

CITY OF COLUMBIA HEIGHTS
PROCEDURES MANUAL

FINANCIAL MANAGEMENT

PURCHASING POLICY

Section 4.01, Page 1 of 3

Revision: January 1, 2025

PURPOSE

To assure that all expenditures are made efficiently by approved methods and only for authorized purposes, and that compliance with this policy is documented.

SCOPE

This policy applies to all activities of the City, the Economic Development Authority (EDA), the Housing and Redevelopment Authority, and to any fiscal agent activities conducted on behalf of other entities. It applies to activities under Joint Powers Agreements with appropriate modifications as necessary. As these activities form a single reporting entity (the City) under Generally Accepted Accounting Principles, all references in this policy to city titles, such as City, city council, city manager, etc. are defined to include the equivalent titles from all of these entities, such as EDA, EDA commissioners, EDA executive director, etc.,

RESPONSIBILITIES

The City purchasing process is decentralized, with division heads primarily responsible for budgeting, ordering, receiving, and classifying goods and services to meet both their division's objectives and the requirements of this policy. Division heads may delegate procedures required under this policy to staff as appropriate. Exceptions to this decentralization are the goods and services obtained through the City's internal service funds; the Municipal Service Center, Facilities Maintenance, Information Systems, and Risk Management, which have purchasing responsibilities for their respective activities. Additionally, occupancy and supply expenditures for city hall are centralized within a department of the General fund. The responsibility of the finance director under this policy is quality control in the broad sense, including timely processing, communication, and compliance monitoring.

RESOURCES AVAILABLE FOR EXPENDITURE

Only the city council has the authority to authorize (appropriate) resources to be available for expenditure, through their actions to adopt or amend budgets at the fund level.

EXPENDING AVAILABLE RESOURCES

The primary authority to award purchases of specific goods and services to specific vendors resides with the city council. By resolution, the city council has delegated this authority to the city manager for expenditures up to \$25,000 per invoice, for time-sensitive change orders to contracts awarded by the city council, and for certain items listed below that do not require preapproval under this policy.

By this policy, the city manager delegates this authority to their designee as required, and delegates authority for expenditures up to \$5,000 per invoice to each division head and their respective designee (if any), but only for each of their respective division operations. This authority only extends to resources that have first been made available (budgeted) by the city council (see above).

Expenditures exceeding the authority of the division head require documented preapproval by the city manager or their designee, or by the city council if over \$25,000. Exceptions not requiring preapproval include goods and services for resale, refunds, routine utility and internet services, and emergency purchases. This preapproval is documented using the City's purchase order system, unless payment is issued through the City's payroll system.

City council approval of membership in the League of Minnesota Cities Insurance Trust (LMCIT) is considered preapproval for premiums billed by the LMCIT. City council approval of bargaining agreements and pay rates, together with City ordinance 3.102(B) delegating hiring authority to the city manager, is considered preapproval for all wages and payroll taxes, but not for benefit contracts, for all positions authorized by the city manager.

AUTHORIZED CREDIT CARDHOLDERS AND PETTY CASH CUSTODIANS

Authorization as a named credit cardholder or a petty cash custodian is not authorization to expend funds. These are only authorizations for certain forms of tender. Purchases made using these tender types still require *expenditure* authorization, as described above.

PROCUREMENT

Purchasing must be conducted in a manner to promote fair and open competition, and in accord with all local, state, federal, and grantor requirements applicable to City resources. This applies to all aspects of seeking and selecting offers, quotations, proposals, contracts, and even to purchasing goods and commodities only available at open market pricing. The procedures required to document this fair and open competition are proportional to the dollar amount of the purchase. Those procedures are listed in Appendix A. In addition, by formal commission the City has established sustainability guidelines that apply to all procurement of goods and services. Those guidelines are listed in Appendix C.

CONFLICTS OF INTEREST

Employees are required to provide notice to the finance director of any conflicts of interest prior to entering into transactions on behalf of the City. No employee, officer, or agent may participate in the selection, award, or administration of a contract or other purchase if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediately family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has financial or other interest in or a tangible personal benefit from a firm considered for a contract or other purchase.

Officers, employees, and agents of the City must neither solicit nor accept gratuities, favors, or anything of monetary value from vendors, contractors or parties to subcontracts, or those seeking to be vendors, contractors or parties to subcontracts.

ALLOWABLE COSTS

All expenditures must be for a public purpose, as described in Appendix B. Certain compliance procedures required by this policy when purchasing under federal grant awards are also described in Appendix B. Allowable travel costs are described in the travel policy contained within the City's personnel policies.

Additionally, all expenditures not included in the City's general fund must be for the same purpose as the non-general fund in which they are included. Under state statute, restrictions or obligations imposed by grantors or donors on the use of grants or contributions are only allowable if authorized by a resolution approved by a super-majority (4/5) vote of the city council.

Whenever financially feasible within 10% of the purchase price, the City shall prioritize supporting local, regional, minority, disability, and women-owned businesses. Exceptions to this may be necessary to comply with State or Federal purchasing rules.

DOCUMENTATION REQUIRED FOR PAYMENT

For purchases made by check or electronic funds transfer, documentation of compliance with this policy shall be submitted to the finance department prior to payment using established procedures. For purchases made by City credit card, this documentation plus the monthly cardholder statement shall be submitted to the finance department in the calendar month the cardholder statement is issued. For purchases made by petty cash, this documentation must be provided to the custodian immediately following the purchase and then submitted by the custodian to the finance department when the petty cash fund is periodically closed out. Additionally, this policy requires the finance director to provide reports of all disbursements for city council review regardless of form of payment.

MN statute requires payment of obligations within 35 days of the latter of the completion date or the vendor invoice date (10 days for liquor purchases.)

