



**State Auditor
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OFFICE OF THE STATE AUDITOR

E-Update

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1. New: Infrastructure Stress Transparency Tool Version 2.0
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1. New: Infrastructure Stress Transparency Tool Version 2.0

The Office of the State Auditor (OSA) has launched Version 2.0 of the State Auditor's Infrastructure Stress Transparency Tool.

The tool visualizes existing data on drinking water and wastewater treatment infrastructure statewide. Version 2.0 allows users to see the amount, location, age, finances, the rates charged, and users of a system for an individual city or special district that provides these services. The tool now includes filters that can be used on the statewide map views for demographics, geography, finances, clean water and drinking water attributes, which allow for analysis both regionally and statewide. It also allows users to generate reports on a specific city or special district, and also allows for side-by-side comparisons. The goal of the tool is to better inform the decision making process at the local, state and federal levels of government around the maintenance, replacement and financing of our civil infrastructure.

Links to the Infrastructure Stress Transparency Tool Version 2.0 and further information on the development of the maps can be accessed on the OSA website at:

<http://www.auditor.state.mn.us/default.aspx?page=20170621.000>.

The OSA has produced an instructional video on how to get started using Version 2.0 which can be found on the OSA website at:

<http://www.auditor.state.mn.us/default.aspx?page=20160309.000>.

2. Pension: Monitoring Relief Association Investment Performance

Relief association trustees should understand their fund managers' investment strategies and hold investment advisors accountable for the performance of the assets being managed.

Trustees are not relieved of their fiduciary duties merely by engaging professional consultants or investment advisors. Trustees, including municipal trustees who serve on a relief association's board, should regularly compare the investment performance of their advisors with the performance of passively-managed index funds and other benchmarks.

The OSA provides two educational tools to help relief association trustees compare investment performance. An "Investment Report Card," is sent by email to each relief association after our review of the relief association's financial and investment reporting forms is complete. The report card provides one-year and multi-year rates of return calculated for the relief association. In addition, the report card includes a custom benchmark rate of return, which can be used to measure the relief association's actual investment performance against market returns.

Also available for reference is the "Financial and Investment Report of Volunteer Fire Relief Associations", which is published annually by the OSA. The report includes one-year and multi-year rates of return, calculated custom benchmarks, asset allocations, and market values for each relief association in Minnesota. The report is available on the OSA website at:

<http://www.auditor.state.mn.us/list.aspx?type=rpt&div=pen>.

3. Avoiding Pitfalls: Vendor Gifts

Sometimes vendors with public contracts offer gifts to local government employees to foster goodwill. Although vendor relationships can be cordial, they should not involve gifts to public employees.

City officials, county officials, and independent school district school board members, superintendents, principals and officers are subject to [Minn. Stat. §471.895](#), which generally bans gifts. There are certain exceptions, such as a trinket or memento costing \$5 or less. In addition, under [Minn. Stat. §471.87](#), a public officer authorized to take part in making a contract in any manner generally is not allowed to have a personal financial interest in the purchase.

To avoid problems, government employees should not accept personal gifts from vendors or contractors. We recommend that entities create an ethics policy that expressly prohibits officers and employees from accepting personal gifts from vendors or contractors.

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