

**Canton City Council
October 8, 2025 – 6p.m.
Regular Meeting Agenda**

1. Call to order
2. Pledge of Allegiance
3. Approval of agenda
4. Consent agenda
 - a) Approval of September 10, 2025 Regular Meeting Minutes
 - b) Approval of October Disbursements
 - c) Approval of ZZ Tap liquor license renewal application
5. Public comments
6. Reports
 - a) Mayor
 - b) Clerk & Deputy Clerk
 - c) Public Works
 - d) Fire Department
 - e) Police
 - f) Planning Commission
 - g) Other
7. Old business
 - a) X
8. New business
 - a) Discussion on Utility Rates for 2026
9. Adjourn

Upcoming Dates:

Blood Drive @ Canton Town Hall
Public Information Meeting: Street/Utility Project
Veterans Day – City Office Closed
Regular City Council Meeting

October 7 @ 12-6 pm
October 8 @ 6:30 pm
November 11
November 12 @ 6 pm

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Canton City Council Regular Meeting Minutes

September 10, 2025

Members present: Kristy Ziegler, Jen Dowling, George Hafner, Jeremy Hanson

Members absent: Jason Magnuson

City staff present: Anne Koliha, Barb Kerns, Jon Nordsving, Jim Davis

Visitor(s) present: Sabine Hafner

Mayor Ziegler called the regular meeting to order at 6:00 p.m.

Motion by Dowling, seconded by Hafner to approve the agenda, motion carried.

Consent Agenda

- a) Approval of August 13, 2025 Regular Meeting Minutes
- b) Approval of September Disbursements

Motion by Dowling seconded by Hanson to approve the consent agenda, motion carried.

Public comments: none

Reports:

Mayor: Mayor Ziegler reported: Canton has multiple busses that arrive each day to transport youth to surrounding schools. Please be patient and alert during pick-up and drop-off times. The city staff have been busy with various street project activities, added to their regular duties, to ensure the 2026-2027 streets project stays on track. The council and city staff are reviewing preliminary plans for the watermain and sanitary system this month. Public information meetings will be starting within the next month. Details will be available thru the city Facebook page and sent by mail.

Deputy Clerk: none

Clerk: Clerk Koliha reported:

*The hazardous tree on Hudson Ave has been taken care of by property owner.

*Mitson House: contacted CHS regarding windows to which they have contact Wadsworth from Decorah to come take out windows for the old glass. Contact with contractor TLC to tear down house, we are on his list to complete will be later in the year closer to colder weather. The sign outside was purchased with city funds.

*Old Lumberyard Property: contacted with concerns of weeds behind building, water/sewer connection to building and also water hydrant.

*USDA Community Facilities Loan: continued work with Kyle from USDA-RD and financial advisor Mike Bubany to complete paperwork to obligate funds for the loan dollars.

*WHKS Lead Service Line Inventory: WHKS representatives have been in town door knocking on those properties that had not responded to the service line inventory.

*Asked council if they had any comments regarding the preliminary plans of the streets project to pass along to engineers – Jon and I will be meeting with them next week to review comments and to plan dates for public information meetings

Public Works: Nordsving reported: Been busy with numerous locates around the city for the contractors putting in fiber optic cable; will have a water system audit next week

Fire Department: Clerk Koliha worked with Fire Chief Kyle Ryan on a grant application to Compeer Financial for portable radios; also looking to apply for a DNR grant for hoses and nozzles and/or radios/pagers.

Police: none

Planning Commission: Review of building permit application for Jim & Kristi Davis; Discussion regarding Thompson fence along Minnesota Ave; Discussion regarding potential use of grass alley behind a property for sale to be improved in future to gravel access

Other: none

Old Business

a) 2026 Preliminary Budget Review

Clerk Koliha reviewed the budgets with council – the general fund budget is currently budgeted with a 10% tax levy increase but will be worked to bring that down by the end of the year – the sewer fund budget is a work in progress will need to look at doing a utility rate increase to help balance the budget – the water fund budget is healthy and doing well at this time

New Business

- a) Consider approval of Resolution #2025-13: Establishing the 2026 Preliminary Tax Levy
Motion by Dowling, seconded by Hafner to approve Resolution #2025-13: Establishing the 2026 Preliminary Tax Levy; motion carried.
- b) Consider approval of temporary liquor license application for the Canton American Legion for October 11, 2025
Motion by Hafner, seconded by Dowling to approve the temporary liquor license application for the Canton American Legion for October 11, 2025; motion carried.
- c) Consider approval of fireworks display following Lighted Parade on December 6
Motion by Dowling, seconded by Hanson to approve the fireworks display following the Lighted Parade on December 6; motion carried.
- d) Consider temporary closure of Main Street on December 6 for Santa Day Lighted Parade
Motion by Hafner, seconded by Dowling to approve temporary closure of Main Street on December 6 for Santa Day Lighted Parade; motion carried.
- e) Consider fee for unmetered water service & publish update of fees in newspaper
Motion by Hafner seconded by Hanson to establish an unmetered water service fee of \$50 and publish an abbreviated schedule of fees update in the Fillmore County Journal; motion carried.
- f) Consider approval of land use application for Jim & Kristi Davis
Motion by Hafner, seconded by Hanson to approve the land use application for Jim & Kristi Davis; motion carried.

