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Minutes

To: NCPA Finance Committee
From: Trisha Zimmer
Subject: May 6, 2025 Finance Committee Meeting Minutes

1. Call Meeting to Order and Roll Call

The meeting was called to order at 10:33am.

The meeting attendees either present or participating remotely were as follows: Finance Committee representatives: Teri Alderson (Alameda), Melissa Price (Lodi), Katie Edgar (Healdsburg), and Joanna Cucchi (Roseville); NCPA Staff: Monty Hanks, Sondra Ainsworth, Chelsea Wilhite, and Jane Luckhardt, as well as Louise Houghton and Mike Berwanger from PFM. DeAnna Hilbrants (Santa Clara) was absent. A quorum of the Committee was established.

PUBLIC FORUM

No one from the public was present at the site or at any of the teleconference locations.

DISCUSSION/ACTION ITEMS

2. Approve minutes from the February 11 and February 12, 2025 Finance Committee Meeting

Motion: A motion was made by Joanna Cucchi (Roseville) and seconded by Teri Alderson (Alameda) recommending approval of the February 11, 2025 and February 12, 2025 Finance Committee meeting minutes. A vote was taken by roll call: YES = Teri Alderson (Alameda), Melissa Price (Lodi), Katie Edgar (Healdsburg), and Joanna Cucchi (Roseville). The motion passed.

REPORTS AND COMMITTEE ACTION ITEMS

3. Report on Current Financial Market Conditions or Issues - PFM provided an update on the current market conditions since the report on February 11, 2025. In the second half of February Treasuries and BVAL trended downward in response to several data releases. For much of March, uncertainty about the actions in Washington and tariff rollout, coupled with data showing a weakening economy, continued to drive volatility. The week after Trump's tariff announcements, rates experienced the most extreme volatility since the Pandemic, with market reactions to the tariff rollout and subsequent 90-day pause resulting in day-to-day swings of sometimes more than 30 bps. Rates over the last year are up almost 1 percentage point, yet still not as high as they have been historically.

Municipal funds experienced significant outflows in April. New issuance volume was up 7.45% year-over-year in March, and year-to-date new issuance volume was 14.7% higher than 2024 issuance through March. Market participants have a differing opinion as to whether there will be a rate cut this quarter.

SIFMA fluctuated in April within 2.72% and 4.41%. SOFR has held relatively steady within 4.28% and 4.42% throughout April.

4. **Review NCPA Debt and Interest Rate Management Policy** – This Policy was last reviewed in 2023. During that review and update, the Policy was aligned closer to Members' Debt Policies, and added new sections to address current standards. CDIAC's "Employing a Debt Management Policy" was used as an additional guideline for those revisions. The Policy requires a review every two years. PFM reviewed the current version and recommended no changes.

Staff is seeking confirmation that the Debt and Interest Rate Management Policy has been reviewed and that there are no recommended changes at this time. A motion was made by Melissa Price (Lodi) and was seconded by Joanna Cucchi (Roseville), supporting the staff's recommendations. A vote was taken by roll call: YES = Teri Alderson (Alameda), Melissa Price (Lodi), Katie Edgar (Healdsburg), and Joanna Cucchi (Roseville). The motion passed.

5. **Review NCPA Investment Policy and Guidelines** – The NCPA Investment Policy and Guidelines purpose, scope and objectives were discussed and reviewed. The current recommended updates were reviewed which includes revision of the Decommissioning Reserves language from Geothermal specific to generic language that includes all applicable Generation Plants. Reference to the Decommissioning Reserves Policy No. 200-104 was also added.

Staff is recommending the Finance Committee approve the latest revisions to the NCPA Investment Policy and Guidelines. Motion: A motion was made by Teri Alderson (Alameda) and seconded by Joanna Cucchi (Roseville), recommending approval of the Investment Policy and Guidelines Revisions. A vote was taken by roll call: YES = Teri Alderson (Alameda), Melissa Price (Lodi), Katie Edgar (Healdsburg), and Joanna Cucchi (Roseville). The motion passed.

INFORMATIONAL

6. **NCPA Member Report Card** – Chelsea Wilhite provided the Committee with background information and the original purpose of the NCPA's Member Report Card. The main issue with the original format of the Report Card was that the information provided was very limited and only provided a one-year snapshot. Obtaining data from Members was also difficult. One of the goals in NCPA's 2021-2026 Strategic Plan was to revamp the Member Report Card to provide value, transparency, and less administrative burden.

The "new" Report Card was reviewed and accepted by the Finance Committee in August 2023 with a goal of updating every two years. Chelsea reviewed excerpts from a sample/updated Report Card and sought feedback from the group. A few suggestions were made by the Committee members. Chelsea will finalize the updates and incorporate the suggestions/feedback provided by the group today. A final version will be brought back to the August Committee meeting for acceptance.

7. **NCPA's California Employers' Retiree Benefit Trust (CERBT) Account Update** – Sondra Ainsworth and Monty Hanks recently met with new representatives with CalPERS. The OPEB Actuarial Valuation Report was presented. Comparing the report as of June 30, 2021 to the most recent report from June 30, 2023 shows that liability grew from \$37million to \$44 million. Total participants have increased from 318 to 326. An up-to-date snapshot of the CERBT account summary was presented. Total assets are currently \$48 million with an annualized net rate of return of 5.47%

NEW BUSINESS

8. Other Items of Interest to the Finance Committee – No other topics were discussed.

9. Next Finance Committee Meeting - The next regular Finance Committee meeting is scheduled for August 5, 2025 at 10:30am.

ADJOURNMENT

The meeting was adjourned at 12:08pm.

DRAFT