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## Mission

**Working Together to Deliver Quality Services that are Valued by the Community,  
Today and Tomorrow**

### APPOINTMENT OF ISANTI COUNTY AUDITOR-TREASURER

#### INTRODUCTORY BACKGROUND STATEMENT

The Isanti County strategic plan priorities include increasing efficiency and effectiveness in values that provide quality service and continuous improvement to the citizens of Isanti County. As part of that ongoing process in 2020 Isanti County retained the services of DDA Human Resources, Inc., a David Drown Associates Company to provide Isanti County with an organizational review of current County Department operations. The study was conducted in order to identify areas where customer service could be improved, and greater efficiencies could be realized. At the time the study was conducted in 2020 DDA Human Resources, Inc. noted the Isanti County structure included four departments comprised of elected official leaders and 13 other departments, each having its own respective leader. Part of the resulting study recommendations was the creation of a new division structure for which the Isanti County Board of Commissioners supported as did the majority of lead staff and their respective staff. As a result the Public Health and Family Services Departments have been combined as the Health and Human Services Division. The Technology, Geographic Information Systems, Facilities and Maintenance Departments are now combined into the Central Services Division. An Environmental Services Division is being formed which combines Parks, Zoning, part of Extension and will eventually include a County Ditch Program and an environmental inspection component. A Property and Financial Division is being planned which would combine the current Auditor/Treasurer, Recorder and Assessor Departments. For this planned division to work effectively, the DDA Human Resources, Inc. study (refer to page 9 of the study) stated there is a need the Auditor/Treasurer and Recorder be appointed positions.

The appointment of these two positions has been discussed by the Isanti County Board of Commissioners for the past several years, which previously required Minnesota State Legislature approval. However, in 2019 the MN Legislature updated Minnesota Statute §375A.10 to give authority to County Commissioners to decide to change certain elected positions to be appointed. Part of the appointment process is a Public Hearing be held, which occurred on April 7, 2021 as part of the regular meeting of the Isanti County Board of Commissioners. The specific purpose was to receive public comment pertaining to the appointment of the Isanti County Auditor-Treasurer position. Several citizens provided comment at this Public Hearing, which led to questions and answers between the citizens and Isanti County Commissioners pertaining to the appointing of an auditor-treasurer. As a result it was felt a document should be created that would reflect the questions, comments and concerns that were raised during the April 7, 2021 Public Hearing, as well as from other citizens who have provided comment, question and input on this matter in various formats.

Some of the efficiencies that will be gained by having an appointed Auditor-Treasurer include:

- Consolidating services into one division so that residents can complete a property transaction in a quicker way
  - This new division brings together all land, tax and records functions so customers would no longer need to visit several different departments for a single land related function
  - Efficiencies and business process improvements will be significant because all of the services are in a single division
  - Allowing for cross training between employees to provide for better customer service
  - Combining into one property division would significantly reduce software programming costs as we would be able to consolidate into one integrated system

- Communication will improve in the proposed property division structure and result in more efficiency and better customer service.
- There is a potential for budget savings due to the cross-training and efficiencies to be gained.

**EXAMPLES OF DUTIES OF THE AUDITOR-TREASURER:**

*The following are illustrative and are not intended to be all inclusive or restrictive.*