Motion by Dowling, seconded by Hanson to adjourn the meeting at 6:20 p.m.; motion carried.

October 2025 Disbursements

General Fund

Acentek	\$	223.59	Phone & Internet Services (City Hall/Town Hall)
Canon Financial*	\$	67.00	Copier monthly lease contract
MiEnergy	\$	78.04	Electric: City Hall
MiEnergy	\$	78.91	Electric: Town Hall
MiEnergy	\$	36.38	Electric: Bus Shed
MiEnergy	\$	531.51	Electric: Street Lights
MiEnergy	\$	64.29	Electric: Welcome Sign
MiEnergy	\$	49.77	Electric: Ball Field
MN Energy Resources*	\$	19.33	Gas: City Hall
MN Energy Resources*	\$	19.33	Gas: Maintenance Shop
MN Energy Resources*	\$	22.26	Gas: Town Hall
Nordsving, Jon	\$	50.00	Cell phone stipend
Tri-State Business Machines	\$	30.00	Copier monthly contract
Banyon Data Systems	\$	1,730.00	Annual Support Fee
Village Farm & Home	\$	16.76	furnace filters
Total General Fund Disbursements	\$	3,017.17	

Water Fund

Acentek	\$	40.79	Phone dialer system
Gopher State One Call	\$	189.00	Locates
MiEnergy	\$	614.22	Electric: Pump House
Banyon Data Systems	\$	477.50	Annual Support Fee
Team Lab	\$	115.50	blue spray paint for locates
Fillmore County Journal	\$	47.61	Legal notice: Ordinance 2025-01 fee update
Total Water Disbursements	\$	1,484.62	

Sewer Fund

Acentek	\$	40.79	Phone: WWTF
MiEnergy	\$	741.34	Electric: WWTF
Utility Consultants	\$	1,254.48	Samples
Team Lab	\$	115.50	green spray paint for locates
Banyon Data Systems	\$	477.50	Annual Support Fee
Total Sewer Disbursements	\$	2,629.61	

Garbage Fund

Richard's Sanitation	\$	2,563.88	Monthly service charge
Total Garbage Disbursements	\$	2,563.88	

Fire Department

Acentek	\$	64.95	Internet services
MiEnergy	\$	82.89	Electric: Fire Hall
MiEnergy	\$	49.89	Electric: Cooler
MN Energy Resources*	\$	19.33	Gas: Fire Hall
Fillmore County Journal	\$	39.00	Emergency Response Ad
Fire Safety USA	\$	315.50	6 pairs Rescue Extrication gloves & 2 accountability tags
Total Fire Department Disbursements	\$	571.56	

Streets Project (Water & WWTF Systems)

WHKS	\$	124,200.00	Engineering (August 2025)
Total Streets Project Disbursements	\$	124,200.00	

Ballfield & Park

Ness Pumping Service	\$	1,800.00	Porta Potty Rentals
Total Ballfield & Park Disbursements	\$	1,800.00	

