



The Minnesota Higher Education Facilities Authority (the “Authority” or “MHEFA”) convened a regular Board meeting at 2:00 pm Central Time, Monday, November 8, 2021.

The Board is conducting this meeting subject to the Open Meeting Law by telephone and interactive technology as allowed by Minnesota Statutes. Members participating in the meeting can hear each other and all discussion; members of the public can hear all discussion and votes; and all votes are conducted by a roll call. The board has made provision for the public to monitor the meeting electronically from a remote location. The board has provided notice of the meeting location, the fact that some members may participate by interactive technology, and of the public’s right to monitor the meeting electronically from a remote location. Authority Chair Benson determined that an in-person meeting at the regular meeting location for the Authority, 380 Jackson Street, Suite 450, Saint Paul, Minnesota 55101, was not practical or prudent because of the health pandemic as defined according to current guidance from the Minnesota Department of Health, the Centers for Disease Control and Prevention, and the U.S. Department of Homeland Security.

The Authority Board meeting was held in Room 234 of the Anderson Student Center on the Campus of the University of St. Thomas. Executive Director Fick and Authority Chair Benson were physically present, although not required due to the pandemic environment. Matt Mayer from BerganKDV was also physically present, and all three attendees met the state’s requirement for COVID-19 safety through vaccination. The location and time of the meeting was duly published and posted on the door of the Authority office.

The public was able to monitor the meeting by calling a toll-free number.

Board members participated in the meeting using a video link. The meeting link was sent to Board members prior to the meeting. The use of a video link as an allowable way to hold the Board meeting was confirmed by the State of Minnesota’s Data Practices Office staff prior to the meeting, following Minnesota Statute 13D.015.

Executive Summary – Minnesota Higher Education Facilities Authority

Meeting on November 8, 2021

Board Actions Taken:

| Motions: | Result: | Vote: |
|---|----------------|--------------|
| Approval of Meeting Minutes of June 16, 2021 | Passed | Unanimous |
| Accept and Approve the Fiscal Year 2021 Audit Results | Passed | Unanimous |
| Approve cancellation of Parking Contracts with InterState Parking at Cray Plaza | Passed | Unanimous |
| Adopt MN HR Policies 1442 (Face Coverings) & 1446 (COVID Vaccination and Testing) | Passed | Unanimous |

| Resolutions | Result: | Vote: |
|---|----------------|--------------|
| Adopt Resolution related to office location and lease termination | Passed | Unanimous |
| Adopt updates to Authority Bylaws | Passed | Unanimous |

The official meeting began with a roll call to determine who was attending the meeting. The following board members or their designees were participating and attending by video link (“V”) or telephone (“T”):

Board Members: Gary Benson – In-Person and V
 Mary Ives - V
 Michael Ranum - V
 Bonnie Anderson Rons - V
 David Rowland - V
 Mary Yang Thao - V
 Paul Cerkvenik, Minnesota Private College Council, ex officio w/o vote - V

Absent: Nancy Sampair
 Poawit Yang
 Ray VinZant

Other Attendees: Matt Mayer, Partner BerganKDV, Ltd. - In-person and V

Also Present: Barry W. Fick Executive Director MHEFA – In-person and V
Amanda Lee, Operations Manager, MHEFA – V

Gary Benson, Chair, called the meeting order at 2:00 pm CDT. Executive Director Fick confirmed that a quorum was present.

Agenda Item I – Minutes of the June 16, 2021, Board meeting.

The first item on the agenda is the review and consideration of the minutes of the June 16, 2021, Authority Board meeting.

A motion was made by Bonnie Anderson Rons to approve the June 16, 2021, minutes. The motion was seconded by David Rowland. Chair Benson asked if there were any questions, discussion, or changes to the minutes of the June 16, 2021, Board meeting. There were no questions or proposed changes to the minutes from Board members.

Chair Benson called for a vote regarding the approval of the minutes. A roll call vote was conducted, and the Board members voted as follows:

| | | |
|----------------|----------------------|-----|
| Board Members: | Gary Benson | Yes |
| | Michael Ranum | Yes |
| | Bonnie Anderson Rons | Yes |
| | Mary Ives | Yes |
| | David Rowland | Yes |
| | Mary Yang Thao | Yes |

There were no votes against the motion and the Minutes (as amended) of the June 16, 2021, MHEFA Board meetings were approved.

