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July 13, 2012

The Honorable Joyce Oliver
Waseca County Auditor-Treasurer
307 N. State Street
Waseca, Minnesota 56093-2953

Ms. Laura Elvebak
Waseca County Administrator
307 N. State Street
Waseca, Minnesota 56093-2953

Dear Ms. Oliver and Ms. Elvebak:

The Office of the State Auditor (“OSA”) reviewed per diem payments made by the joint powers entity South Country Health Alliance (“SCHA”). Specifically, the OSA reviewed whether county commissioners receiving SCHA per diems for attending SCHA meetings also received per diems from their respective counties for the same meeting(s).¹

The OSA reviewed per diem payments for the Waseca County (“County”) Commissioner who represented the County at SCHA meetings in 2011. During its review, the OSA found that both the County and SCHA paid the County Commissioner a per diem and mileage for the SCHA meeting held on December 29, 2011. The County paid a total of \$105.53 for the meeting (\$80 per diem and \$25.53 for mileage) and SCHA paid a total of \$150.53 for the meetings (\$125 per diem and \$25.53 for mileage).

Background

SCHA is a county-based health plan serving 12 counties in Minnesota. It is governed by a Joint Powers Board comprised of 11 county commissioners representing SCHA’s 11 member counties.² SCHA pays Board Members a per diem of \$125 for attending SCHA meetings. The per diems, and any other authorized expenses submitted by the Board Member (e.g., mileage, lodging, meals), are paid on a quarterly basis.

¹ Separate letters are being sent to two other counties.

² See SCHA’s website, www.mnscha.org. One county is in the 12-county service area, but is not a member county of SCHA, according to the website.

The County established a per diem of \$80.00 per day for all County-related meetings attended by County Board members.³

A joint powers board may establish per diem payments for, and pay expenses of, board members who attend joint powers board meetings. If a joint powers board sets a per diem, the per diem amount set by the joint board is the only per diem available to a commissioner attending the joint powers board meeting.⁴

Recommendation

Based upon its review, the OSA recommends that the County seek reimbursement of \$105.53 from the County Commissioner. In addition, the OSA recommends that the County not pay per diems or expenses if per diems or expenses are paid by a joint powers entity.

Conclusion

The Office of the State Auditor reviewed per diem payments made by the joint powers entity South Country Health Alliance (“SCHA”). The OSA found during its review that a Waseca County Commissioner received a per diem payment and mileage expense reimbursement from SCHA and from the County for one meeting in 2011. The OSA made recommendations to the County.

If the OSA can provide Waseca County with additional assistance, please feel free to contact me at 651-297-5853 or Nancy.Bode@osa.state.mn.us.

Sincerely,

/s/ Nancy J. Bode

Nancy J. Bode
Assistant Legal Counsel

cc. The Honorable Richard Androli, Chair, County Board of Commissioners
The Honorable James Peterson, County Board of Commissioners
The Honorable Paul Dressler, County Attorney
Ms. Leona Lind, SCHA Chief Executive Officer

³ See, e.g., County Board Resolution 2011-7. To receive per diem payments and any related expenses (e.g., mileage), the County Commissioner must complete and submit a claim form within 90 days of the date the per diem was incurred. *Id.*

⁴ See OSA’s Statement of Position on County Commissioner Per Diem Payments, available on the OSA’s website, www.auditor.state.mn.us.