outlay.

In funds other than general and special revenue, the proposed expenditures shall be presented in an understandable manner according to the discretion of the city manager. (Ref 1352)

**Section 7.05. PASSAGE OF THE BUDGET.**

The estimated budget shall be a principal item of business at regular meeting(s) prior to the deadline established in state law, at the times required by law and at subsequent meeting(s) until the budget is adopted. The meetings shall be so conducted as to give interested citizens a reasonable amount of time in which to be heard, and an opportunity to ask questions prior to passage of the final budget. The budget estimates shall be read in full and the City Manager shall explain the various items thereof as fully as may be deemed necessary by the Council. The adopted annual budget shall set forth in such detail as may be determined by the City Council, the complete financial plan of the City for the ensuing fiscal year. It shall indicate the sums to be raised and from what sources, and the sums to be spent and for what purposes, according to Section 7.04. The total sum appropriated shall not exceed the total estimated revenue. The Council shall adopt the budget by resolution in accordance with state law. (Ref. Ord. 625, Ord. 946, Ord 1318, Ord 1345)

**Section 7.06. ENFORCEMENT OF THE BUDGET.**

It shall be the duty of the city manager to enforce the provisions of the budget in accordance with the City Council budget resolution and other financial policies of the City. No officer or employee of the City shall place any orders or make any purchases except for the purposes and to the amounts authorized in the budget resolution. Any obligation incurred by an officer or City employee for any purpose not authorized in the budget resolution or for any amount in excess of the amount appropriated in the budget resolution or in excess of available moneys in any fund of the City may be considered a personal obligation upon the person incurring the expenditure. (Ref. Ord. 857, 1352)

**Section 7.07. ALTERATIONS IN THE BUDGET.**

After the budget has been duly adopted, the Council shall not have power to increase the amounts therein fixed in the budget resolution, whether by the insertion of new items or otherwise, beyond the estimated revenues, unless the actual receipts shall exceed such estimates, and in that event, not beyond such actual receipts. The Council may at any time, by resolution passed by a vote of at least four (4) members of the Council, reduce the sums appropriated for any purpose by the budget resolution or authorize the transfer of sums from the unexpended balances of the budget to other purposes. (Ref. Ord. 946, 1352)

**Section 7.08. EMERGENCY APPROPRIATION IN THE BUDGET.**

1. The Council shall have power to establish an emergency appropriation as a part of the budget, but not to exceed ten percent (10%) of the total budget. Transfers from the emergency appropriation to any other appropriation shall be made only by a vote of at least four (4) members of the Council.
2. The sums transferred to the several departments or divisions shall be considered as a part of such appropriations and shall be used only for the purposes determined by the city manager and approved by the Council. (Ref Ord 1345)

**Section 7.09. LEVY AND COLLECTION OF TAXES.**

In accordance with Minnesota State Law, the Council shall levy by resolution the taxes necessary to meet the requirements of the budget for the ensuing fiscal year. The tax levy resolution must be certified to the county in accordance with state law. A statement of all the taxes levied, and such taxes shall be collected and the payment thereof be enforced with and in like manner as state and county taxes. No tax shall be invalid by reason of any informality in the manner of levying the same, nor because the amount levied shall exceed the amount required to be raised for the special purpose for which the same is levied, but in that case the surplus shall go into a suspense fund, and shall be used to reduce the levy for the ensuing year. (Ref. Ord. 625, Ord. 946, Ord 1345)

**Section 7.10. FUNDS TO BE KEPT.**

There shall be maintained by the finance director a classification of funds which shall provide for a general fund and funds required by law, ordinance or resolution and meet generally accepted accounting standards and procedures. The Council may, by resolution, make interfund loans where permitted by law except from funds held by the City as a trustee or custodian or in the capacity of an agent. (Ref 1352)

**Section 7.11. ACCOUNTS AND REPORTS.**

The accounts of the City shall be maintained in accordance with generally accepted governmental accounting standards and procedures. The city manager shall submit such reports as will be necessary in order to keep the Council fully informed of the financial conditions of the City. Once a year in accordance with Minnesota state law, the city manager shall submit a complete financial report of the City, for the preceding fiscal year. This report shall contain audited financial statements and disclosures which present the City's financial position. A summary of the report shall be published in the official newspaper in a format consistent with the Minnesota State Auditor requirements. (Ref. Ord. 625, Ord. 857, 1352)

**Section 7.12. INDEBTEDNESS.**

1. In addition to all the powers in respect to borrowing and the issuance of bonds and other obligations for the payment of money specifically or impliedly granted by this Charter, and any amendments thereto, the City shall have all the powers in reference to these subject matters granted to cities of its same class by Minnesota state law. (Ref 1352)
2. The Council by a vote of at least four (4) of its members may authorize the issuance of bonds to provide funds for any public purpose not prohibited by law. The City Council may at its discretion, by a majority vote of all of its members, submit to the electorate propositions for the issuance of such bonds. When such a proposition is submitted to the electorate, no bonds or other term obligations of the City may be issued except pursuant to a favorable vote of a majority of those voting on the proposition of their issuance. (Ref 1352)

**Section 7.13. TAX ANTICIPATION CERTIFICATES.**

In a manner consistent with Minnesota state law, 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 and not yet collected. The total amount of the certificates issued against any fund for any year with interest thereon until maturity shall not exceed ninety percent (90%) of the total current taxes for the fund uncollected at the time of the 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 1<sup>st</sup> 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. (Ref 1352)

## Section 7.14. 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, as provided for in the budget, or if any calamity or other public emergency should subject the City to the necessity of making extraordinary expenditures, then the Council may by resolution, issue and sell certificates. 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 authorization of an issue of such emergency debt certificates shall take the form of a resolution approved by at least four (4) of the members of the Council. It may be passed as an emergency resolution and would be exempt from voter approval. (Ref 1352)

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**REFERENCES TO STATE LAW USED FOR THIS CHAPTER (2018)**

Minnesota Statute Chapter 275  
Minnesota Statute Chapter 410  
Minnesota Statute Chapter 412  
Minnesota Statute Chapter 429  
Minnesota Statute Chapter 444  
Minnesota Statute Chapter 469  
Minnesota Statute Chapter 471  
Minnesota Statute Chapter 475  
Minnesota Statute Chapter 477