Agenda Item II – Minnesota Higher Education Facilities Authority, Fiscal Year Ending June 30, 2021 Financial Statements

Chair Benson asked Mr. Matt Mayer of BerganKDV, Ltd to provide the Board with a review of the Communications Letter and Financial Statements for the Authority’s fiscal year ended June 30,

2021. Mr. Mayer proceeded to discuss the Communications Letter. The letter outlines the work performed by BerganKDV in conducting their audit of the financial records for FY2021 of the Authority and their review of Authority controls over financial reporting. As in prior years, BerganKDV noted that due to the size of Authority staff, there is a lack of segregation of accounting duties. The report noted that the Authority has adopted various measures to compensate for the lack of segregation. The report noted that Authority management and Board members should continually monitor the accounting system to ensure the accuracy of financial accounting.

Mr. Mayer noted that their work did not identify any deficiencies in internal control that they considered to be a material weakness. In addition, their letter noted that they did not have any significant difficulties in dealing with management relating to the performance of the audit.

Mr. Mayer next turned to the FY2021 Financial Statements Audit. He noted that the audit report is a "Clean" audit, and in the opinion of BerganKDV, the financial statements of the Authority present fairly, in all material respects, the financial position of the Minnesota Higher Education Facilities Authority. He discussed the financial results of FY2021.

He noted that Total Assets declined by approximately \$33,000. This decline is due largely to a decline in the value of investments held by the Authority.

He further noted that Operating revenues increased, and operating expenses declined compared to FY2020. This resulted in a reduction in the Operating deficit by \$50,000. Nonoperating revenues declined due to a change in the fair value of investments. Overall, the Financial Net Position remained relatively stable, declining by just over \$20,000 to \$2,069,884.

At the conclusion of his discussion about the Communications Letter and Financial Statements for the Fiscal Year Ended June 30, 2021, Mr. Benson asked if there were questions from Board members. There were no questions from the Board.

A motion was made by David Rowland to approve and accept the FY2021 Financial Statements. The motion was seconded by Mary Ives. Chair Benson asked if there were any questions, discussion, or changes for Mr. Mayer regarding the Resolution. There were no other questions for Mr. Mayer related to the FY2021 Financial Statements.

Chair Benson called for a Roll Call vote regarding the approval and acceptance of the FY2021 Financial Statements. A Roll Call vote was conducted, and the Board members voted as follows:

| | | |
|----------------|----------------------|-----|
| Board Members: | Gary Benson | Yes |
| | Michael Ranum | Yes |
| | David Rowland | Yes |
| | Bonnie Anderson Rons | Yes |
| | Mary Ives | Yes |
| | Mary Yang Thao | Yes |

There were no votes against the motion and the motion to approve and accept the FY2021 Financial Statements was approved.

Mr. Mayer excused himself from the meeting at 2:17 pm.

Agenda Item III – MHEFA Office Space Discussion

Chair Benson called on Executive Director Barry Fick to provide the Board with an update on the status of the search for new office space for the Authority

Mr. Fick reported that staff have been working with Calhoun Commercial on identifying, reviewing, and visiting office space locations. Calhoun Commercial has worked with staff to identify the criteria that are necessary for a new location. These include ample free parking, ease of access, adequate space for staff (current and projected), a conference room, storage capacity, space of office equipment, and a break room space. It would be desirable for the location to have a Boardroom space and an adequate mail and package storage option.

Using this as a guide, Calhoun identified over 30 locations in the southeast metro area, located near and to the east of the MSP Airport. Staff added additional locations, including downtown St. Paul and locations near the intersection of Hwy 280 and I-94. All the locations were analyzed and informally visited by staff. The locations were analyzed and a short list of 10 locations was developed for further review. These locations will be visited and toured by staff with a Calhoun representative and a report on the results presented to the Authority Board at the next meeting.

