1. Pension: Information on Benefit Levels

The OSA often receives questions from municipal officials who are considering whether to ratify a relief association’s benefit level change. Two Statements of Position provide helpful information regarding relief association benefit levels and benefit level changes.

The Statement entitled “Considerations When Making Benefit Changes” can be viewed at:

https://www.auditor.state.mn.us/default.aspx?page=20120224.000

The Statement entitled “Required Municipal Contributions to Fire Relief Associations” can be found at:

https://www.auditor.state.mn.us/default.aspx?page=20110527.009

2. Reminder: Notification of TIF Error Corrections

Counties that exercise the TIF Act’s correction of errors statute must provide notification of the correction to the State Auditor (and to the Commissioner of Revenue). County auditors who have used this authority recently should email the appropriate documentation to TIF@osa.state.mn.us. For more information, see the March TIF Newsletter or the Statement of Position entitled Correction of TIF Errors.

3. Avoiding Pitfalls: Contracting Procedures

Under the Uniform Municipal Contracting Law, the contracting procedures a local government must follow depend primarily on the estimated amount of the contract.
Generally, if the amount of a contract is estimated to exceed $175,000, the contract must be made by sealed bids, solicited by public notice, and awarded to the lowest responsible bidder. Under some circumstances, electronic reverse auction purchasing or selling processes may be used.

Generally, if the amount of a contract is estimated to exceed $25,000, but not to exceed $175,000, the contract may be made either upon sealed bids or by direct negotiation. If direct negotiations are used, then two or more quotes for the purchase or sale must be obtained when possible. The quotations must be kept on file for a period of at least one year.

If the amount of the contract is estimated to be $25,000 or less, the governing body can then decide to use quotations or the open market. If the contract is made upon quotations, it must then be based, so far as practicable, on at least two quotations that must be kept on file for at least one year.

Depending on the subject matter of the contract or other specifics, other contracting requirements or alternatives may apply. More information can be found in the Office of the State Auditor's two Statements of Position on the topic.

The Statement on City Bidding and Contract Requirements can be found at:

https://www.auditor.state.mn.us/default.aspx?page=20110531.005

The Statement on County Bidding and Contract Requirements can be accessed at:

https://www.auditor.state.mn.us/default.aspx?page=20110531.006

If you are interested in signing up to receive an e-mail version of the E-Update regularly, send an e-mail with your contact information to signup@osa.state.mn.us.

The Office of the State Auditor is located at 525 Park Street, Suite 500, St. Paul, MN 55103. Phone: (651) 296-2551 or (800) 627-3529 (TTY) Fax: (651) 296-4755.

Web: https://www.auditor.state.mn.us