Minimum required documentation to be provided by the purchasing division includes:

- A description of the purchase, sufficient to determine allowability under this policy
- Documentation of the procurement procedures performed to comply with this policy
- Pre-approval by the city manager or city council when required by this policy
- An itemized vendor invoice or contract prepared to reasonable standards
- The date the goods or services were received
- Approval by the division head or their designee responsible for the purchase
- Classification (account coding) to:
 - A fund for which the purchasing division has budgetary responsibility, and in which budgeted resources are still available at the date of the goods and services were received
 - A department applicable to the use of the purchase
 - A line item applicable to the object of the purchase
 - Other coding as may be required for project reporting or other purposes
- Asset information required for purchases triggering the City's asset capitalization policy

Invoice approval within the City's accounting system by the division head responsible for the purchase, or by their designee, is deemed to certify the goods or services were received as invoiced, or as corrected on the invoice, that the documentation attached or included by reference for the minimum requirements above is valid and complete, and that to the best of their knowledge the purchase is in compliance with all applicable aspects of City policy.

NONCOMPLIANCE

No agent or employee shall have the authority to bind the City to any contract or purchase except as provided by this policy. Any contract or purchase made on behalf of the City which is not in compliance with this policy and its established procedures shall be deemed unauthorized. Any person making an unauthorized purchase may be liable for payment, restitution and/or further disciplinary action. Any obligation incurred by any City employee for any purpose not authorized in the budget or for any amount more than the authorized amount is considered a personal obligation of the person incurring the expenditure.

APPENDIX A – PROCUREMENT PROCEDURES

Purchases up to \$5,000

No specific procurement procedures are required to be performed or documented at this level. However, the overall policy objectives of fair and open competition, and of reasonable value provided, still apply.

Purchases over \$5,000

This level requires one or more documented alternate price quotes or proposals, or a documented explanation as to why an alternate quote is not applicable. The number of additional price quotes or proposals obtained, as well as the amount of supporting detail and analysis documented by the purchasing division, should be scaled appropriately for the circumstances of the purchase.

Supplies, Equipment, and Construction Contracts over \$25,000

In addition to the procedures above, these purchases require considering the options available under the MN Cooperative Purchasing Venture (state contract.)

Supplies, Equipment, and Construction Contracts over \$175,000

Require either:

- A formal sealed-bid process (defined in state statute)
- A best-value contracting RFP process (defined in state statute)

With the following exceptions:

- Purchases required under the City's Emergency Operations Plan during a declared emergency.
- Purchases of supplies or equipment from other governments.
- Purchases of public safety equipment for which there is clearly only a sole source.

ADDITIONAL REQUIREMENTS FOR EXPENDITURES UNDER FEDERAL GRANTS

Federal grantees, including sub-grantees that receive federal funds indirectly passed-through another entity, are required to follow applicable portions of section 200 of the code of federal regulations, referred to as the "Uniform Guidance". The Uniform Guidance is incorporated into the City of Columbia Heights Purchasing Policy by reference for expenditures which are federally-funded. The Uniform Guidance is linked [here](#). As the text of the Uniform Guidance is extensive, certain key concepts are summarized below:

- Federal grants require efforts to include small firms, women-owned firms, and minority-owned firms, as vendors/contractors under the grant. Annually, the finance director or their designee review these efforts by the City divisions receiving federal funding in the most recent fiscal year.
- The grantor agency makes the ultimate determination as to whether the use of sole-source or emergency procurements is acceptable for any particular federal grant. Failure to satisfy grantor requirements for the use of noncompetitive procurement methods can result in significant disallowed costs. These requirements are summarized in the FEMA fact sheet included at the end of this appendix.



Noncompetitive Proposals/Sole-Sourcing

- The federal procurement standards are clear regarding the need to have full and open competition. There are, however, limited situations where noncompetitive proposal methods may be allowed; but only in instances where one or more of the following circumstances apply:
 1. The item is available only from a single source;
 2. Exigency or emergency circumstance;
 3. Awarding agency or pass-through entity approval; or
 4. Inadequate competition
- In any event, it is extremely important for the non-state applicant to document the basis for the justification of the noncompetitive procurement.
- **Single Source:** The use of this exception to full and open competition is allowed when the non-state applicant requires supplies or services that are truly only available from a single source.
- **Exigency or Emergency Circumstance:** The public exigency or emergency will not permit a delay resulting from the full and open competition process.
 - The use of this exception to full and open competition is limited and only permissible during the period of actual exigency or emergency. Once this period ends, the non-state applicant must transition to a procurement compliant with the requirements of full and open competition.
 - Although the terms are often used interchangeably, “exigency” and “emergency” are not necessarily the same.
 - **Emergency:** an unexpected and unusually dangerous situation that calls for immediate action or an urgent need for assistance or relief. E.g. threat to life, public health or safety, improved property, and/or some other form of dangerous situation.
 - Example: A severed power line remains live and is dangling near an apartment building. If not addressed immediately, this live wire poses a risk of igniting the building on fire or causing bodily harm. The emergency would not extend to repair and restoration of the city’s power lines beyond resolution of this limited dangerous situation.
 - **Exigency:** something that is necessary in a particular situation that requires or demands immediate aid or action.
 - Example: Augusta, GA using a noncompetitive procurement in advance of The Masters Golf Tournament to remove debris blocking the roadways. If not removed immediately, the debris threatened to force cancellation of this major economic activity for the region. The exigency only existed up until the day that the tournament started. Full and open competition was required for procurements after the commencement of the tournament.



APPENDIX B – PUBLIC PURPOSE EXPENDITURES

All City expenditures must be for a public purpose, as required by the MN state constitution. The definition of “public purpose” continues to evolve over time. The guidelines provided here are not intended to be all encompassing.