Total Monthly Disbursements **\$ 136,266.84** *EFT Payments

WATER FUND					
OPERATING EXPENDITURES	2025 Budget	2025 YTD(Jan-Sept 30)	2026 Budget	Budget Change	
Wages: Admin	\$ 13,500.00	\$ 10,718.23	\$ 14,200.00	\$ 700.00	COLA 3%
Wages: Maintenance	\$ 18,000.00	\$ 14,548.16	\$ 21,200.00	\$ 3,200.00	COLA 3%
PERA	\$ 1,800.00	\$ 1,415.23	\$ 2,050.00	\$ 250.00	
FICA	\$ 2,400.00	\$ 1,932.89	\$ 2,800.00	\$ 400.00	
MN Paid Leave			\$ 325.00		
Office Supplies	\$ 1,000.00	\$ 990.65	\$ 2,000.00	\$ 1,000.00	
Operating Supplies	\$ 4,400.00	\$ 2,064.20	\$ 6,000.00	\$ 1,600.00	water samples, gopher one locates, serv
Repair/Maint.	\$ 10,000.00	\$ 604.67	\$ 10,000.00	\$ -	
Engineering Fees		\$ -		\$ -	WHKS
Communications	\$ 2,000.00	\$ 525.35	\$ 1,500.00	\$ (500.00)	telephone, postage
Insurance (Property)	\$ 1,000.00	\$ 2,415.75	\$ 2,700.00	\$ 1,700.00	
Miscellaneous	\$ 500.00	\$ 500.00	\$ 500.00	\$ -	
Electric Utilities	\$ 7,500.00	\$ 6,064.75	\$ 8,000.00	\$ 500.00	
TOTAL EXPENDITURES	\$ 62,100.00	\$ 41,779.88	\$ 71,275.00		
NON-OPERATING EXPENDITURES					
Debt Service Bond Principal	\$ 15,000.00	\$ 15,000.00	\$ -	\$ (15,000.00)	Water Note till 2025
Debt Service Bond Interest	\$ 198.75	\$ 198.75	\$ -	\$ (198.75)	Loan @ Frandsen Bank & Trust
TOTAL NON-OPERATING EXPENDITURES	\$ 15,198.75	\$ 15,198.75	\$ -		(Bank of Zumborta)
USDA RD LOAN (streets project)	\$ 35,597.00	\$ 13,310.63	\$ 89,062.00	\$ 30,915.00	min. current payment for temp bond on estimated annual payment (\$89062)
TOTAL EXPENDITURES	\$ 112,895.75	\$ 70,289.26	\$ 160,337.00		
OPERATING REVENUE					
Water Sales	\$ 112,896.00	\$ 87,022.92	\$ 113,832.00	\$ 936.00	\$39 base/\$6 per thousand (174 meters)
Water Penalties		\$ 741.20	\$ 500.00		
Miscellaneous		\$ 1,320.44			
TOTAL OPERATING REVENUE	\$ 112,896.00	\$ 89,084.56	\$ 114,332.00		
NON-OPERATING REVENUE					
CD Redemption		\$ 125,000.00	\$ 125,000.00		maturity August 2026
TOTAL NON-OPERATING REVENUE		\$ 125,000.00	\$ 125,000.00		
TOTAL REVENUES	\$ 112,896.00	\$ 214,084.56	\$ 239,332.00		
TOTAL REVENUE			\$ 239,332.00		
TOTAL EXPENSES			\$ 160,337.00		
GAIN/(LOSS)			\$ 78,995.00		

SEWER FUND BUDGET					
OPERATING EXPENDITURES	2025 Budget	2025 YTD (Jan-Sept 30)	2026 Budget	Budget Change	
Wages: Admin	\$ 13,500.00	\$ 10,718.10	\$ 14,200.00	\$ 700.00	COLA 3%
Wages: Maintenance	\$ 23,500.00	\$ 18,045.30	\$ 21,200.00	\$ (2,300.00)	COLA 3%
PERA	\$ 2,200.00	\$ 1,677.60	\$ 2,050.00	\$ (150.00)	
FICA	\$ 2,600.00	\$ 2,200.48	\$ 2,800.00	\$ 200.00	
MN Paid Leave			\$ 325.00		
Office Supplies	\$ 1,200.00	\$ 996.10	\$ 1,200.00	\$ -	
Operating Supplies	\$ 12,600.00	\$ 6,986.32	\$ 13,000.00	\$ 400.00	samples, equipment
Repair/Maint.	\$ 14,619.00	\$ 5,791.34	\$ 15,000.00	\$ 381.00	
Engineering Fees		\$ 1,800.00		\$ -	
Communications	\$ 525.00	\$ 400.65	\$ 525.00	\$ -	telephone
Insurance (Property)	\$ 5,300.00	\$ 6,457.75	\$ 7,000.00	\$ 1,700.00	
Miscellaneous	\$ 500.00	\$ -	\$ 500.00	\$ -	dues, subscriptions, training
Electric Utilities	\$ 10,400.00	\$ 9,209.52	\$ 14,000.00	\$ 3,600.00	
TOTAL OPERATING EXPENDITURES	\$ 86,944.00	\$ 64,283.16	\$ 91,800.00		
NON-OPERATING EXPENDITURES					
Debt Service Bond Principal	\$ 12,000.00	\$ -	\$ 13,000.00	\$ 1,000.00	Sewer Note till 2045
Debt Service Bond Interest	\$ 6,886.00		\$ 6,622.00	\$ (264.00)	Loan @ First SE Bank
TOTAL NON-OPERATING EXPENDITURES	\$ 18,886.00	\$ -	\$ 19,622.00		
USDA RD LOAN (streets project)	\$ 28,437.00	\$ 13,310.62	\$ 30,915.00	\$ 30,915.00	minimum payment for temp bond estimated annual payment (\$56,875)
TOTAL EXPENDITURES	\$ 134,267.00	\$ 77,593.78	\$ 142,337.00		
OPERATING REVENUE					
Sewer Sales	\$ 104,736.00	\$ 83,120.57	\$ 105,720.00	\$ 984.00	\$41 base, \$6/1000 (160 meters)
Sewer Penalties		\$ 740.24			
Miscellaneous		\$ 1,805.09			
TOTAL OPERATING REVENUE	\$ 104,736.00	\$ 85,665.90	\$ 105,720.00		
NON-OPERATING REVENUE					
CD Redemption		\$ 30,498.32	\$ 30,498.32		maturity 12/19/2025
TOTAL NON-OPERATING REVENUE		\$ 30,498.32	\$ 30,498.32		
TOTAL REVENUES			\$ 136,218.32		
TOTAL REVENUE			\$ 136,218.32		
TOTAL EXPENDITURES			\$ 142,337.00		
GAIN/(LOSS)			\$ (6,118.68)		