Mr. Benson asked if there were questions for Mr. Fick about the search for a new office. Board members asked a number of questions, including the status of the current office building and lease. Mr. Fick noted that the Galtier Plaza has been substantially cleared of tenants and the property prepared for conversion to residential units. Staff plans to contact the building operators about an early termination of our lease after a new location is identified and a timeline for moving has been established.

There were no other questions for Mr. Fick.

The next item related to MHEFA office space is a recommendation by staff that the two reserved parking space leases be terminated effective January 1, 2022. With the staff working from home and the expectation that we will vacate our Galtier Plaza space by the 2nd quarter of 2022, there is limited need for maintaining parking at Galtier Plaza. The Authority has an inventory of prepaid parking vouchers (for board member use) that will be sufficient to accommodate future parking needs of staff.

Staff presented a Motion for Board consideration to discontinue Galtier Plaza parking contracts effective January 1, 2022. Chair Benson asked if the Board would like to consider the motions. Michael Ranum moved approval of the Motion. The second for the motion was made by Mary Ives.

A Roll Call vote was conducted, and the Board members voted as follows:

| | | |
|----------------|----------------------|-----|
| Board Members: | Gary Benson | Yes |
| | Michael Ranum | Yes |
| | David Rowland | Yes |
| | Bonnie Anderson Rons | Yes |
| | Mary Ives | Yes |
| | Mary Yang Thao | Yes |

There were no votes against the motion and the motion to discontinue parking contracts at Galtier Plaza effective January 1, 2022, was approved.

The final item related to the Authority office lease discussion was to consider a request by staff for a Resolution to Authorize staff to review office location options and bring a recommendation for a new location to the Board at its next meeting. The resolution also authorizes staff to contact the Galtier

Plaza management to begin discussions about a termination of the Authority's lease prior the November 30, 2022 expiration date. Chair Benson asked if the Authority Board wished to consider and act on the staff request for the Resolution.

Bonnie Rons moved approval of the Resolution. The second for the Resolution was made by David Rowland.

A Roll Call vote was conducted, and the Board members voted as follows:

| | | |
|----------------|----------------------|-----|
| Board Members: | Gary Benson | Yes |
| | Michael Ranum | Yes |
| | David Rowland | Yes |
| | Bonnie Anderson Rons | Yes |
| | Mary Ives | Yes |
| | Mary Yang Thao | Yes |

There were no votes against the Resolution and the Resolution authorizing staff to complete the analysis and recommend a new office location and commence discussion with Galtier Plaza management for an early termination of the current lease at Galtier Plaza was approved

Agenda Item IV – Bylaw and Policy Update

Chair Benson called on Operations Manager Amanda Lee to discuss proposed updates to Authority Bylaws. Ms. Lee noted that the current Bylaws require the Authority to maintain an office in St. Paul. Based on work and analysis to date, it is expected that the Authority may relocate to a location that is outside the City of St. Paul. Staff proposes that the Bylaws be amended by Resolution of the Board to read “The general offices of the Authority shall be located in the Twin Cities Metro Area of Minnesota, or at such other place as the Authority may from time to time designate by resolution.”

Chair Benson asked if there were any questions from Board members regarding the Resolution changing the Bylaws. Questions were answered to the satisfaction of the Board. Chair Benson asked if the Board wished to consider and act on a Resolution to adopt the change to Authority Bylaws.

A motion was made by Michael Ranum to adopt the Resolution amending Authority Bylaws to allow the relocation of the general offices of the Authority. The motion was seconded by Mary Ives. Chair

Benson asked if there were any questions or further discussion regarding the Resolution to adopt the updated policies. There were none, and Chair Benson called for a Roll Call vote regarding the approval of the Resolution amending the Authority Bylaws. A Roll Call vote was conducted, and the Board members voted as follows:

| | | |
|----------------|----------------------|-----|
| Board Members: | Gary Benson | Yes |
| | Michael Ranum | Yes |
| | David Rowland | Yes |
| | Bonnie Anderson Rons | Yes |
| | Mary Ives | Yes |
| | Mary Yang Thao | Yes |

There were no votes against the motion and the Resolution to adopt the amended Bylaw language was approved.