The Minnesota Supreme Court has followed a liberal approach, generally finding a “public purpose” when the activity in question meets all the following:

- The activity will benefit the community as a body.
- The activity directly relates to functions of government.
- The activity does not have, as its primary objective, the benefit of a private interest

The Minnesota Supreme Court has further clarified that activities that promote the following objectives for the benefit of all the city’s residents further a public purpose:

- Public health
- Safety
- General welfare
- Security
- Prosperity
- Contentment

Attached further below are interpretations published by the MN Office of the State Auditor, which state that the following specific expenditures either do not serve a public purpose, or that certain conditions must be met to serve a public purpose:

- Alcohol and Spouse/Family Expenses
- Ballot Issue Advocacy
- Donations to Nonprofit Organizations and Membership Dues Paid to Private Organizations
- Fundraising

Refer to City Policy 4.10.1 for requirements pertaining to travel and meal reimbursements.

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As the text of the Uniform Guidance is extensive, certain key concepts are summarized below to aid in its application.

The federal term “allowable expense” is generally equivalent to the state and local term “public purpose expenditure”, and most of the same types of expenditures are allowed or prohibited under either set of rules. The Uniform Guidance, however, defines allowability by specifically listing many more types of expenditures, as compared to the state and local approach of applying the broad concept of public purpose to most types of expenditures.

The distinct difference between the two sets of rules is that, for any given type of expenditure, the federal rules usually require additional administrative compliance procedures to be allowable. These additional procedures consist primarily of:

- **Pre-approval By The Grantor**
The most common method for obtaining this pre-approval is to disclose the expenditure in the grant application and/or in the grant budget submitted with the grant application.
- **Mandatory Contract Terms**
The Uniform Guidance lists a specific set of terms that must be included in all contracts expending federal funds, including the requirement that contractors include these terms in any subcontracts. Examples of these terms include an anti-lobbying certification and verification that the contractor is not on the federal website listing suspended or debarred contractors. The recommended procedure for City departments is to either incorporate these federal contract terms into their standard contract template, or to add a federal addendum to their standard contract template when federal funds are used.
- **Documentation of Allocated Overhead or Indirect Costs**
Burdensome documentation requirements exist to prevent charges to federal grants for the share of overhead costs allocable to nonfederal activities. Consequently, the City has historically only charged the direct costs of projects and activities to federal grants (with the one past exception of public housing programs.) These direct costs do include the appropriately documented time of program staff under some grants.

Alcohol and Spouse/Family Expenses **

The Office of the State Auditor has long maintained that the purchase of alcohol at public expense does not serve a public purpose. In addition, the expenditure of public funds for the expenses of a spouse or family member of a public officer or employee does not serve a public purpose.

Date this Avoiding Pitfall was most recently published: 10/21/2016

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Note**

The City of Columbia Heights further clarifies that incidental meal costs attributable to family members attending a City-run employee recognition event, held pursuant to a city council resolution establishing an employee recognition program as a public purpose expenditure, are considered to be public purpose expenditures in furtherance of the program purpose of demonstrating support for the employee(s) so recognized.



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Summer 2019 Issue

Article for *Minnesota Fire Chief*

Firefighter Fundraising Activities ***** See Note Below**

By Julie Blaha, State Auditor

Driving around Minnesota I am seeing signs, literally, advertising street dances and Booyas that are hosted by the local firefighters. These types of fundraising events often raise money for new fire department equipment or for relief association general fund activities, such as annual holiday parties or retirement gifts. As important as a good Booya recipe, is clarity around exactly who is hosting the event and which entity will receive the funds raised.

Cities and towns have no express authority to hold fundraisers. As part of a city or town government, the same is true for municipal fire departments. In contrast, a relief association is a separate nonprofit entity, and may solicit donations or conduct fundraisers through its general fund if permitted by the relief association's bylaws.

The relief association should identify itself as the entity conducting the solicitation or fundraiser and state the intended purpose for the funds being raised in advertisements and solicitations. A relief association may donate general fund money or equipment purchased with general fund money to a city council or town board.

If the city's or town's governing body decides to accept the donation, it must do so formally through a resolution passed by a two-thirds majority. The resolution accepting the donation should identify all limitations on how the funds may be used, including whether the use of the donation is limited to fire department expenditures.

After a piece of equipment is donated to a city or town, it becomes that municipality's property. The municipality will have to maintain the equipment and may need to insure the equipment and add it to the city or town asset list. If a relief association is considering hosting a fundraising event to raise funds for new fire department equipment, the relief association should work in advance with the city or town to make sure any donation is one the municipality wants to accept.

Firefighters soliciting donations or hosting a fundraising event should be sure that donation checks are made out to the relief association. Donation checks should not be made out to the fire department.

Additional Information

Helpful information about fundraisers and donations for fire departments and relief associations is provided in a Statements of Position on the Office of the State Auditor website. Go to www.auditor.state.mn.us. Choose the “For Local Officials” menu option, and then select “Statements of Position.” A Statement of Position entitled “Fundraisers and Donations for Fire Departments and Fire Relief Associations” is posted under the “Pensions” heading.

Enjoy a fun, successfully, and clearly identified summer fundraiser season!

*****NOTE:**

The City of Columbia Heights further clarifies that although the state auditor's statements above are focused on fundraising by fire departments and fire relief associations, the issues raised apply to all City activities.

The City's general policy is that funding obtained through the property tax levy, utility billing, and other service fees, is for the provision of services to the public, not for soliciting additional funds from the public, even when those solicited funds would be used to provide additional public services.

Nothing in this policy precludes the City from accepting donations offered by other parties, subject to the procedure for acceptance listed elsewhere in this policy. Nor does this policy preclude the City from participating in community events where a partner organization may conduct its own fundraising activities, provided that the public is not led to believe that the City is conducting the fundraising portion of the event.



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Statement of Position Expenditure of Public Funds on Ballot Issue Advocacy

Local units of government may want to advocate for the passage of constitutional amendments, local ballot questions, or levy referenda. Until recently, the question of whether public funds could be used for such activity seemed settled: With rare exceptions, the answer was no. Recently, however, the Minnesota Supreme Court explicitly declined to answer the question of “whether public funds can be expended to advocate for only one side of a ballot question.”¹ Because the law is now less certain, local governments should seek legal advice before making a decision to use public funds for such advocacy.

