



Request for City Council Committee Action from the Department of Community Planning and Economic Development - CPED

Date: May 14, 2013

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Approval to renew an agreement with the Minneapolis/Saint Paul Housing Finance Board for accounting services

Recommendation: Authorize signing an agreement with the Minneapolis/Saint Paul Housing Finance Board for the City of Minneapolis to serve as their fiscal agent

Previous Directives: In 1993 the Minneapolis Community Development Agency entered into an Agency Agreement that allowed the MCDA to serve as their accounting and fiscal agent.

Prepared by: Mark S. Anderson, Senior Contract Management Specialist
Approved by: Thomas Streitz, Director of Housing Policy and Development _____
Charles T. Lutz, Deputy Director _____
Presenter in Committee: Wesley Butler

Financial Impact

- No financial impact

Supporting Information

The Minneapolis/Saint Paul Housing Finance Board's (the "Joint Board") is a joint powers board serving the cities of Minneapolis and St. Paul. This board issues housing and mortgage revenue bonds and handles other related business on behalf of each city.

Since 1993 the Minneapolis Community Development Agency/City of Minneapolis (the "City") has served as the Joint Board accounting and fiscal agent. In that capacity the City:

- Holds some of the Joint Board's funds,
- Receives fee income and other funds from people doing business with the Joint Board, and
- Pays the Joint Board's expenses using the funds in the Joint Board's account at the City.

The current balance in the Joint Board's operating fund is \$24,850. The Joint Board has recently entered into a new engagement letter with a law firm that provides legal services to the Joint Board. As a part of the City's above mentioned Agreement with the Joint Board, the City will receive invoices from the law firm and is then empowered to

use the Joint Board's funds to pay those invoices. Without that Agreement, City's contracts office does not have the authority to set up the law firm in the City's accounting system. The new agreement will have a term of ten years and the City will charge a fee of up to 4% of the revenue received in each calendar year, with a maximum fee of \$1,000.

Staff is now recommending that the City renew this relationship by entering into a new Agency Agreement between the City and the Joint Board.