Chair Benson asked Operations Manager Amanda Lee to discuss the changes in Video Meeting rules for Minnesota State Agencies and Departments. Ms. Lee noted that the most recent version of the Board Members' Handbook of Legal Issues, published in August 2021 by the Office of Minnesota Attorney General Keith Ellison reflects an update to the rules regarding the use of video remote board meetings. Under the prior policy, video meetings were only allowed under limited circumstances and their use was very narrowly allowed. The 2021 Minnesota Legislature expanded and relaxed the rules surrounding the use of meetings by telephone or interactive technology. The Authority discussed the updated rules with our designated Attorney General staff person. He confirmed our interpretation of the new rules which allow expanded use of video meetings. We plan to use this option for future meetings of the Authority.

It has been our experience during the Pandemic that the use of video meetings has enhanced Board participation, attendance, and discussion. We believe this is a positive development and are pleased that the law regarding the use of video meetings now allows their more general use. We anticipate continuing to offer video meeting options so long as the Pandemic is affecting Minnesota. We anticipate continuing to offer a video meeting option after the Pandemic is over, with the goal of enhancing access by the public and board members to Authority meetings.

Chair Benson called on Operations Manager Amanda Lee to discuss proposed updates to Authority Policies. Ms. Lee noted that the policy updates are requested at the behest of the State of

Minnesota. The State has updated its HR Policy #1442 Face Coverings Policy for Agency Staff and HR Policy #1446 Proof of Vaccination and Testing. The State of Minnesota has requested each Agency under the Minnesota Management and Budget to adopt these updated policies. The policies relate to COVID-19 mitigation and are designed to improve the safety of State employees and reduce the spread of COVID-19 in the workplace. Staff recommends adoption of the updated HR Policies #1442 and #1446.

Chair Benson asked if there were any questions from the Board. There were none and Chair Benson asked if the Board wished to consider and act on a Resolution to adopt the updated HR Policy #1442 and #1446.

A motion was made by Michael Ranum to adopt the Resolution adding the updated Policy #1442 Face Coverings and Policy #1446 COVID-19 Proof of Vaccination and Testing as official Authority Policy. The motion was seconded by Bonnie Anderson Rons. Chair Benson asked if there were any questions or further discussion regarding the Resolution to adopt the updated policies. There were none, and Chair Benson called for a Roll Call vote regarding the approval of the Resolution adopting the Updated Face Covering and Updated COVID-19 Vaccination and Testing Policy. A Roll Call vote was conducted, and the Board members voted as follows:

| | | |
|----------------|----------------------|-----|
| Board Members: | Gary Benson | Yes |
| | Michael Ranum | Yes |
| | David Rowland | Yes |
| | Bonnie Anderson Rons | Yes |
| | Mary Ives | Yes |
| | Mary Yang Thao | Yes |

There were no votes against the motion and the Resolution to adopt the updated policies was approved.

Agenda Item V – Professional Services Review

Chair Benson called on Executive Director Fick to discuss upcoming professional services contracts. Mr. Fick noted that the Audit Engagement with BerganKDV expires soon. Staff would like to discuss an extension with BerganKDV. Their service has been very good, and they understand our systems. We will be getting a new audit partner in FY22 as Matt Meyer is retiring. While it is not uncommon

to conduct an RFP and search for new auditing firms on a periodic basis, staff does not feel that is necessary in this instance. The fees charged by BerganKDV are very reasonable (especially when compared to audit fees charged to other states Higher Education Facilities Authorities). In addition, BerganKDV has no conflict of interest with our borrower schools. They do not audit any of our borrower schools, so we are confident in their ability to provide independent analysis and review of our financial statements.

We are asking the Board to provide guidance on our selection of auditor process. Our preference is to negotiate a new engagement extension with BerganKDV rather than conduct a search for a new audit firm.

Chair Benson asked the Board for their opinion on this matter. Board members discussed the benefits and costs of switching audit firms and the matter of independence. Upon completion of their discussion, the Board agreed with Staff's recommendation to work with BerganKDV on a contract extension. Any extension would be subject to approval by the Board at a future meeting.

Agenda Item VI – Old Business

Chair Benson asked if there was any Old Business items from Board members for discussion. There were no Old Business items from Board members for discussion.

