

## **Canton City Council**

June 8, 2022 – 6 p.m.  
Regular Meeting Agenda

1. Call to order
2. Pledge of Allegiance
3. Approval of agenda
4. Consent agenda
  - a. Approval of May minutes
  - b. Approval of June disbursements
  - c. Approval of Resolution 2022-08: Melander surety bond distribution
  - d. Approval to waive town hall rental fee for American Red Cross Blood Drive June 14
5. Public comments
6. Reports
  - a. Mayor
  - b. Clerk
  - c. Public Works
  - d. Fire Department
  - e. Police
  - f. Planning Commission
    - i. Discussion on zoning ordinance review
  - g. Other
7. Unfinished business
  - a. Other
8. New business
  - a. Discussion on utility billing practice for multi-unit buildings: Karl Butenhoff
  - b. Discussion on town hall carpet replacement estimate
  - c. Discussion on Canton Community Association request for Main Street closure August 20
  - d. Discussion on Canton Community Association request for town hall use October 29
  - e. Other
9. Adjourn

### **Upcoming meetings**

Next regular meeting: July 13, 2022 at 6 p.m.

**This is a preliminary draft of the May 11, 2022, minutes as interpreted by the city clerk for use in preparing the official minutes. There may be corrections, additions, and/or omissions before the final minutes are reviewed and officially approved by the city council.**

**Canton City Council Regular Meeting Minutes  
May 11, 2022**

The Canton City Council held its regular monthly meeting on May 11, 2022, at the Canton Town Hall. Members present: Mayor Nick Prestby, Carl Ernst, Randy Gossman, Josh Nordsving and Cindy Shanks. City staff present: Brock Bergey, Jim Davis and Jon Nordsving. Visitors present: Dennis Clausen, Jennifer Dowling, Donivee Johnson, Greg Skauge, Tammie Skauge and Melissa Vander Plas.

Mayor Prestby called the meeting to order at 6 p.m., with the Pledge of Allegiance recited by all.

Motion by Shanks, second by Gossman to approve the agenda; motion carried. Motion by Josh Nordsving, second by Shanks to approve the consent agenda (approval of April minutes; approval of May disbursements; approval of Resolution 2022-07 for fund distribution of Lolly Melander's restitution; approval of proclamation honoring Karl Urbaniak's retirement; approval of AcenTek cable television franchise agreement); motion carried.

**Public comments:** Resident Dennis Clausen inquired if planting clover in his yard, as an alternative to grass, would be acceptable to eliminate the need for lawn mowing. Mayor Prestby responded that as long as the height of the clover wasn't an ordinance violation, he didn't see a problem with it.

**Mayor's report:** Mayor Prestby read aloud the proclamation honoring Karl Urbaniak's 37 years of service to the Mabel-Canton School District. Mr. Urbaniak was unable to attend the meeting; Mayor Prestby will present the proclamation at a later date.

It was noted that former clerk Lolly Melander had provided the City with full payment of her court-ordered restitution in the amount of \$69,916.00.

Mayor Prestby thanked the council and staff for their participation with the initial conflict resolution interviews, conducted by Aimee Gourlay with the League of Minnesota Cities. Additional information will be shared at the June meeting.

A community volunteer clean-up day was proposed by Mayor Prestby. Information will be shared in the June newsletter and on the City's Facebook page to gauge potential interest for such an effort.

**Clerk's report:** In his clerk report, Bergey reminded the council the City would be following mail ballot procedures for May 24's special election. There will be no in-person voting in Canton. Those wishing to vote in-person can do so at the Fillmore County Courthouse on May 24.

The final items are being completed for the funding application to USDA Rural Development for the water and wastewater project.

Bergey noted that the Highway 43 reconstruction project will detour traffic through Canton later this summer.

The three month trial for expanded afternoon city hall hours, on the second Wednesday of the month, has ended. Bergey reported no one utilized the additional hours in March, April or May. The council approved the trial after a suggestion from a resident. The council agreed to discontinue the practice and resume afternoon hours ending at 2 p.m. Monday through Thursday.

**Public Works report:** Jon Nordsving presented two price estimates for repairs needed to the City's F-250 pickup.

Motion by Gossman, second by Ernst to approve the purchase of a \$1,550.00 transmission from Automotive Recyclers and a \$650.00 rear axel assembly from Automotive Recyclers; motion carried.

**Fire Department:** Motion by Gossman, second by Ernst to approve appointment of Isaac Crawford to the fire department; motion carried.

**Police:** The March and April reports were reviewed.

**Planning Commission:** Zoning Administrator Josh Nordsving reported the proposed changes to the zoning ordinance are still being reviewed by City Attorney Schieber.

**Unfinished business:** Discussion resumed on the ordinance violations at 200 East Canton Avenue. It was noted the City has been in communication with property owner Ted Lord for more than a year, with no voluntary compliance in addressing the violations. Several complaints have been received at city hall in regard to the appearance of the property, located across from the town hall. Lord was invited to the council meeting, but he did not attend. After reviewing photos and correspondence, motion by Josh Nordsving, second by Gossman to cite Lord for violating the City's public nuisance ordinances. Bergey will follow-up with law enforcement.

**New business:** Wednesday, June 15 was set as property inspection day. Mayor Prestby and Councilman Josh Nordsving volunteered to join a sheriff's deputy in the annual drive around town to document ordinance violations. A reminder about the June 15 inspection date will be included in the City's June newsletter.

Motion by Gossman, second by Ernst to approve a seven year contract renewal with Richard's Sanitation for solid waste collection and disposal (effective August 1, 2022 through July 31, 2029); motion carried.