Sewer Fund
 Current Base Charge \$41
 Current Rate per 1000 gallons \$6

Estimated Revenue based on 160 services
 $160 \times \$41 = \$6560 \times 12 \text{ months} = \$78,720$
 Estimated gallons per month 350,000 - 400,000
 $350 \times \$6 = \$2100 \times 12 \text{ months} = \$25,200$
 $400 \times \$6 = \$2400 \times 12 \text{ months} = \$28,800$
 average = \$27,000

Estimated Revenue for year in sewer charges
 $\$78,720 + 27,000 = \$105,720$
 Current CD Amount \$30,498

Total Estimated Current Revenue for year
 $105720 + 30498 \quad \$136,218$

Option 1:
 Current Base Charge \$41
 Increase rate per thousand by \$1 = \$7 per 1000 gallons

Estimated Revenue	\$110,220	(78720+31500)
Revenue	\$140,718.00	(110220+30498)
Expenses	<u>\$142,337.00</u>	
	-\$1,619.00	

Option 3:
 Rate increase on Base charge by \$1 = \$42
 Increase rate per thousand by \$1 = \$7 per 1000 gallons

Estimated Revenue	\$112,140	(80640+31500)
Revenue	\$142,638.00	(112140+30498)
Expenses	<u>\$142,337.00</u>	
	\$301.00	

Option 2:
 Rate increase on Base charge by \$1 = \$42
 Same rate per thousand = \$6 per 1000 gallons

Estimated Revenue	\$107,640	(80640+27000)
Revenue	\$138,138.00	(107640+30498)
Expenses	<u>\$142,337.00</u>	
	-\$4,199.00	

Option 4:
 Rate increase of Base charge by \$2 = \$43
 Same rate per thousand = \$6 per 1000 gallons

Estimated Revenue	\$109,560	(82560+27000)
Revenue	\$140,058.00	(109560+30498)
Expenses	<u>\$142,337.00</u>	
	-\$2,279.00	

Option 5
 Rate increase of Base Charge by \$2 = \$43
 Rate increase per thousand gallons by \$1 = \$7

Estimated Revenue	\$114,060	(82560+31500)
Revenue	\$144,558.00	(114060+30498)
Expense	<u>\$142,337.00</u>	
	\$2,221.00	

Utility Rate Comparisons						
City	Water Base Rate	Water per 1000 gallons	Sewer Base Rate	Sewer per 1000 gallons		
Canton	\$39.00	\$6.00	\$41.00	\$6.00	current rates for 2025	
Mabel	\$12.00	\$7.25	\$28.00	\$8.68	rates effective 2025	
Fountain	\$21.00	\$1.10	\$50.00	\$4.78	rates effective 2025	
Wykoff	\$20.00	\$6.81	\$40.00	\$13.00	rates effective 2025	
Harmony	\$14.25	\$6.12	\$27.00	\$10.07	rates effective 2025	
Peterson	\$33.00		\$49.00		old rates from 2020	
Preston	\$19.00	\$4.15	\$31.00	\$7.32	2025 rates - have tiered system for base and gallons	
Lanesboro	\$35.70	\$8.84	\$53.12	\$10.13	2025 rates - have tiered system for per 1000 gallons	
Ostrander	\$36.37	\$4.96	\$52.43		old rates from 2022	
Chatfield	\$19.53	\$6.81	\$50.00	\$10.73	rates effective 2025	