- Directs and reviews the maintenance of an accounting system for County government and its agencies, in a manner consistent with generally accepted accounting principles (GAAP) and generally accepted auditing standards (GAAS). This would be done in sufficient detail to produce adequate cost, financial and statistical data for management purposes and to meet statutory requirements.
- Calculates tax capacity rates for all taxing districts in the County and applies the rates to individual parcels to calculate property taxes.
- Directs and supervises the work of subordinate personnel.
- Orders supplies and materials used in department.
- Consults with and advises County Board members and department heads on fiscal policies and procedures. Advises County Board and County Coordinator of fund balances and investments for short and long range financial planning.
- Prepares county financial statement for audit by the independent auditors.
- Reviews all property tax abatements and must give approval prior to being presented to County Board.
- Prepares reports, financial statements and other items of business for County Board meetings.
- Maintains special assessment records, State loan account and warrant register.
- Receipts and records all monies received for the County.
- Records and preserves an accurate record of all tax payers and their land descriptions in the current tax books.
- Serves as member and secretary to Co-op Extension Committee.
- Agent of Minnesota Department of Natural Resources for issuing of game and fish licenses.
- Administers tax forfeit procedures within the county. This includes legal notices and judgment when real property taxes become delinquent, issuing certificate of forfeiture after notices and redemption period, and conducting sales to return property to the tax rolls.
- Is the head election official for Isanti County. Administers absentee voting, trains election judges and clerks, coordinates ballot printing and programming test program cards and machines, prepares election abstracts for canvassing board, etc.
- Supervises County activities on the state wide voter registration system.
- Directs preparation of County payroll.
- Supervises the calculation of property taxes, the billing of property taxes and the collection of property taxes.
- Distributes the collection of property taxes to the appropriate local units of government and state agencies.
- Participates as a member of the County Equalization Board.
- Prepares regular and special reports as required.
- Supervises the activities of a driver's license renewal station under the direction of Minnesota Department of Public Safety.
- Supervises passport acceptance facility for U. S. Department of State.
- Prepares auditors certificates for taxes payable for bond issues of taxing districts lying within the county.
- Supervises the recording of transfers on the property tax system for the County.
- Directs the review and distribution of Certificates of Real Estate Value on property sold within the county.
- Administers the delinquent property tax system for real estate within the County.
- Coordinates with other county auditors the exchange of tax capacities and rates when administering the property tax system.
- Administers the preparation of Truth in Taxation for the County.
- Supervises the investments of all county funds in accordance with statutory requirements. Contacts local banks and brokers regarding interest rates for the purpose of investing excess county funds.
- Records and reconciles daily collections and warrants issued.
- Reviews land descriptions on title searches for the purpose of providing current year tax information.

If appointed, minimum qualifications would include the equivalency of a master's degree in Finance, Accounting, Business, Public Administration or related and six years of complex financial management and business operations experience, including supervision of professional and management staff.

### FACT CHECKER/Q & A

Q1. What is the reason and need for appointing an Auditor-Treasurer?

A1. As outlined in the introductory background statement above, in order for the organizational plan structure change to divisions to work, there is a need to have an appointed auditor-treasurer who would then serve as the Division leader for a Property and Financial Division. In addition, there currently are no basic qualifications for an elected auditor/treasurer. In other words, if the position remained elected any potential auditor/treasurer candidate(s) could have little or no financial background to administer Isanti County's current \$50 million budget, or no accredited election experience. This would not be the case for an appointed auditor/treasurer. An appointed auditor/treasurer position would have very specific educational and/or experience criteria and qualifications. In addition, the County Board would oversee this position and would have the ability to address any performance concerns, which is not an option for an elected position. Voters can hold the Commissioners accountable for the Auditor-Treasurer's performance just like other department heads. On the election side, state and federal laws dictate the Auditor-Treasurer's duties. The Auditor-Treasurer has minimal discretion in how an election is conducted. This differentiates the role from Sheriff and Attorney where the positions hold more autonomy in how duties are performed. Historically, other positions have changed from being elected to appointed, including: County surveyor, Clerk of Court, and Coroner (now Medical Examiner), as well as County Superintendent of Schools.

Q2. Are the auditor and treasurer two separate County positions and is it only the auditor position being considered for appointment or is it also the treasurer?

A2. No, the Auditor-Treasurer is one position.

Q3. What authority allows the County Commissioners to appoint an auditor/treasurer?

A3. Minnesota Statutes §375A.10 and §375.1205

Q4. Has the MN State Legislature ever considered incorporating at least some minimal qualifications for an elected auditor/treasurer position?

A4. Other than being an Isanti County resident of at least 18 years of age, there are no qualifications for an elected auditor-treasurer unlike that of the County Attorney and Sheriff positions which have specific licensure qualifications. Minimum qualifications for the Auditor-Treasurer position have been considered by the legislature; however, the legislature decided to allow for the appointment as a better option.