The council discussed a joint summer rec program with the City of Mabel. Based on 2021 numbers, approximately 25% of Mabel summer rec participants were Canton area kids. Some community members have previously inquired why "Canton" was not included on the participants' shirts. The City of Canton has not financially contributed to the program for many years. 25% of the 2021 costs to operate Mabel's program was \$3,220. Mayor Prestby indicated the Canton American Legion would be willing to cover \$1,220 of those costs. The council was reminded of the money gifted to the City from the late Don Wilken, which was earmarked for recreational purposes. Motion by Gossman, second by Josh Nordsving to use \$2,000 of the Wilken dollars to come up with the remaining \$3,220 to offer a joint Mabel-Canton summer rec program in 2022; motion carried. It was noted the Canton softball field was offered for potential use for summer rec purposes.

Motion by Mayor Prestby, second by Shanks to accept a price estimate of \$1,400.00 from Lifetime Gutters & More for new gutter installation at the Mitson House; motion carried.

Motion by Ernst, second by Gossman to approve \$225.00 in cash prizes (\$100 for first place, \$75 for second place, \$50 for third place) for the Adopt-A-Planter contest; motion carried.

Motion by Gossman, second by Josh Nordsving to approve spending of up to \$200.00 for flowers to be planted at city hall; motion carried.

Motion by Ernst, second by Josh Nordsving to adjourn at 6:52 p.m.; motion carried.

## June 2022 Disbursements

**DRAFT**

### General Fund

Acentek	218.93	City hall, town hall services	
Amazon	649.00	Cordless power tool kit	EFT
Canon Financial Services	44.00	Copier lease	EFT
Fillmore County Attorney's Office	153.25	Evan Richardson abandoned vehicle	
Fillmore County Journal	24.12	Legal notice of intent to file application	
Harmony Gardens & Floral	120.05	Flowers for city hall	EFT
Isaac & Jake's Repair	1,306.89	Labor on F250 truck	
MiEnergy		City hall electric	
MiEnergy		Town hall electric	
MiEnergy		Bus shed electric	
MiEnergy		Street lights electric	
MiEnergy		Welcome sign electric	
MiEnergy		Ball field electric	
Minnesota Energy Resources	50.18	City hall gas	
Minnesota Energy Resources	44.15	Maintenance shop gas	
Minnesota Energy Resources	118.18	Town hall gas	
Nethercut Schieber Attorneys	135.00	May services (0.9 hours)	
Nordsving, Jon	50.00	Cell phone stipend	
Preston Dairy & Farm	87.50	Grass seed	
Summit Supply Corp	712.00	Swing replacement project	
Tri-State Business Machines	69.66	Copier monthly contract	
Village Farm & Home		Supplies	
<b>Total General Disbursements</b>	<b>3,782.91</b>		

### Mitson Fund

MiEnergy		Mitson electric	
<b>Total Mitson Disbursements</b>	<b>0.00</b>		

### Water Fund

Acentek	38.98	Dailer system	
Gopher State One Call	18.90	May locates	
MiEnergy		Pump house electric	
Minnesota Department of Health	418.00	Q2 water supply connection fee	
<b>Total Water Disbursements</b>	<b>475.88</b>		

### Sewer Fund

Acentek	38.98	WWTF services	
Flow Measurement & Control	699.00	WWTF certification	
MiEnergy		WWTF electric	
Utility Consultants		WWTF samples	
<b>Total Sewer Disbursements</b>	<b>737.98</b>		

### Garbage Fund

Richard's Sanitation	2,611.48	May collection	
<b>Total Garbage Disbursements</b>	<b>2,611.48</b>		

### Fire Department

Acentek	64.95	Internet service	
Consolidated Energy (Preston Dairy & Farm)	125.00	Fuel	EFT
MiEnergy		Fire hall electric	
MiEnergy		Cooler electric	
Minnesota Energy Resources	63.94	Fire hall gas	
<b>Total Fire Dept. Disbursements</b>	<b>253.89</b>		

**Total Disbursements**

\*EFT = Electronic Funds Transfer

## City of Canton

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### Resolution #2022-08

#### RESOLUTION TO APPROVE FUND DISTRIBUTION FROM SURETY BOND CLAIM FOR FORMER CITY CLERK LOLITTA MELANDER

**Whereas**, on March 7, 2022, former City of Canton Clerk/Treasurer Lolitta (Lolly) Melander was sentenced in Court File No. 23-CR-19-671 for Theft by Swindle; and

**Whereas**, during the time of Ms. Melander's employment with the City, the City secured a surety bond on Ms. Melander through Western Surety Company, with a maximum liability of \$10,000.00; and

**Whereas**, on April 12, 2022, Western Surety Company authorized payment of Claim No. 9a366001, in the amount of \$10,000.00, to the City of Canton; and

**Whereas**, in consultation with the City's designated auditing firm, Hawkins Ash CPAs, surety bond revenue will be divided between the three City funds impacted Ms. Melander's criminal acts; and

**Whereas**, \$3,333.34 of the \$10,000.00 will be deposited into the City's General Fund; and

**Whereas**, \$3,333.33 of the \$10,000.00 will be deposited into the City's Sewer Fund; and

**Whereas**, \$3,333.33 of the \$10,000.00 will be deposited into the City's Water Fund; and

**Now, therefore, be it resolved**, that the fund distribution from the surety bond claim for Lolitta Melander be approved.

Passed and adopted by the Canton City Council this 8<sup>th</sup> day of June 2022.

