



REQUEST FOR ACTION

Amending the Effective Date of the City of Rochester Financial Policy titled "Micro-Contracts Process Policy."

MEETING DATE:

July 20, 2026

ORIGINATING DEPT:

Office of the Mayor

AGENDA SECTION:

Reports and Recommendations

PRESENTER:

Mayor Norton

Action Requested:

Amending the effective date of the financial policy titled "Micro-Contracts Process Policy" to January 1, 2027.

Report Narrative:

Municipal financial policies establish the framework for fiscal management, internal controls, and financial decision-making for the City of Rochester. These policies are intended to promote prudent stewardship of public resources, accountability, transparency, and the long-term financial sustainability of the City.

At their June 15, 2026, meeting, the City Council approved several updated financial policies with an immediate effective date. Section 12 Purchasing Policy increased the purchasing threshold from \$50,000 to \$175,000, which is the State maximum before a formal bidding process is required. Relative to requirements for purchasing processes within this threshold, you should understand the following, which is language included in the micro contract approval form:

Contract Exceeding \$25,000 but not \$175,000. If the amount of the 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, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations shall be kept on file for a period of at least one year after receipt thereof. Department heads or their designee are authorized to make these budgeted purchases. For contracts over \$25,000, the City must consider the availability of state cooperative contracts prior to pursuing other sources (MN statute §471.345, sub. 15).

Rationale:

At a time when my term of office is nearing its end, when faith in federal government is at record lows, and trust in local government is at 67 percent nationally, it is not the time to make this change. At this time, the community wants and expects the City Council to have discerning eyes on expenditures prior to sign off.

As the person signing contracts, I am very uncomfortable increasing the amount for mayoral signature on

items over the amount I've been signing for the past 7.5 years - items under \$50K. I'm not comfortable signing documents that do not have specific City Council approval for items between \$50K-\$175K.

I respectfully ask that you defer implementation until January 1, 2027.

Priorities & Foundational Principles:

Fiscal Responsibility & Sustainability

Prior Legislative Actions & Community Engagement:

June 15, 2026: Approved at City Council Regular Meeting.

May 27, 2026: Presented at City Council Study Session.

Prepared By:

Michon Rogers

Attachments:

[Exhibit - Micro Contracts Process Policy approved June 15, 2026](#)