

## OFFICIAL MINUTES

SPECIAL MEETING – VISIT FROM STATE AUDITOR PATRICIA ANDERSON  
LYON COUNTY BOARD OF COMMISSIONERS  
LYON COUNTY GOVERNMENT CENTER, MARSHALL, MN  
February 6, 2006

Meeting called to order by Chairman Ritter. Members present: Buysse, Fenske, Ritter, Goodenow, Nelson, County Auditor/Treasurer Van Overbeke, and County Administrator Stomberg.

Pledge of Allegiance to the Flag.

Pat Anderson, State Auditor, introduced herself and explained that she came to Marshall to update the Commissioners and answer any questions. Anderson started by informing the Board of two new laws involving mandate reform proposals and waivers from rules and procedural laws.

Anderson – A legislative initiative from the 2005 session will give local units of government the opportunity to propose reforms of state mandates. Sponsored by State Rep. Mark Olson ( R – Big Lake), the law allows cities, counties, townships, and school districts to file resolutions objecting to, or identifying potential reforms of state mandates. Under the law, my office is required to post these resolutions on the office's website.

Anderson – My office supported this legislation as a way to increase communication between the state and local governments. I strongly encourage local government officials to review those state mandates they believe are in particular need of reform or repeal. They should then submit resolutions to the State Auditor's office for posting. It is hoped that the Auditor's website will help legislators identify those mandates that are of particular concern to local units of government across the state. If local governments can demonstrate that a mandate is unnecessary or especially burdensome, I pledge to bring the item to the attention of the Legislature for reform.

Anderson - This is important because I believe it will carry greater weight at the State Capitol because legislators will be able to see *specific* local governments proposing *specific* reforms to *specific* mandates.

Anderson – Nothing is too big, or too small to be considered for mandate reform. Please take advantage of this initiative – I believe this is a real opportunity to advance the cause of mandate reform. Local governments interested in submitting resolutions should send them to <mandates@auditor.state.mn.us>. To view resolutions once they are posted, please go to our website at <www.auditor.state.mn.us>. Removing barriers to cooperation and identifying state mandates in need of reform will lead to better, more efficient local government in Minnesota.

Anderson – If six or more counties or townships, et cetera send in resolutions on the same issue, they will be made into a bill. I consolidate them and put them on the web.

Stomberg – What kind of issues have you been getting from townships? Anderson – Township election equipment requirements have been the biggest issue. The voting machines add a lot of cost, and this requirement needs to be taken out for townships.

Anderson – The other bill has its roots in a best practices review completed by the State Auditor's Office (December 2004) that studied local government cooperation. While completing the research for the report, my staff heard from many local government officials who felt that administrative or statutory barriers hindered effective cooperative efforts.

Anderson – We worked with Senator John Hottinger (D-Mankato), Rep. Mark Buesgens (R-Jordan), and Mike Beard (R-Shakopee) to craft legislation to address these barriers to cooperation. We decided to re-create one of the functions of the now defunct Board of Government Innovation and Cooperation. That board had the power to grant waivers to administrative rules and procedural laws that served as barriers to local government cooperation. While we were interested in re-creating that function, we did not want to duplicate the

## OFFICIAL MINUTES

SPECIAL MEETING – VISIT FROM STATE AUDITOR PATRICIA ANDERSON  
LYON COUNTY BOARD OF COMMISSIONERS  
LYON COUNTY GOVERNMENT CENTER, MARSHALL, MN  
February 6, 2006

bureaucracy that existed in the old board. Instead, the legislative sponsors agreed that the State Auditor's Office was the natural place for local governments to apply for waivers.

Anderson – Local governments interested in applying for waivers can access an application form at the State Auditor's website. The application form will ask the cooperating local governments to identify the administrative rule or procedural law that is hindering cooperation and to explain why waiving that rule or law would result in an improved cooperative effort. After the application is received, my office will have the authority to grant a waiver to the rule or law, allowing the local governments to cooperate more effectively. The law took effect on August 1, 2005.

Anderson – I have given you a *Local Government Cooperation Waiver Application*. I encourage using your county's attorney when preparing this application.

Fenske – Have some of these waivers been enacted? Anderson – We are working on some now.

Stomberg – Are these waivers permanent? Anderson – The duration of a waiver from an administrative rule may be for no less than two years and no more than four years, subject to renewal if both parties agree. Another example of one of these requests is from a township who wishes to publish its legal notices in the local "Shopper" paper that everyone gets instead of being required to put it in the county's legal paper which is thirty miles away that no one gets.

Goodenow – Do you do audits of Tax Increment Finance (TIF) accounts? Anderson – Yes, if there is a complaint or if there is believed to be a problem, but mostly they are random. If you suspect there is a problem, just call and comment. Goodenow – I sort of wonder if we shouldn't have a Marshall TIF audit? I have some questions about overhead costs.

Anderson also gave updates on watersheds and post-retirement issues. Anderson – There are new GASB rules concerning post-retirement. Entities need to get a figure for their liability amounts. An actuary may need to be hired to do this, but you could go in on it with other counties. Duluth has a huge problem; it's been in the *Times*. – Discussion of Duluth followed.

Anderson – About half of schools have issues with this, from retirement to age 65.

Stomberg – Would this amount need to be funded? Anderson – It's not required to fund, but it has to be reported. However, if the amount is large it will affect your bond-rating.

Nelson – OSA will audit us through 2008; what about after that? Anderson – Then you have the option to go private.

Stomberg – We have a good situation with our State Auditor's Office.

Dahl – What would we need to do to keep the fines we collect? Anderson – You would have to change the legislation. The state is mandated to have a uniform system.

Ritter – Thank you for coming, I appreciate your coming out to visit us.

Ritter adjourned the Meeting at 11:45 AM until Tuesday February 7th, 2006 at 9:00 AM.

**OFFICIAL MINUTES**

SPECIAL MEETING – VISIT FROM STATE AUDITOR PATRICIA ANDERSON  
LYON COUNTY BOARD OF COMMISSIONERS  
LYON COUNTY GOVERNMENT CENTER, MARSHALL, MN  
February 6, 2006

\_\_\_\_\_  
Stephen W. Ritter, Chairman

Attest:

\_\_\_\_\_  
Loren Stomberg  
Lyon County Administrator