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**Nicholas Prestby, Mayor**

**ATTEST:**

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**Brock Bergey, City Clerk**

**Clerk's Report - DRAFT**  
**June 8, 2022**

**By the numbers**

- Current delinquent accounts: \_\_\_\_ totaling \$\_\_\_\_\_
- Water service disconnections: 1
- ACH accounts: 48
- 2022 pet licenses: 82 total; 25 cats, 57 dogs
- 2022 chicken permits: 1
- 2022 ATV/UTV/golf cart permits: 15

**Citizen communications**

- Letter requesting insurance documentation from property owner

**Updates**

- USDA Rural Development funding application submitted
- SMIF Small Town Grant Program: City brand identity
- Evan Richardson abandoned vehicle citation
- Mabel-Canton Summer Rec
- Citywide garage sale August 19-20



# MEMO

To: Canton City Council  
From: Brock Bergey, City Clerk/Treasurer  
Date: 6/2/2022  
RE: June 8 discussion on utility billing practice for multi-unit buildings

Karl Butenhoff, owner of the apartment buildings at 109 and 111 E US 52, has requested time on the June 8 regular meeting agenda. Mr. Butenhoff, dba Prairie Island Properties LLC, acquired these two properties on January 26, 2022.

In December 2021, Mr. Butenhoff contacted Canton City Hall to inquire about water- and sewer-related charges associated with 109 and 111 E US 52. In an email to Mr. Butenhoff, dated December 15, 2021, I shared CY2019 and CY2020 water and sewer billings, for each property. The 109 building totals were: CY2019 - \$3,005.16; CY2020 - \$2,553.51. The 111 building totals were: CY2019 - \$2,981.58; CY2020 - \$2,828.85. The email correspondence also stated the following: "Each building has one water meter. The only way to meter usage by apartment would be through installation of individual meters, which would be the cost of the property owner."

The current billing practice, for the City's three multi-unit buildings (the two owned by Mr. Butenhoff, in addition to Canton Manor) predates my time as clerk. Each of these three buildings is served by one water meter. In Mr. Butenhoff's case, each of his two buildings has four units – meaning four units are being serviced by one meter. Currently, the monthly water service (base) charge of \$38.00 is multiplied by four to account for each of the four units per building. The same is true of the \$35.00 monthly sewer charge. (This methodology is also in place for the monthly billing at Canton Manor, with eight units in that building.)

Mathematically, here's what that looks like per month, for Mr. Butenhoff.

## **109 E US 52**

Water Service Charge: \$152.00 (\$38.00 service charge x four residential units)

Sewer Service Charge: \$140.00 (\$35.00 service charge x four residential units)

Water Usage: Actual usage with no additional charges

Sewer Usage: Actual usage with no additional charges

## **111 E US 52**

Water Service Charge: \$152.00 (\$38.00 service charge x four residential units)

Sewer Service Charge: \$140.00 (\$35.00 service charge x four residential units)

Water Usage: Actual usage with no additional charges

Sewer Usage: Actual usage with no additional charges

In late-February, Mr. Butenhoff contacted me with concerns about the way he was being billed for water and sewer. He feels it was unfair to receive four monthly water service charges, per building, and four monthly sewer service charges, per building, since each building has only one water meter. He believes there should be one water and sewer charge, per building, each



month. In an email dated February 28, 2022, I provided Mr. Butenhoff with the language outlined in current City of Canton Code of Ordinances pertaining to Public Works.

**§ 52.25 SUPPLY FROM ONE SERVICE. No more than one housing unit or building shall be supplied from one service connection except by permission of City Council. Each unit served shall have a separate water meter.**

Noting the current billing practice contradicts the current ordinance, I explained my understanding for the rationale behind the existing practice. Many years ago, there was a gentlemen's agreement of sorts to forego separate water meters (and thereby eliminating the property owner's costs of replumbing the building for separate meters) and instead implement a system where the monthly service charges are multiplied by the number of units. I was unable to track down any official documentation to support such an agreement between the city council and past property owners. It's believed to date back to at least 1996. The current ordinances were first enacted by the city council in 2005.

I reviewed Mr. Butenhoff's concerns with Attorney Schieber. From a legal perspective, Attorney Schieber does not see an issue with the City's current billing practices for multi-unit buildings. He drew attention to Ordinance § 52.25 and the requirement for a separate water meter in each unit. Additionally, he noted the city council's position to establish a schedule of water rates and charges as outlined in Ordinance §52.51. I shared Attorney Schieber's views with Mr. Butenhoff in an email dated March 15, 2022. I encouraged Mr. Butenhoff to request time on an upcoming city council meeting agenda if he wished to discuss the matter further.

In an email dated May 24, 2022, Mr. Butenhoff stated, "I do still want to address the water service charges at the property with the council. I have just been extremely busy the last few months. I did reach out to 4-5 neighboring towns to find out their practices and all do the same practice of a single service charge per building, regardless of how many housing units are in the building and then bill based on metered usage, which is common practice. Honestly, all the people I talked to couldn't believe how Canton charges in this manner. Like I mentioned before, I've never heard of a town charging like this. To put it into perspective, the current monthly water bill is our largest expense, even greater than the mortgage, which completely disincentivizes investment into the property, as well as the city from an investor standpoint into rental housing when compared to nearby towns. Like we discussed prior on the phone, even if the city believes this practice is legal, I do not believe it is an ethical practice, and may even fall under MN statutes as excessive billing, which I believe it is. Like I mentioned before, I really want to make the apts a clean, safe place to live and an asset to the community, but the excess cost of water/sewer is currently the main hurdle in continuing to invest into the properties."

Following receipt of Mr. Butenhoff's most recent email, I contacted the League of Minnesota Cities for additional guidance. Angela Storlie, LMC Research Analyst, noted, "Minnesota Statutes 444.075 (<https://www.revisor.mn.gov/statutes/cite/444.075>) gives the governing body of a municipality the authority to impose 'just and equitable charges' for water and wastewater. A city has the authority to impose any combination of use, availability and connection charges...I would recommend that you ensure you are following the billing procedure spelled out in your ordinance and confer with the city attorney to ensure your rates are defensible as 'just and equitable.'"

