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DATE: November 9, 2017

TO: Minnesota Housing Board Members

FROM: Mary Tingerthal, Commissioner

SUBJECT: **FINANCE AND AUDIT COMMITTEE MEETING**

A meeting of the **Finance and Audit Committee** has been scheduled for **12:30 p.m. on Thursday, November 16** at the offices of Minnesota Housing, 400 Wabasha Street, Suite 400, St Paul, MN 55102 in the **Mille Lacs Conference Room on the fourth floor.**

The topics for discussion at this meeting are:

- A. Overview of selection process for underwriting team and financial auditor; identification of board members to participate in interview panel for each selection process (Kevin Carpenter)
- B. Other Business (if any)
- C. Adjournment

This committee is a committee of the whole and all members are encouraged to attend.

If you have questions, please call Rachel Franco at (651) 296-2172.

Item: Overview of selection process for underwriting team and financial auditor; identification of board members to participate in interview panel for each selection process

Staff Contact(s):

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Request Type:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Approval | <input type="checkbox"/> No Action Needed |
| <input checked="" type="checkbox"/> Motion | <input type="checkbox"/> Discussion |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Information |

Summary of Request:

The Agency is embarking on two selection processes for firms to provide services to the Agency: one for investment banking/underwriting services and one for financial (and certain technology) auditing services. Staff is seeking up to two board members to participate in the interview panel contemplated in each process, to provide feedback on the interviewed firms and develop selection recommendations for the full board to consider at a future Board meeting.

Fiscal Impact:

None

Meeting Agency Priorities:

- Address Specific and Critical Local Housing Needs
- Finance Housing Responsive to Minnesota's Changing Demographics
- Preserve Housing with Federal Project-Based Rent Assistance
- Prevent and End Homelessness
- Reduce Minnesota's Racial and Ethnicity Homeownership Disparity

Attachment(s):

- Background

Background

The Agency is commencing two separate processes to select providers for particular services to be provided to the Agency over the next four years. Staff is seeking board member participation in the interview panel stage of each selection process.

First, the Agency will be selecting a team of investment banking firms to provide underwriting services for the years 2018 – 2021. On October 31st, the Agency launched a Request for Proposal (RFP) seeking qualified firms to provide these underwriting services. Responses to the RFP are due on November 16, 2017. With the assistance of the Agency's financial advisor (CSG Advisors), staff will winnow the responses down to a "short-list" of 4-6 firms that we anticipate inviting to interview, at the Agency's offices, likely in the week of December 4th (schedules permitting). From these interviews, staff anticipates bringing a recommendation, likely of 2-4 firms, to the Board's meeting on December 21, 2017 for selection of the underwriting team to serve the Agency going forward.

Secondly, the Agency will be selecting a firm to provide financial (and some information technology) auditing services, commencing with the audit for the fiscal year ending June 30, 2018. Staff anticipates selecting a single firm, for a four year period (with two, 2-year contracts). The RFP for these services is anticipated to be released before the end of November, with responses due back in mid-to late December. After staff reviews the responses, it anticipates inviting 2-3 firms to interview, again at the Agency's offices, in the first or second week of January (schedules permitting). From these interviews, staff anticipates bringing a recommendation for the selection of an auditing firm to the Board's meeting on January 25th, 2018.

Staff requests that up to two Board members participate in each of the interview panels described above. Given the number of firms likely to be interviewed, it is expected that participating in the interviews for the underwriting team will take a full day in the week of December 4th, while participating in the interview panel for auditor will take a full morning or afternoon during one of the first weeks in January.