Agenda Item VII – New Business

Chair Benson asked if there was any New Business items from Board members for discussion. There were no New Business items from Board members for discussion.

Agenda Item VII – Other Business

Chair Benson called upon Executive Director Fick to discuss Other Business. Mr. Fick presented his Executive Director's report. It included the following items regarding staff and Authority activity and events and personnel changes at the schools.

Legislative Update

Our bill to expand our issue authority to include HealthCare and Senior Living was included in the Minnesota Senate Omnibus bill and passed the Senate in 2021. It did not get considered in Conference. We have received strong support from legislators for our proposed legislation. We plan to get final and complete passage of our bill in the 2022 Minnesota Legislature, which begins in February 2022.

We have been collaborating with our consultant and independently met with a number of Legislators and their staff members during the summer and his fall. We have visited legislators in their home districts and at their State Offices as well as met with staff to educate them on our legislative proposal.

Borrower Assistance and Financing Application Update

- We are working with MCAD on a private bank placement
- We are working with the College of St. Scholastica on a financing plan for an expanded Student Center project
- We are working with St. Thomas to help determine their future capital needs and timing of funding for projects
- We continue to collaborate with schools on their annual credit rating reviews
- We continue to support schools in their compliance with Continuing Disclosure obligations

Building Lease Update

The three elevators that service the building have been out of operation since mid-June due to a water main break. Access to the office is made by contacting building security, who escort us to the fourth floor, where they unlock a door to get us access. The restrooms on the fourth floor continue to be unusable, although they are being repaired. The timing to complete the Restoration of the restrooms is unknown.

The parking lot continues to be under repair/renovation. No known date for completion of the repairs is available.

We have begun discussions with Calhoun Commercial for new office locations, as discussed earlier in the November 2021 Authority Board meeting.

The State of Minnesota has extended its “work from home” requirement until December 31, 2021. After that date, the State expects to offer the option to continue to fully work from home, use a hybrid model or work full-time from the office.

Borrower Staffing Update

- Macalester College has a search underway for a permanent CFO
- Hamline’s CFO resigned on August 16, 2021. The Sr. Assoc VP of Finance has been appointed interim CFO
- Mitchell Hamline School of Law CFO has resigned. A search for a CFO is in process

Board Vacancy Update

The MHEFA Board member who is an employee of a college or university has been selected by Governor Walz. The new Board member is Mary Yang Thao, Assoc. VP of Finance at the Minneapolis College of Art and Design (MCAD). As reported in June, she is well qualified professionally, is an employee of an institution of higher education and is of Asian-pacific islander descent.

Various Items of Interest

The National Association of Health and Educational Facilities Finance Authorities (NAHEFFA) held their fall Conference in Milwaukee on September 7-10. The conference was an in-person gathering. I moderated the panel of Rating Agency representatives discussing Higher Education and Health care rating processes, trends, and methodology.

The Government Finance Officers Association (GFOA) held their third annual MiniMuni conference on October 20-22 as a virtual event. I moderated a panel discussion on foundations of Continuing Disclosure.

Chair Benson asked if there was any Other Business to come before the Board. There was no Other Business for the Board to consider, and Chair Benson asked for a motion to Adjourn. The motion to adjourn was made by Michael Ranum and seconded by Mary Ives.

The Board voted unanimously by voice vote to adjourn the Board Meeting at 3:25 pm, Central Daylight Time.

Respectfully submitted,

Bary W Fick

Assistant Secretary






1- Minutes for 8 Nov 2021 FINAL

Final Audit Report

2022-02-09

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|-----------------|--|
| Created: | 2022-02-09 |
| By: | Amanda Lee (agl@mnhefa.org) |
| Status: | Signed |
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"1- Minutes for 8 Nov 2021 FINAL" History

-  Document created by Amanda Lee (agl@mnhefa.org)
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-  Document emailed to Barry Fick (bwf@mnhefa.org) for signature
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-  Document e-signed by Barry Fick (bwf@mnhefa.org)
Signature Date: 2022-02-09 - 10:08:08 PM GMT - Time Source: server- IP address: 71.82.135.37
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