Additionally, I have concluded that our current billing practice for multi-unit buildings is not unique. Locally, Lanesboro charges a monthly water and sewer base fee based on units rather than meters. LMC provides member cities with the opportunity to pose questions to other member cities through an online discussion group. Presently, three other Minnesota cities have indicated unit-based billings for their single metered multi-unit buildings. Mabel's apartment

buildings are metered separately, so this is a non-issue there. Harmony and Spring Grove follow Mr. Butenhoff's school of thought, with monthly charges based on meter quantity.

To the best of my knowledge, the owners of Canton Manor (Life Style Inc.) have never inquired/questioned the City's billing practice for multi-unit buildings.

The 2022 Water Fund and Sewer Fund budgets were approved with 12 months of expectant revenues from multi-unit property owners under the current billing system. A council decision to revert to a meter-based system would result in an annual revenue loss (under the current rate schedule) of \$5,928.00 to the Water Fund and \$5,460.00 to the Sewer Fund. We would be collecting three monthly base charges from multi-unit property owners, per fund, versus the current 16 monthly base charges. To accommodate for such losses, the council would need to either cut annual fund expenditures or impose a rates adjustment for all users. We're talking about \$34.00 more a year for each water accountholder (173 total) and another \$34.00 a year for each sewer accountholder (160 total).

#### SUPPORTING DOCUMENTATION:

1. City of Canton Code of Ordinances (5 pages)
2. City of Canton 2022 Fee Schedule (2 pages)
3. Minnesota Statutes (4 pages)
4. Financial impact statement (1 page)

(B) Temporary connection to fire hydrants. An owner of a private water system may make a temporary above ground connection to a fire hydrant, subject to the time periods, conditions, and payment specified in § 52.51. In addition, the method of connection to the private system shall conform to all existing requirements of this chapter and city ordinance and the type of meter used shall meet the approval of the Utilities Superintendent.

Penalty, see § 10.99

#### § 52.09 WATER DEFICIENCY, SHUT OFF AND USE RESTRICTIONS.

(A) The city shall not be liable for any deficiency or failure in the supply of water to consumers, whether occasioned by shutting the water off for the purpose of making repairs or connections or from any other cause whatsoever. In case of fire, or alarm of fire, or in making repairs or construction of new works, water may be shut off without notice at any time and kept off as long as necessary. In addition, the City Council shall have the right to impose reasonable restrictions on the use of the city water system in emergency situations. For non-payment of charges, water service may be discontinued according to the procedures established in § 52.72.

(B) Restricted hours. Whenever the Council determines that a shortage of water supply threatens the city, it may, by resolution, limit the times and hours during which city water may be used for sprinkling, irrigation, car washing, air condition, or other specified uses. After publication of the resolution, no person shall use, or permit water to be used, in violation of the resolution, and any customer who does so shall be charged a fee set by resolution of the Council for each day of violation and the charge shall be added to his next water bill. If the emergency requires immediate compliance with terms of the resolution, the Council may provide for the delivery of a copy of the resolution to the premises of each customer, and any customer who has received such notice and thereafter uses or permits water to be used in violation of the resolution shall be subject to the charge provided above. Continued violation shall be cause for discontinuance of water service.

### WATER REGULATIONS

#### § 52.25 SUPPLY FROM ONE SERVICE.

No more than one housing unit or building shall be supplied from one service connection except by permission of City Council. Each unit served shall have a separate water meter.

Penalty, see § 10.99

However, city employees may not enter private property without obtaining the permission of the owner to do so or have obtained a search warrant issued by a court of competent jurisdiction, as provided for in § 10.20.

(7) It shall be the responsibility of the consumer to notify the city to request a final reading at the time of the customer's billing change.

(B) Water meter setting. All water meters hereafter installed shall be in accordance with the Minnesota Plumbing Code and any standards established by resolution of the City Council. Penalty, see § 10.99

## RATES AND CHARGES

### § 52.50 WATER UNIT.

A water unit (hereinafter called unit) shall be one residential equivalent connection based on usage of 100,000 gallons per year or portion thereof.

### § 52.51 RATES, FEES AND CHARGES GENERALLY.

The City Council shall establish a schedule of all water rates, fees and charges for permits or services in the Ordinance Establishing Fees and Charges adopted pursuant to § 30.11 of this code, as that ordinance may be amended from time to time. In accordance with M.S. § 444.075 Subd 3, charges made for service rendered shall be as nearly as possible proportionate to the cost of furnishing the service.

### § 52.52 WATER SERVICE BILLING; CHANGE OF ADDRESS.

All bills and notices shall be mailed or delivered to the address where service is provided. If nonresident owners or agents desire personal notice sent to a different address, they shall so note on the water service application. Any change or error in address shall be promptly reported to the City Clerk. All accounts shall be carried in the name of the owner who personally or by his or her authorized agent, applied for the service. The owner shall be liable for water services supplied to the property whether he or she is occupying the property or not.

**§ 52.53 WATER RATES.**

(A) The rate due and payable by each user within the city for water taken from the water system shall be established pursuant to § 52.51.

(B) In case the meter is found to have stopped, or to be operating in a faulty manner, the amount of water used will be estimated in accordance with the amount used previously in comparable periods of the year.

(C) Rates due and payable by each water user located beyond the territorial boundaries of the city may be determined by special contract.

(D) The minimum rates established pursuant to § 52.51 shall begin to accrue after connection of the service pipe with the curb stop box.

(E) A meter shall be installed on the water valve in the house and a remote register outside regardless of whether inside piping is connected.

(F) In the event a water customer elects to discontinue the use of the municipal water, the regular or minimum charge shall continue until the date as service is disconnected at the curb box.  
Penalty, see § 10.99

**§ 52.54 PAYMENT OF CHARGES; LATE PAYMENT; COLLECTION.**

(A) Any prepayment or overpayment of charges may be retained by the city and applied on subsequent charges.

(B) If a service charge is not paid when due, then a penalty of 10% shall be added thereto.