In its 2012 *Abrahamson* decision, the Minnesota Supreme Court determined that political subdivisions that engage in such advocacy are potentially subject to the Campaign Financial Reports requirements and the Fair Campaign Practices requirements of Minnesota Statutes.²

The Supreme Court remanded the case so it can be fully litigated; indicating that the Supreme Court believes ballot advocacy issues should be determined by an authoritative fact finder following a formal presentation of evidence, i.e., the Office of Administrative Hearings or the courts.³ In the 2012 *Abrahamson* decision, the Minnesota Supreme Court indicated that allegations that campaign material is “false” will be determined in these forums using a statutory standard. Complaints alleging a local government has advocated passage without proper reporting or has disseminated false campaign material are filed with the Office of Administrative Hearings.⁴

Based on Attorney General opinions, most local governments have traditionally understood they could not use public funds to advocate for one side of a ballot question, and that public funds should not be used to influence voters, but may be used to “fairly and impartially

¹ *Abrahamson v. St. Louis County School District 2142*, 819 N.W.2d 129 (Minn. 2012) (declaring the question to be one of first impression for the Court and one that need not be answered in the present case).

² If a local unit of government advocates for the passage of a constitutional amendment, local ballot questions, or levy referenda, state campaign finance laws can apply. See *Abrahamson v. St. Louis County School District 2142*, 819 N.W.2d 129 (Minn. 2012).

³ *Abrahamson*, 819 N.W.2d at 136 (Minn. 2012) (“Whether, after the District answers the complaint and the case is fully litigated, the ALJ [administrative law judge] ultimately finds that these statements were promotional will depend on the evidence before it at that time.”).

⁴ Minn. Stat. § 211B.32.

educate the electorate.”⁵ For example, in a [1966 opinion](#), the Minnesota Attorney General determined that a school district had no authority to spend money to promote one side of a bond referendum.⁶ School boards could, however, expend a reasonable amount of funds to educate voters of facts pertinent to a ballot question or educational levy referendum.⁷

In addition, it has been generally recognized that elected officials may appear before citizens to orally advocate for a particular position as long as no expenditure of public funds is involved.⁸

In a [2006 letter](#), the Minnesota Attorney General acknowledged that circumstances may exist where a state action or proposal could have such a “direct and substantial effect” on the interests of a local government entity that the entity would have a legal right to promote and protect its interests. If such a legal right exists, the public entity could spend public funds to protect or promote its interests, even by financially supporting one side of a ballot issue. The Attorney General advised that previous Attorney General Opinions have concluded that public funds cannot be spent for advocacy where the proposed measures’ effect would be “only indirect and in common with the public at large.” Ultimately, however, the Attorney General failed to find such a legal right in the matter at hand in 2006, and advised that no public funds be used to advocate the public entity’s position.

In light of recent court decisions, the Office of the State Auditor recommends that local governments seek legal advice before spending public funds to advocate for passage of a ballot question.

⁵ See Attorney General opinions summarized in *Abrahamson v. St. Louis County School District 2142*, 802 N.W.2d 393, 401-02 (Minn. App. 2011), *aff’d in part, rev’d in part, and remanded*, 819 N.W.2d 129 (Minn. 2012).

⁶ Op. Att’y Gen. (159a-3, May 24, 1966).

⁷ *Id.*

⁸ *Id.*



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Statement of Position

Public Expenditures: Donations and Dues

Public entities are often asked to give funds to support various groups and activities. While the causes may be worthwhile, public entities need to be cautious when making any financial commitments involving public funds.

In most circumstances, public entities have no authority to give away public funds as donations. Generally, in order to spend money, a public entity must have authority to do so. Authority for an expenditure may be specifically stated in a statute or charter, or it may be implied as necessary to do what an express power authorizes. In addition, the expenditure must be for a “public purpose.”

Gifts/Donations to Private Individuals/Organizations

Following these general principles, donations to people, non-profits, charities, or other groups are not permitted unless they are based upon specific statutory or charter authority. For example, the Minnesota Attorney General’s Office has issued opinions finding that cities have no authority to donate city funds to organizations such as the Red Cross or the Boy Scouts.¹ The assumption is that a gift of public funds to an individual or private entity serves a private rather than a public purpose.

Before a public entity makes a contribution, it is important for that entity to determine that it has specific authorization to make the expenditure. Here are some examples of specific, statutorily authorized appropriations:

- **Artistic Organizations.** A county, city or town may appropriate money to support artistic organizations.²
- **Historical Causes.** A town or city may appropriate annually a specified amount to a county historical society so long as the society is affiliated with, and approved by, the Minnesota Historical Society.³ Cities have express authority to commemorate important and outstanding events in city history, and to appropriate money to collect, preserve and distribute its history data for future generations.⁴ The Attorney General’s Office recognizes that a city can advance money to a

¹ See, for example, Op. Att’y Gen. 59-A-3 (May 21, 1948).

² Minn. Stat. § 471.941.

³ Minn. Stat. § 138.053.

⁴ Minn. Stat. § 471.93.

