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Update from the Office of the State Auditor

By Rebecca Otto, State Auditor

It is hard to believe that summer has ended and fall is upon us. Some of the positives are that it is apple season, it's time to rake, and we made it through another legislative session. Legislative sessions usually produce new laws, and this last session was no exception.

New Law on Acquiring Public Safety Equipment

State law now allows towns and other local governments to lease or purchase used public safety equipment without bidding, under specified circumstances. Although the majority of towns in Minnesota probably do not purchase public safety equipment, they contract with other entities which do purchase equipment to provide public safety services.

The new statute, Minn. Stat. § 471.3455, provides that a local government may acquire by purchase or lease used public safety equipment without competitive bidding or proposals "if the equipment is clearly and legitimately limited to a single source of supply, and the contract price may be best established by direct negotiation."

The term "public safety equipment" is defined in the statute to mean "vehicles and specialized equipment used by a fire department... in firefighting, ambulance and emergency medical treatment services, rescue, and hazardous materials response."

Another provision of the law allows local governments to issue certificates of indebtedness or capital notes to acquire new or used public safety equipment by lease for a term of up to 15 years. The long-term lease agreement obligation does not constitute debt under other statutes, and no election is required in connection with the execution of a lease agreement authorized by the new provision. For more information, see Minn. Stat. § 471.3455, subd. 3 (2011); 2011 Minn. Laws, ch. 33.

Best Practices Review on Collaboration

The Office of the State Auditor (OSA) recently sent out a survey to all local governments including townships. There was some confusion because the Office of the Legislative

Auditor (OLA) also sent out a survey at the same time for a report they are working on involving the history of consolidation of local governments in Minnesota. The OLA and OSA perform different functions: the OLA oversees state government, and the OSA oversees local governments. It is understandable that there was some confusion when the OLA sent towns a survey, since towns are accustomed to working with the OSA.

The survey that the OSA conducted will assist our office in writing our next Best Practices Review. The next Review will focus on building strong relationships with local governments and community partners. The survey collected information from local governments to determine how effective relationships are being built between local governments and community partners both in the Metro Area and in Greater Minnesota.

This Review will be the first in a series on collaboration in government. The series will be designed to assist local government officials in identifying the steps necessary to work with other local government officials and community partners on meeting common needs with tight budgets. Future reviews in the series will focus on how to enter into a collaborative effort, how to measure and monitor the results of those efforts, and how to avoid pitfalls when working collaboratively.

Collaboration in local governments is not a new concept – it has been around for some time. The topic for this Review was recommended by the Collaborative Governance Council (CGC) last year in its legislative report. The CGC concluded that a study of this type was timely given the current economic climate and reductions that continue to come from the state which impact local government budgets. The CGC's membership is made up of town, city, county, and school representatives, the State Auditor and a representative from the Minnesota Chamber of Commerce. Kyle Hartnett of Minnesota Association of Townships (MAT) serves as the townships' representative to the Council.