(C) In the event a user fails to pay his or her water user fee within a reasonable time following discontinuance of service (a time period not to exceed 90 days), the fee shall be certified by the City Clerk and forwarded to the County Auditor for collection as provided for in Chapter 54.  
Penalty, see § 10.99

**ADMINISTRATION AND ENFORCEMENT****§ 52.70 SUPERVISION BY UTILITIES SUPERINTENDENT; LICENSING.**

(A) All piping connections from the curb stop box to house supply piping shall be made under the supervision of a licensed plumber subject to inspection by the Utilities Superintendent. The piping



**§ 51.113 ESTABLISHMENT OF A SEWER SERVICE CHARGE SYSTEM.**

(A) The city hereby establishes a Sewer Service Charge System whereby all revenue collected from users of the wastewater treatment facilities will be used to affect all expenditures incurred for annual operation, maintenance and replacement and for debt service on capital expenditure incurred in constructing the wastewater treatment works.

(B) Each user shall pay its proportionate share of operation, maintenance, and replacement costs of the treatment works, based on the users proportionate contribution to the total wastewater loading from all users.

(C) Each user shall pay debt service charges to retire local capital costs as determined by the City Council.

(D) Sewer service rates and charges to users of the wastewater treatment facility shall be determined and fixed in a "Sewer Service Charge System" developed according to the provisions of this subchapter. The Sewer Service Charge System shall be the system enacted prior to the adoption of this code. The Ordinance Establishing Fees and Charges adopted pursuant to § 30.11 of this code may be amended from time to time to include subsequent changes in sewer service rates and charges.

(E) Revenues collected for sewer service shall be deposited in a separate fund known as "The Sewer Service Fund." Income from revenues collected will be expended to off-set the cost of operation, maintenance and equipment replacement for the facility and to retire the debt for capital expenditure.

(F) Sewer service charges and the sewer service fund will be administrated in accordance with the provisions of § 51.116.

(G) A connection fee as fixed in the Ordinance Establishing Fees and Charges adopted pursuant to § 30.11 of this code, as that ordinance may be amended from time to time, shall be charged to each user connecting a new service to the Sanitary Sewer System. The connection fee shall be due and payable within 90 days of the date the connection is completed.

(H) A sewer availability charge, as fixed in the ordinance establishing fees and charges adopted pursuant to § 30.11 of this code, as that ordinance may be amended from time to time may be charged. Penalty, see § 51.999

**§ 51.114 DETERMINATION OF SEWER SERVICE CHARGES.**

The sewer service rates and charges to users of the wastewater treatment facility shall be as established by ordinance or resolution prior to the adoption of this code, unless amended or modified in the Ordinance Establishing Fees and Charges, adopted pursuant to § 30.11, as that ordinance may be amended from time to time. Charges made for service rendered shall conform to M.S. § 444.075 Subd. 3a, as it may be amended from time to time. All accounts shall be carried in the name of the owner who

personally, or by his authorized agent, applied for such service. The property owner shall be liable for all sewer services supplied to the property, whether he or she is occupying the property or not.

Penalty, see § 51.999

#### § 51.115 SEWER SERVICE FUND.

(A) The city hereby establishes a "Sewer Service Fund" as an income fund to receive all revenues generated by the sewer service charge system, and all other income dedicated to the operation, maintenance, replacement and construction of the wastewater treatment works, including taxes, special charges, fees and assessments intended to retire construction debt. The city also establishes the following accounts as income and expenditure accounts within the sewer service fund:

- (1) Operation and maintenance account.
- (2) Equipment replacement account.
- (3) Debt retirement account.

(B) All revenue generated by the sewer service charge system, and all other income pertinent to the treatment system, including taxes and special assessments dedicated to retire construction debt, shall be held by the City Clerk separate and apart from all other funds of the city. Funds received by the sewer service fund shall be transferred to the "Operation and Maintenance Account," the "Equipment Replacement Account," and the "Debt Retirement Account" in accordance with state and federal regulations and the provisions of this chapter.

(C) Revenue generated by the sewer service charge system sufficient to ensure adequate replacement throughout the design life or useful life, whichever is longer, of the wastewater facility shall be held separate and apart in the "Equipment Replacement Account" and dedicated to affecting replacement costs. Interest income generated by the "Equipment Replacement Account" shall remain in the "Equipment Replacement Account."

(D) Revenue generated by the sewer service charge system sufficient for operation and maintenance shall be held separate and apart in the "Operation and Maintenance Account."

#### § 51.116 ADMINISTRATION.

The sewer service charge system and sewer service fund shall be administrated according to the following provisions:

(A) The City Clerk shall maintain a proper system of accounts suitable for determining the operation and maintenance, equipment replacement and debt retirement costs of the treatment works, and shall

# City of Canton

## Ordinance #2021-03

### AN ORDINANCE ADOPTING A SCHEDULE OF FEES AND CHARGES FOR VARIOUS SERVICES, LICENSES AND PERMITS

**Whereas**, the City of Canton has adopted the Minnesota Basic Code of Ordinances as it has been amended and supplemented to be its city code and that code permits the city to adopt by ordinance a schedule of fees and charges for various services, licenses and permits;

**Now, therefore be it resolved**, that the City Council of Canton ordains:

Section 1. All fees and charges in effect as of the date of the adoption of the city code for the city shall remain in effect unless otherwise modified by the provisions of this ordinance. All citations below are to various sections of the city code unless otherwise indicated.