- nonprofit to sponsor a centennial celebration.⁵
- **Prevention of Cruelty to Animals.** A county may appropriate money for maintenance and support of the local society for the prevention of cruelty to animals.⁶
 - **Food Shelves.** Cities and counties may donate funds in the form of grants to food shelves providing food to the needy without charge.⁷
 - **Senior/Youth Centers.** A county, city or town may appropriate money to support the facilities, programs, and services of a public or private, not-for-profit senior citizen center or youth center.⁸
 - **Public Recreation Programs.** Counties, cities, towns and school districts may spend funds to operate programs of public recreation, recreational facilities, and playgrounds.⁹ These programs may be conducted independently or with any nonprofit organization.
 - **Promotion.** A city or urban town may appropriate up to \$50,000 annually to an incorporated development society or organization of this State, for promoting, advertising, improving, or developing the economic and agricultural resources of the city or urban town.¹⁰ A city may appropriate money to advertise the city and its resources and advantages.¹¹ Similarly, a county may appropriate funds to a similar entity for promoting, advertising, improving or developing the economic and agricultural resources of the county.¹² The county statute does not contain an annual spending limit.
 - **Employee Recognition.** Towns may spend funds to recognize volunteers, service efforts, and retiring town officers.¹³ Counties and cities may spend funds for preventive health and employee recognition services.¹⁴
 - **Community Celebrations.** Towns may spend funds to host or support a community celebration.¹⁵ Cities or towns may spend funds on Memorial Day observances,¹⁶ and may appropriate money for county or district fairs,¹⁷ centennial and historical celebrations.¹⁸ Statutory cities may spend funds to provide free musical entertainment.¹⁹ The authority to purchase fireworks seems to be implied.²⁰

⁵ See Op. Att’y Gen. 59a-3 (Jan. 18, 1968) (citing Minn. Stat. § 471.93).

⁶ Minn. Stat. § 343.11.

⁷ Minn. Stat. § 465.039.

⁸ Minn. Stat. § 471.935.

⁹ See generally, Minn. Stat. §§ 471.15 to .1911. Minn. Stat. Minn. Stat. § 469.189., and 471.16, subd. 1.

¹⁰ Minn. Stat. § 469.191. In addition, Economic Development Authorities (EDAs) have authority to conduct activities advancing the city and its economic development, and to carry out other public relations activities to promote the city and its economic development. See generally, Minn. Stat. §§ 469.090-.1081 and Minn. Stat. § 469.1082 (county EDAs).

¹¹ Minn. Stat. § 375.83.

¹² Minn. Stat. § 469.189.

¹³ Minn. Stat. § 365.10, subd. 12 (but electors must approve).

¹⁴ Minn. Stat. § 15.46.

¹⁵ Minn. Stat. § 365.10, subd. 12 (but electors must approve).

¹⁶ Minn. Stat. § 465.50.

¹⁷ Minn. Stat. § 38.12.

¹⁸ Minn. Stat. § 471.93.

¹⁹ Minn. Stat. § 412.221, subd. 15.

²⁰ Minn. Stat. § 624.22, subd. 1(a) (2) (A municipality may stage a fireworks display after obtaining a permit).

As an alternative to a donation, a public entity may enter into a contract with an organization to accomplish tasks that the entity is authorized to perform by statute or charter. For example, a city could not give money to the Boy Scouts for a recycling program, but the city could enter a contract with the Boy Scouts to do part of its recycling program. The amount of money paid to the Boy Scouts must be related to the value of the services they provide to the city.

Memberships and Dues

There is no general authorization for cities to join “private” organizations; but there may be specific statutory or charter authority to join specific organizations. For example, cities and urban towns in Minnesota may pay dues to become members of the League of Minnesota Cities.²¹

Similarly, cities, counties, and towns may appropriate money for membership in county, regional, state, and national associations of a civic, educational, or governmental nature. These associations must have as their purpose the betterment and improvement of municipal governmental operations.²² This authorization also allows public entities to participate in the meetings and activities of these associations.

A school board may authorize and pay for the membership of the school district or of any district representative designated by the board in those local economic development associations or other community or civic organizations that the board deems appropriate.²³

The Attorney General’s Office has determined that local units of government may *not* pay dues to a local chamber of commerce²⁴. However, because cities and urban towns may appropriate up to \$50,000 to an incorporated development society or organization for promotional activities, a city or urban town could contribute to a local chamber of commerce for one of the purposes authorized by statute, such as promoting the city or urban town.²⁵ Counties have similar authority but do not have the \$50,000 monetary cap.²⁶ The use of public funds would be limited to statutorily authorized activities. As a result, the OSA recommends that counties, cities, and urban towns create and maintain documentation that shows the funds have been given for specific statutory purposes.²⁷

²¹ Minn. Stat. § 465.58.

²² Minn. Stat. § 471.96.

²³ Minn. Stat. § 123B.02, subd. 24.

²⁴ See Attorney General Letter dated June 27, 1997 (attached).

²⁵ Minn. Stat. § 469.191. An EDA has broader authority to join an official, industrial, commercial or trade association, or other organization concerned with one of the EDA’s authorized purposes.

²⁶ Minn. Stat. § 375.83.

²⁷ Documentation includes, but is not limited to, minutes, resolutions and contracts.

Appendix C – Sustainability Guidelines for Purchasing

Purpose

The goal of this policy is to encourage purchasing that reflects the City’s commitment to being an environmental and sustainability leader. This policy may be amended or superseded in the future to also include broader aspects of sustainability. These aspects may include, but are not limited to local sourcing, ethical business practices, responsible treatment of workers, child labor prevention, human rights, safety and wellness, fair trade, transparency, economic equality and social justice. By including environmental considerations in our procurement decisions, we will remain fiscally responsible while promoting practices that improve public health and safety, reduce pollution, and conserves natural resources.

This policy for purchasing is adopted to promote environmental factors such as:

- Conserving natural resources
- Reducing energy use and purchasing energy from local renewable sources when possible (wind, solar, hydro, etc.)
- Minimizing environmental impacts such as pollution
- Minimizing use of water
- Reducing or eliminating toxins or toxic materials that create hazards to workers and our community
- Supporting strong recycling markets and creating demand for repair work (appliances, equipment, etc.)
- Reducing materials that are landfilled and incinerated
- Creating a model for successfully purchasing environmentally preferable products that encourages other purchasers in our community to adopt similar goals

Promote fiscal factors such as:

- Decreasing lifecycle costs by acknowledging and incorporating full cost accounting (purchase, maintenance, disposal, staff time, and labor)

Minimizing waste and its associated costs (disposal costs, depreciation of assets, etc.)