Q5. Does the County have the ability to require certain qualifications for an elected auditor/treasurer?

A5. No, that is determined by the State through the legislative process.

Q6. Is there a term limit for an appointed auditor-treasurer and do they need to be a resident of Isanti County?

A6. An appointed auditor-treasurer would be a contract employee. The County could not *require* that the applicant be a resident, but it could certainly be a consideration for a hiring decision.

Q7. What is to prevent corruption, fraud or abuse associated with an appointed auditor-treasurer; it just does not seem an appointed position could be trustworthy?

A7. There are numerous audits, checks, balances and safeguards in place to ensure there is complete integrity and accountability in the election process and administration of a County's finances, whether the auditor-treasurer is elected or appointed. Fraud, abuse and corruption could potentially occur with an elected Auditor-Treasurer or an appointed Auditor-Treasurer. It depends more on the official's ethics than the elected or appointed status. The County's finances are audited through the Office of the State Auditor. There are also internal controls in place within the County's financial processes. For elections, Minnesota statutes require a post-election review to verify that the hand count of ballots match the totals from the voting machine. Also, the election activities are overseen by election judges from both major political parties. An appointed Auditor-Treasurer will have more direct oversight by reporting to the County Administrator and the five elected County Commissioners.

Q8. If the position were to be appointed and if there ever becomes an issue of performance, is there a process to address the situation whether the auditor-treasurer is appointed or elected?

A8. Yes, for an appointed position there is an administrative process for addressing performance and/or conduct issues. As it pertains to an elected position, it is extremely difficult and very costly to pursue the removal an elected official from office. In most cases the person would be allowed to finish their term regardless of the concerns.

Q9. How long does it take to address a performance issue with an appointed position versus an elected official?

A9. The amount of time can vary for an appointed position depending on the circumstances, but the County is committed to addressing performance concerns as quickly as possible. As discussed above in A8, for an elected official there is very little if anything that can be done to address performance concerns. A conversation would occur and changes suggested, but essentially an elected official can choose to disregard any feedback.

Q10. Isn't electing an Auditor-Treasurer a basic constitutional right?

A10. The Fifteenth Amendment of the United States Constitution states that all U.S. Citizens have the right to vote for the President of the United States. The Minnesota Constitution is contained within the Minnesota Statutes, as adopted by the Legislature. As discussed above, it specifically authorizes the appointment of the Auditor-Treasurer position. So no, there is no constitutional right to vote for an Auditor-Treasurer in Minnesota.

Q11. How many Minnesota Counties currently have an appointed auditor-treasurer?

A11. At least 38 out of 87 counties and many more are in the process currently.

Q12. If appointing an auditor-treasurer does occur could the position ever revert back to be an elected position?

A12. The County Board would need to adopt a Resolution to revert the position back to elected as outlined in Minnesota Statute §375.1205. At this time, of the 38+ Counties who currently have an appointed auditor-treasurer no County so far has converted the position back to be elected.

Q13. Is there consideration for appointing a County Attorney and Sheriff?

A13. The Board has no plans for considering this and it is not specifically authorized in statute (Note – Ramsey County is a Charter County falling under other statutory rules). However, the County Board will be considering changing the Recorder to an appointed position, again this is to provide for efficiencies for property transactions.

Q14. It was recommended at the April 7, 2021 public hearing that the County Commissioners consider delaying any decision in order for further public education to gain an understanding of rationale for appointing versus electing an auditor-treasurer. Will the Commissioners consider this?

A14. Any decision is being purposely delayed in order for this document to be created and time enough for citizens to have an opportunity to review this document and seek any further clarification. However, a County Commissioner decision on this matter is anticipated sometime within the next couple months.

Q15. How would one know when a County Commissioner decision is being planned?

A15. The agenda's for the Isanti County Board of Commissioners regular scheduled meetings are posted on the Isanti County Web site which can be found at [www.co.isanti.mn.us](http://www.co.isanti.mn.us) To navigate to Board meeting agenda's click on Services and you will find links to all agendas.