Section 2. The following are the fees and charges for the permits, licenses and services listed below which are referenced to the section of the city code which authorizes their establishment:

#### **Administrative Fines**

Parking Citation	\$25.00
Unlawful Deposit of Waste or Refuse	\$100.00

#### **Alcohol Licenses**

On-Sale License	\$600.00
On-Sale Sunday Surcharge	\$10.00
Off-Sale License	\$100.00
Temporary On-Sale License	\$25.00

#### **Cat & Dog Licenses**

Annual tag fee	\$5.00
<i>January 1 – March 31 and new animals</i>	
Annual tag fee – late	\$15.00
Duplicate tag fee	\$5.00

#### **Fire Department Services**

Call Response	\$350.00
Hourly Charge After First Hour	\$350.00
Foam Charge	\$40.00/gallon
Mutual Aid Response	Per agreement by department
Heavy Equipment Use	Actual cost passed on by owner

#### **Other Fees**

Copies	\$0.25
Election Filing Fee	\$3.00
Lawn Mowing by City	\$65.00/hour
Returned Check	\$25.00
Snow Removal by City	\$65.00/hour

#### **Planning & Zoning Fees**

Land Use Permit Application – Living Space	\$7.50/100 square feet
<i>Living space projects including attached garages, decks and porches</i>	



**Planning & Zoning Fees Continued**

Land Use Permit Application – Other Structures	\$5.00 per 100 square feet
Land Use Variance Application	\$200.00
Fee for Construction Without Proper Permits	\$400.00

**Recreational Vehicle/Golf Cart Permits**

Annual permit fee	\$10.00
<i>May 1 – July 31 and new vehicles</i>	
Annual permit fee – late	\$20.00

**Refuse Collection Rates**

Garbage Tote – Small Monthly Fee	\$10.70
Garbage Tote – Medium Monthly Fee	\$12.22
Garbage Tote – Large Monthly Fee	\$13.71
Recycling Monthly Fee	\$4.00
Tote Collection Service Fee	\$25.00
Tote Delivery Service Fee	\$25.00

**Sanitary Sewer Rates**

Base Monthly Fee	\$35.00
<i>Commercial and Residential</i>	
Per 1,000 Gallons Used	\$3.00
New Service Connection	\$200.00


**Town Hall Rentals**

Weekend Rental	\$400.00
<i>Friday after 5 p.m. through Noon Sunday</i>	
Daily Rental	\$200.00
Hourly Rental	\$15.00
<i>Two hour minimum</i>	
Security Deposit	\$200.00
<i>For Day and Weekend Rentals</i>	

**Water Rates**

Base Monthly Fee	\$38.00
<i>Commercial and Residential</i>	
Per 1,000 Gallons Used	\$5.00
New Service Connection	\$200.00
Bulk Water Base Fee	\$20.00
Bulk Water Per 1,000 Gallons Used	\$5.00
Disconnection Fee	\$75.00
Reconnection Fee	\$75.00

Passed and adopted by the City Council of Canton, Minnesota this 8<sup>th</sup> day of December 2021.

  
Nicholas Prestby, Mayor

ATTEST:   
Brock Bergey, City Clerk

**444.075 WATERWORKS SYSTEMS; STORM, SANITARY SEWER SYSTEMS.**

Subdivision 1. **Definitions.** The definitions in this subdivision apply in this section.

(a) "Municipality" means a home rule charter or statutory city or a town that is not in an orderly annexation process on October 3, 1989.

(b) "Governing body" means the town board with respect to towns.

(c) "Waterworks" means waterworks systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a waterworks system.

(d) "Sanitary sewer" means sanitary sewer systems, including sewage treatment works, disposal systems, and other facilities for disposing of sewage, industrial waste, or other wastes.

(e) "Storm sewer" means storm sewer systems, including mains, holding areas and ponds, and other appurtenances and related facilities for the collection and disposal of storm water.

(f) "Facilities" means and includes waterworks, sanitary sewer and storm sewer systems, or any portion or portions thereof.

Subd. 1a. **Authorization.** Any municipality may build, construct, reconstruct, repair, enlarge, improve, or in any other manner obtain facilities, and maintain and operate the facilities inside or outside its corporate limits, and acquire by gift, purchase, lease, condemnation, or otherwise any and all land and easements required for that purpose. The authority hereby granted is in addition to all other powers with reference to the facilities otherwise granted by the laws of this state or by the charter of any municipality. The authority regarding storm sewers granted to municipalities which have territory within a watershed which has adopted a watershed plan pursuant to section 103B.231 shall be exercised, with respect to facilities acquired following the adoption of the watershed plan, only for facilities which are not inconsistent with the watershed plan. The authority regarding storm sewers granted to municipalities which have adopted local water management plans pursuant to section 103B.235 shall be exercised, with respect to facilities acquired following the adoption of a local plan, only for facilities which are not inconsistent with the local plan. Counties shall have the same authority granted to municipalities by this subdivision except for areas of the county organized into cities and areas of the county incorporated within a sanitary district established by special act of the legislature.

Subd. 2. **Financing.** For the purpose of paying the cost of building, constructing, reconstructing, repairing, enlarging, improving, or in other manner obtaining the facilities or any portion of them, and of obtaining and complying with permits required by law, a municipality or county may issue and sell its general obligations, which may be made payable primarily from taxes or from special assessments to be levied to pay the cost of the facilities or from net revenues derived from facilities service charges or from other nontax revenues pledged for their payment under charter or other statutory authority, or from two or more of the sources; or it may issue special obligations, payable solely from taxes or special assessments or from revenues, or from two or more of the sources. Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations. All obligations shall be issued and sold in accordance with chapter 475. When special assessments are pledged for the payment of the obligations, they shall be authorized and issued in accordance with the provisions of chapter 429, or of the city's charter if it authorizes these obligations and the governing body determines to proceed under the charter. When net revenues are pledged to the payment of the obligations, together with or apart from taxes and special assessments, the pledge shall be made in accordance with the provisions of subdivision 3.

Subd. 2a. **Collection of charges by watershed districts.** (a) With respect to watershed districts, charges established under section 103D.729 for the purpose of projects under section 103D.730 may be billed and collected in a manner the district shall determine, including certification to the counties with territory within the district for collection by the counties. A county may bill and collect the charges in a manner the county board shall determine or as described in paragraph (b).