Responsibilities

All City departments are responsible for implementation of this policy and to ensure their respective employees and contractors are fully aware and supportive of the City's policy to purchase environmentally preferable goods and services. All departments are suggested to:

- Evaluate environmentally preferable products, whenever practical, to determine the extent to which they may be used by the department and its contractors.
- Facilitate data collection on purchases of designated environmentally preferable products by the department in order to assist the City Sustainability Coordinator.

The Sustainability Commission Staff Liaisons will administer this policy. Each department head will have the responsibility of ensuring adoption within his or her department and report any issues to the above party.

RACI Matrix

R = Responsible – who does the work

A = Accountable – who is accountable for the actions/results of the work

C = Consulted – Involved in work only by providing input/guidance

I = Informed – not involved in work but need to be aware

Task	City departments	City council	Community members	Vendors/suppliers
Research sustainable alternatives for existing city purchases	R, A	I	C, I	R
Research sustainable alternatives for new city purchases	R, A	I	C, I	R
Enforce policy compliance in city purchases	R, A	I	I	R
Measure and evaluate compliance/effectiveness of policy	R, A	I	I	I

Measurement & Evaluation for Sustainability

The City Sustainability Coordinator will work with all city departments to prepare an annual update to the Sustainability Commission and City Council, covering:

- Status of this policy's implementation
- Informal data on purchases of environmentally preferable products

- Financial implications of the policy, if any
- Overall accomplishment and challenges
- Recommendations for the future

GENERAL CONDITIONS FOR SUSTAINABLE PURCHASING & PROCUREMENT

A. Purchased Energy

Intro paragraph...

A.1. Conservation

The City will prioritize energy-saving purchases such as:

- Energy performance contracting for existing buildings
- More efficient technologies such as LED lighting for buildings and grounds
- Daylight or motion sensor lighting
- HVAC control systems
- Passive solar heating / shading

A.2. Renewable Electricity

The City will make every effort to purchase renewably generated electricity in all of its accounts, when economically feasible. The city should seek to understand the cost of fully eliminating its electricity-derived carbon footprint and establish goals to reduce energy consumption over the coming decades.

Current means of becoming carbon-neutral include but are not limited to:

- Participation in Xcel Energy's Windsource program
- Participation in the Partners in Energy program
- Large-scale solar energy purchasing agreements
- Small-scale 'community solar' projects
- The purchase of carbon offsets (as a last resort when energy savings cannot be realized locally)

A.3. Purchased Fossil Fuels

The City will make every effort to offset the environmental impacts of its purchased fossil fuels when economically feasible. The city should understand the cost of offsetting its carbon emissions originating from: 1) natural gas, 2) gasoline, 3) diesel / fuel oil.

Current means of becoming carbon neutral with respect to fossil fuels include but are not limited to:

- Natural gas performance contracting for existing buildings
- Participation in CenterPoint Energy's Green Balance Program
- The planned purchase of higher efficiency or plug-in electric vehicle fleets
- Fuel switching from natural gas to renewables for buildings and infrastructure
- The purchase of carbon offsets

B. Source Reduction

The City will actively seek out and purchase products that are durable, long lasting, reusable or refillable, when possible. The City will encourage vendors/suppliers to take back and reuse pallets and packaging materials such as plastic bags, cardboard and similar materials.

C. Recycled Content Products

100% post-consumer recycled content is strongly preferred if fiscally possible (within a 10% of typical cost) for printing paper, office paper, paper products, and janitorial commodities. Any non-recycled paper content should be certified by the Forest Stewardship Council (FSC) or the Sustainable Forestry Initiative (SFI).

D. Electronics

Where applicable, energy-efficient Information Technology equipment will be purchased with the most up-to-date energy efficiency functions. When necessary, suppliers or manufacturers will train equipment operators and maintenance personnel in the proper enabling and use of energy efficient and sleep mode functions on their equipment. All appliances and products purchased by the City and for which the US EPA Energy Star certification is available will meet Energy Star certification. Typically, this would include lighting, heating, exhaust fans, water heaters, computers, exit signs, and appliances such as refrigerators, dishwashers and microwave ovens. When Energy Star labels are not available, use energy efficient products that are in the upper 25% of energy efficiency as designated by the Federal Energy Management Program.

The city will consider rechargeable battery systems for common household sizes: AA, AAA, etc. Disposable batteries will only be purchased if no rechargeable option exists or if there are significant reasons why a rechargeable battery system is suboptimal.

When outdoor lighting needs replacement, the city will increase efficiency through fully shielded lights (not just horizontal cutoff), LEDs 3000 Kelvin or less to promote warmer lighting with smart controls following these principles:

- All light should have a clear purpose and consider how the use of light will impact the area, including wildlife and their habitats.
- Use shielding and careful aiming to target the direction of light beams so that it points downward and does not spill beyond where it is needed.
- Use the lowest light level required and be mindful of surface conditions as some can reflect more light into the night sky than intended.
- Use controls such as timers or motion detectors to ensure that light is available when it is needed, dimmed when possible, and turned off when not needed.
- Use warmer color lights whenever possible to limit the amount of shorter wavelength (blue violet) light to the least amount needed.

E. Water Conservation

The City shall purchase U.S. EPA Water Sense-certified products whenever practicable. This includes, but is not limited to, high-performance fixtures like toilets, waterless urinals, low-flow faucets and aerators, and upgraded irrigation systems.

F. Green Cleaning

Intro paragraph

F.1. Green Cleaning Roles & Responsibilities

The City's Facilities Maintenance Supervisor will be responsible for implementing and maintaining green cleaning processes and products to ensure all City buildings are maintained in a clean and sustainable manner. This role should also collect and report feedback from City staff on the efficacy of these efforts and opportunities for improvement.

F.2. Cleaning Products and Materials

Cleaning products should meet one or more of the following standards:

- Green Seal GS-37, Green Seal GS-40

- EPA Design for the Environment Program's Standard for Safer Cleaning Products.
- Hand soaps and hand sanitizers contain no antimicrobial agents except where required by health codes and other regulations (food service and health care requirements) and meet Green Seal GS-41.
- Hand sanitizers meet UL 2783 standard for Instant Hand Antiseptics.

F.3. Cleaning Contracts & Services

Strategies for reducing toxicity should be included in contracted cleaning activities:

- Cleaning staff and building occupants are supplied with safe cleaning chemicals that meet the sustainability criteria described in the purchasing guidelines above.
- Hard floors, including tile, concrete, and wood surfaces, are cleaned with only sustainable cleaning products. (For example, ...)
- Microfiber cloth and other sustainable, high-performance cleaning techniques replacing traditional cleaning activities. (For example, ...)
- Ionized water-only surface cleaning devices used as much as possible.

Strategies for conserving energy, water, and chemicals used for cleaning:

- Manual-powered equipment and cleaning strategies used whenever practicable to reduce the energy and water used by powered equipment and typical cleaning strategies.
- Cold water used when possible to reduce energy used to heat hot water.
- Vacuum filters and other applicable equipment changed/cleaned frequently to enable air flow and reduce the energy consumption of the equipment.
- When cleaning chemicals are necessary, the operating procedures for chemical dilution are followed to ensure that the minimum amount of cleaning chemical is used.

Training plan and tracking plan for water, energy, and toxic chemical usage:

- A training plan is developed to ensure all new staff understands this policy.
- Every time a toxic chemical is used at most City buildings managed by Facilities Maintenance Division, it should be reported to the Columbia Heights Facilities Maintenance Supervisor with a record of which chemical was used, where it was applied, and the reason for its use (exceptions may be granted by the City Sustainability Coordinator). At the present time, the Rec Center and Park Buildings will be exempt from this requirement.

G. Waste Minimization

To reduce the amount of landfilled/incinerated waste, the City will:

- Require vendors to eliminate packaging or use the minimum amount necessary for product protection, to the greatest extent practicable.
- Prioritize the purchase of items in packaging that are reusable, recyclable or compostable when suitable uses and programs exist. Take reasonable measures to verify packaging before purchase, including contacting the seller to request low-packaging options.
- Encourage vendors to take back and reuse pallets/packaging materials.
- Ask suppliers of electronic equipment, including but not limited to computers, monitors, printers, and copiers, to take back equipment for reuse or environmentally safe recycling when Columbia Heights discards or replaces such equipment, whenever practicable.
- Collect recyclable materials from purchases in all City buildings and properties (paper, glass, metal, plastic, etc.) and ensure delivery to proper facilities for processing
- Provide feedback and recommendations to suppliers for packaging and product improvements to reduce waste (e.g. no plastic wrap or tape)

Benchmarks:

- City of New Brighton: <https://www.newbrightonmn.gov/DocumentCenter/View/1910/New-Brighton-Climate-Action-Plan-110723>
- City of St Louis Park: <https://www.stlouisparkmn.gov/business/zero-waste-packaging-ordinance>

H. Landscape Maintenance and Materials

The City of Columbia Heights will strive to make sustainable and environmentally preferable decisions in all forms of landscaping and grounds installation and maintenance whenever practicable. This includes, but is not limited to:

- Designing for resilience
- Reducing maintenance requirements
- Optimizing the life cycle of materials and products
- Minimizing fossil fuel use
- Minimizing use of toxic chemicals and other environmental contaminants
- Preventing the spread of harmful diseases, pests, and invasive species
- Reducing transport of landscape debris whenever possible
- Installing native and locally grown plants and materials

H.1 Landscape Maintenance Equipment

Maintaining landscapes has historically favored the use of equipment reliant upon fossil fuels for mowing, weed whipping, and other typical activities. Once existing equipment has reached the end of its useful life, those responsible for purchasing replacements shall explore electric options and transition the fleet away from fossil fuel-powered equipment whenever comparably functional equipment is available. Landscapes that require frequent additions of chemical fertilizers, herbicides, and pesticides are to be phased out wherever possible.

H.2 Lawns

As parks and other city-owned lands are redesigned, landscapes shall be examined for opportunities to transition underutilized lawn spaces away from turf and towards lower-maintenance native landscape types that reduce the need for mowing and continual purchase of gasoline and other fossil fuels.

On city-owned properties, whenever new lawns are installed or existing lawns require reseeding, the standard lawn seed mixture shall be low-maintenance turf comprised of mixed fescues and low growing pollinator-friendly flowering species, wherever high-maintenance Kentucky bluegrass-based turf is not required.

The City shall not utilize herbicides, pesticides, or fertilizer on lawns except where it is deemed necessary to maintain quality turf for athletics or other active uses. Fertilizer shall only be purchased after soil testing to confirm optimal nutrient quantities for that specific location and application shall be in accordance with Minnesota Department of Agriculture guidance for responsible use of fertilizers.

H.3 Other Landscapes

Native plantings, natural areas, and open spaces shall be maintained to prioritize native species and protect pollinators wherever practicable. Invasive species shall be controlled by hand or mechanical pulling wherever possible in order to limit purchasing, storage, and application of toxic chemicals. Burning, mowing, and grazing shall be utilized strategically where practicable to reduce spread of unwanted species and limit the need for chemical application. When deemed necessary by qualified professionals, chemical herbicide or pesticide selection must be informed by Minnesota Board of Water and Soil Resources (BWSR) best practices and other relevant agency guidance. Application must be conducted by trained individuals in a targeted and strategic manner.

Purchasing of trees, plants, and seed shall favor native and climate-adaptable species from within no more than a 175-mile range. All plants purchased or installed by the City or subject to City ordinance requirements shall be free of neonicotinoids.