(b) On or before October 15 in each year, the district or county board may certify to the county auditor all unpaid outstanding charges, and a description of the lands against which the charges arose. The county auditor shall extend the charges with interest not to exceed the interest rate provided for in section 279.03, subdivision 1, upon the tax rolls of the county for the taxes of the year in which the charge is filed. For each year ending October 15 the charge with interest shall be carried into the tax becoming due and payable in January of the following year, and shall be enforced and collected in the manner provided for the enforcement and collection of real property taxes. The charges, if not paid, shall become delinquent and subject to the same penalties and the same rate of interest as real property taxes.

(c) Any individual may appeal the charges under section 103D.535.

**Subd. 3. Charges; net revenues.** (a) To pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment, the maintenance, operation and use of the facilities, and of obtaining and complying with permits required by law, **the governing body of a municipality or county may impose just and equitable charges for the use and for the availability of the facilities and for connections with them and make contracts for the charges as provided in this section.** The charges may be imposed with respect to facilities made available by agreement with other municipalities, counties or private corporations or individuals, as well as those owned and operated by the municipality or county itself.

(b) Notwithstanding local charter restrictions, charges made for service rendered shall be as nearly as possible proportionate to the cost of furnishing the service.

Subd. 3a. **Sanitary sewer charges.** Sanitary sewer charges may be fixed:

- (1) on the basis of water consumed; or
- (2) by reference to a reasonable classification of the types of premises to which service is furnished; or
- (3) by reference to the quantity, pollution qualities and difficulty of disposal of sewage produced; or
- (4) on any other equitable basis including any combination of equitable bases referred to in clauses (1) to (3), but specifically excluding use of the basis referred to in subdivision 3b, clause (1); and otherwise without limit.

Subd. 3b. **Storm sewer charges.** Storm sewer charges may be fixed:

- (1) by reference to the square footage of the property charged, adjusted for a reasonable calculation of the storm water runoff; or
- (2) by reference to a reasonable classification of the types of premises to which service is furnished; or
- (3) by reference to the quantity, pollution qualities, and difficulty of disposal of storm water runoff produced; or
- (4) on any other equitable basis, including any combination of equitable bases referred to in clauses (1) to (3), but specifically excluding use of the basis referred to in subdivision 3a, clause (1); and otherwise without limit.



Subd. 3c. **Minimum charges.** (a) Minimum charges for the availability of water or sewer service may be imposed for all premises abutting on streets or other places where municipal or county water mains or sewers are located, whether or not connected to them.

(b) Minimum charges or user charges collected for waterworks, sanitary sewers, or storm sewers must be used only to pay for items for which charges are authorized in subdivision 3.

Subd. 3d. **Facilities' connection charges.** Charges for connections to the facilities may in the discretion of the governing body be fixed by reference to the portion of the cost of connection which has been paid by assessment of the premises to be connected, in comparison with other premises, as well as the cost of making or supervising the connection.

Subd. 3e. **Who may be charged; unpaid charges.** The governing body may make the charges a charge against the owner, lessee, occupant or all of them and may provide and covenant for certifying unpaid charges to the county auditor with taxes against the property served for collection as other taxes are collected.

Subd. 3f. **Tax levies for public charges.** The governing body may fix and levy taxes for the payment of reasonable charges to the municipality or county itself for the use and availability of the facilities for fire protection, for maintaining sanitary conditions, and for proper storm water drainage in and for public buildings, parks, streets, and other public places.

Subd. 3g. **Reasonableness of charges.** In determining the reasonableness of the charges to be imposed, the governing body may give consideration to all costs of the establishment, operation, maintenance, depreciation and necessary replacements of the system, and of improvements, enlargements and extensions necessary to serve adequately the territory of the municipality or county including the principal and interest to become due on obligations issued or to be issued and the costs of obtaining and complying with permits required by law.

Subd. 3h. **When charges are not unreasonable.** When net revenues have been appropriated to the payment of the cost of the establishment, or of any specified replacement, improvement, enlargement or extension, or to pay the principal and interest due on obligations to be issued for such purpose, no charges imposed to produce net revenues adequate for the purpose shall be deemed unreasonable by virtue of the fact that the project to be financed has not been commenced or completed, if proceedings for it are taken with reasonable dispatch and the project, when completed, may be expected to make service available to the premises charged which will have a value reasonably commensurate with the charges.

Subd. 3i. **Collections first for current costs.** All charges, when collected, and all moneys received from the sale of any facilities or equipment or any by-products, shall be placed in a separate fund, and used first to pay the normal, reasonable and current costs of operating and maintaining the facilities.

Subd. 3j. **Excess net revenues may be used for debt.** The net revenues received in excess of the costs may be pledged by resolutions of the governing body, or may be used though not so pledged, for the payment of principal and interest on obligations issued as provided in subdivision 2, or to pay the portion of the principal and interest as may be directed in the resolutions, and net revenues derived from any facilities of the types listed in subdivision 1a, whether or not financed by the issuance of the obligations, may be pledged or used to pay obligations issued for other facilities of the same types.

Subd. 3k. **Covenants to secure debt payments.** In resolutions authorizing the issuance of either general or special obligations and pledging net revenues to them, the governing body may make covenants for the protection of holders of the obligations and taxpayers of the municipality or county as it deems necessary, including, but without limitation, a covenant that the municipality or county will impose and collect charges

of the nature authorized by this section at the times and in the amounts required to produce, together with any taxes or special assessments designated as a primary source of payment of the obligations, net revenues adequate to pay all principal and interest when due on the obligations and to create and maintain reserves securing the payments as may be provided in the resolutions.

Subd. 31. **Enforceability of covenant.** When a covenant is made it shall be enforceable by appropriate action on the part of any holder of the obligations or any taxpayer of the municipality or county in a court of competent jurisdiction, and the obligations shall be deemed to be payable wholly from the income of the system whose revenues are so pledged, within the meaning of sections 475.51 and 475.58.