When purchasing landscaping materials that have the potential to harbor weeds, disease, pests, or prohibited or invasive species, employ due diligence in sourcing to prevent their spread within our community. Soil, compost, plants, and mulches purchased for use on City property or distributed for resident use shall be treated or otherwise certified free of jumping worms, weed-seed, and other potential contaminants wherever possible, or inspected prior to distribution and application.

Erosion control blankets and other erosion control products shall be 100% biodegradable and wildlife-friendly wherever possible. Stakes, staples, and other installation hardware shall be wood or otherwise biodegradable rather than plastic.

H.4. Maintenance Contracts

The City of Columbia Heights will ask our vendors and suppliers, in contract terms, to use environmentally preferable equipment, materials and techniques in all forms of landscaping and grounds maintenance when practicable.

I. Producer Responsibility

The City of Columbia Heights will, whenever practicable, favor products that are manufactured by companies that take financial and/or physical responsibility for collecting, recycling, reusing, or otherwise safely disposing of their products and packaging at the end of their useful life.

J. Sustainability of Investments

Whenever practicable, the City of Columbia Heights will avoid making investments in which the city and its employees stand to profit from the extraction, sale, transportation or consumption of fossil fuels or other known environmental hazards. The city will seek out a plan to divest current financial assets held in fossil fuels and reinvest these assets in more sustainable investment areas, such as clean energy when practicable.

K. Future Focus

This policy is intended to be a living document that will serve the City for years to come even while sustainability standards evolve. Future policy topics may include but are not limited to: guidelines on fleet vehicles, purchased landscape materials and services, city building retrofits, city infrastructure service and material procurement, and purchased energy.

L. DEFINITIONS

Environmentally preferable products and services as defined by the United States Environmental Protection Agency (US EPA) means products and services that have a lesser or reduced effect on human health and the environment when compared to competing products and services that serve the same purpose. This applies to raw material acquisition, as well as product manufacturing, distribution, use, maintenance, and disposal.

The following attributes should be considered when determining whether a product or service is environmentally preferable:

- **Available locally:** one or more businesses within the county/city or immediate surrounding areas can provide goods and services in a timely manner, and in sufficient quantity and quality to meet a specific department/agency need at a competitive cost.
- **Bio-based:** commercial or industrial products (other than food or feed) that utilize plant based contents and residuals but does not include products made from forestry materials.
- **Biodegradable:** the ability of a substance, material, or product ingredient to readily decompose by the action of microbes. Being biodegradable does not mean that it is also compostable, however. While a biodegradable item may break down into smaller bits, these components may not be able to provide any nutrients when used as compost. For that reason, 'compostable' is preferred.
- **Carcinogen-free**
- **Chlorofluorocarbon (CFC) free:** the family of compounds of chlorine, fluorine, and carbon. CFC's contribute to the depletion of the stratospheric ozone layer, and have been used as an ingredient for refrigerants, solvents, and for blowing plastic-foam insulation and packaging. The Montreal Protocol on Substances that Deplete the Ozone Layer calls for complete elimination of CFC production.
- **Compostable**
- **Dioxin-free and furan-free** – a group of chemical compounds that are classified as persistent, bio-accumulative, and toxic by the Environmental Protection Agency.
- **Durable, reusable or refillable**
- **Energy efficient:** a product that is in the upper 25% of energy efficiency for all similar products, or that is at least 10% more efficient than the minimum level that meets Federal standards.
- **Energy Star** – the US EPA's energy efficiency product labeling program:
<http://www.energystar.gov>
- **Heavy metal free (i.e. no lead, mercury, cadmium)**
- **Leadership in Energy and Environmental Design (LEED)** – the self-assessing system developed by the U.S. Green Building Council designed for rating new and existing commercial, institutional, and high-rise residential buildings. Credits are earned for satisfying defined criteria and standards. Different levels of green building certification are awarded based on the total credits earned.
- **Light Emitting Diode (LED)** – a highly efficient and long lasting form of interior & exterior illumination.
- **Low toxicity**
- **Low volatile organic compound (VOC) content**

- **Made from renewable products**
- **Mindful of material types and lifecycles:**
 - **Post-consumer Material** – a finished material which would normally be disposed of as a solid waste, having reached its intended end-use and completed its life cycle as a consumer item, and does not include manufacturing or converting wastes.
 - **Post-consumer recycled material** – material that has been discarded for disposal or recovery, having completed its life as a consumer item, and is used as a raw material for new products.
 - **Pre-consumer Material** – material or by-products generated after manufacture of a product is completed but before the product reaches the end-use consumer.
 - **Recovered Material** – fragments of products or finished products of a manufacturing process, which has converted a resource into a commodity of real economic value, and includes pre-consumer and postconsumer material but does not include excess resources of the manufacturing process.
 - **Remanufactured Product** – any product diverted from the supply of discarded materials by refurbishing and marketing said product without substantial change to its original form.
 - **Reused Product** – any product designed to be used many times for the same or other purposes.
- **Mindful of packaging use and disposal**
 - **Reduced packaging**
 - **Reduced landfill and incineration of materials**
- **Persistent, Bio-accumulative Toxic (PBT) free**
- **PFAS-free, per Minnesota State requirements**
- **Polystyrene-free:** commonly known as Styrofoam, non-recyclable packaging material
- **Recycling**
 - **Recyclable** – a material or product that can be reprocessed, remanufactured, or reused.
 - **Recycled Content** – the percentage of recovered material, including pre-consumer and postconsumer materials, in a product.
 - **Recycled Content Standard** – the minimum level of recovered material and/or postconsumer material necessary for products to qualify as recycled products.
 - **Recycled Product** – a product that meets the City’s recycled content policy objectives for postconsumer and recovered material.
- **Reduce greenhouse gas emissions**
- **Refurbished/able to be refurbished**
- **Source Reduction** – the net reduction in generation of waste and toxic constituents.

- **Water efficient (water-saving products):** products in the upper 25% of water conservation for all similar products, or at least 10% more water-conserving than the minimum level that meets the Federal standards.