Subd. 4. **Levy assessments.** The governing body of a municipality or county may also levy assessments against property within the municipal or county limits benefited by the facilities under the procedure authorized by law or charter with reference to other assessments for benefits of local improvements, may transfer and use for the purposes hereof surplus funds of the municipality or county not specifically dedicated to another purpose, and may levy taxes on property within the municipal or county limits for the purposes. A municipality or county may contract with any person, company or corporation for the purposes and under the restrictions set forth in subdivision 5. The contract shall be binding upon the parties to it for the full term agreed upon but in no event more than 30 years, and shall not be changed by either party without the consent of the other party.

Subd. 5. **Connection with facilities; charges.** A municipality or county may permit a person, company or corporation located and doing business inside or outside the municipal or county limits to connect with the facilities and make use of them upon terms and upon the payment of fees and charges as may be prescribed or contracted for by the municipality or county, and to contract with a person, company or corporation for the payment by the person, company or corporation of a part of the cost of construction, maintenance or use of the facilities and to receive from the person, company or corporation doing business inside or outside the municipal or county limits payment in cash or installments of the portion of the cost of the construction, maintenance or use as may be agreed upon or contracted for with the municipality or county and devote the money received to the purpose of the construction, maintenance or use. The proportionate cost of construction, maintenance or use of the facilities to be paid by the person, company, or corporation may be made payable in installments due at not greater than annual intervals for a period not to exceed 30 years. A person, company or corporation which may pay part of the cost of construction, maintenance or use of the facilities in the manner described, shall have the right to use the facilities for the disposal or treatment of sewage, industrial waste, or other wastes, by the municipality or county upon the payment of reasonable charges for the use of the facilities or the charges contracted for in case there is a contract as provided in this subdivision. A municipality or county may contract with another municipality or county for the joint or cooperative obtainment or use of such facilities without limitation of time.

Subd. 6. [Repealed, 1963 c 696 s 4]

**History:** 1949 c 394 s 1-4; 1951 c 366 s 1; 1953 c 195 s 1; 1955 c 296 s 1; 1957 c 608 s 1; 1959 c 294 s 1; 1963 c 696 s 1-3; 1973 c 123 art 5 s 7; 1973 c 702 s 23; 1983 c 183 s 1,2; 1985 c 169 s 15; 1Sp1985 c 16 art 2 s 12,13; 1Sp1989 c 1 art 5 s 31; art 17 s 8; 1990 c 391 art 8 s 45; 1996 c 471 art 8 s 18; 2004 c 141 s 1-4; 2008 c 331 s 8; 2018 c 114 s 1

**Current multi-unit building billing practices**

Property	Units	Meters	Monthly Water Base Charges	Monthly Sewer Base Charges	Annual Water Base Charges	Annual Sewer Base Charges
109 E US 52	4	1	\$152.00	\$140.00	\$1,824.00	\$1,680.00
111 E US 52	4	1	\$152.00	\$140.00	\$1,824.00	\$1,680.00
301 W Prairie	8	1	\$304.00	\$280.00	\$3,648.00	\$3,360.00
Totals	16	3	\$608.00	\$560.00	\$7,296.00	\$6,720.00

**Billing by meter in multi-unit buildings**

Property	Units	Meters	Monthly Water Base Charges	Monthly Sewer Base Charges	Annual Water Base Charges	Annual Sewer Base Charges
109 E US 52	4	1	\$38.00	\$35.00	\$456.00	\$420.00
111 E US 52	4	1	\$38.00	\$35.00	\$456.00	\$420.00
301 W Prairie	8	1	\$38.00	\$35.00	\$456.00	\$420.00
Totals	16	3	\$114.00	\$105.00	\$1,368.00	\$1,260.00

**Revenue loss with billing by meter in multi-unit buildings**

Property	Units	Meters	Monthly Water Base Charges	Monthly Sewer Base Charges	Annual Water Base Charges	Annual Sewer Base Charges
109 E US 52	4	1	(\$114.00)	(\$105.00)	(\$1,368.00)	(\$1,260.00)
111 E US 52	4	1	(\$114.00)	(\$105.00)	(\$1,368.00)	(\$1,260.00)
301 W Prairie	8	1	(\$266.00)	(\$245.00)	(\$3,192.00)	(\$2,940.00)
Totals	16	3	(\$494.00)	(\$455.00)	(\$5,928.00)	(\$5,460.00)

# PROPOSAL

Page No. \_\_\_\_\_



## TORGERSON ~ OSTBY Floor Coverings & Stone, Inc.

70 Main Ave. N. • P.O. Box 428 • Harmony, MN 55939  
507.886.4257 Cell 507.273.8644



PROPOSAL SUBMITTED TO <b>Brock Bergey</b>		PHONE <b>743-5000</b>	DATE <b>5-13-22</b>
STREET <b>107 N. Ash Street</b>		JOB NAME	
CITY, STATE, ZIP <b>Canton MN</b>		JOB LOCATION <b>clerk@cantonnmin.com</b>	
ARCHITECT	DATE OF PLANS	JOB PHONE	

We hereby submit specifications and estimates for:

Main Entry / Coat Hall Carpet  
to / disp of existing, prep for  
new

Carpet, mtl's, Labor 1042.00

Stage face Carpet / steps  
to / disp. of existing  
install new

Carpet, Labor 1,609.00

**We Propose** hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:

dollars \$

**Payment** to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized  
Signature: \_\_\_\_\_

Note: The proposal may be withdrawn by us if not  
accepted within \_\_\_\_\_ days.

**Acceptance of Proposal** — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature \_\_\_\_\_

Date of Acceptance \_\_\_\_\_

Signature \_\_\_\_\_