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Minutes

Date: September 22, 2017
To: NCPA Finance Committee
From: Trisha Zimmer, Administrative Assistant
Subject: September 18, 2017 Special Finance Committee Meeting Minutes

Finance Committee Attendees:

Committee Members

David Hagele, Chair	Healdsburg	call-in
Ann Hatcher	Santa Clara	call-in
Melissa Price	Lodi	absent
Matt Michealis	Gridley	absent
Philip McAvoy	Roseville	call-in

Member Staff

Tarun Narayan	Palo Alto	call-in
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Attended:

Consultants in attendance-call in:

Mark Bauer	Orrick
Charline Bothelo	PFM

NCPA Staff in attendance:

Monty Hanks
Sondra Ainsworth
Jane Luckhardt
Trisha Zimmer

1. Call Meeting to Order

David Hagele called the meeting to order at 2:07 p.m.

2. Roll call – Roll call was conducted as listed above. A quorum of the Committee was established.

PUBLIC FORUM

Mr. Hagele asked if anyone wished to address the Committee on matters within the jurisdiction of the Committee. There were no requests for public comment at the site or at any of the teleconference locations.

REPORTS AND COMMITTEE ACTION ITEMS

3. Selection of Financial Advisor Firm and Award of Contract

Staff is seeking a recommendation to approve an award of contract and authorization to enter into a Multi-Task Consulting Services Agreement with PFM Financial Advisors LLC for ongoing financial structure and debt management tasks for a not-to-exceed amount of \$500,000 over three years; and a Multi-Task Consulting Services Agreement with PFM Swap Advisors LLC for swap advisory services for a not-to-exceed amount of \$150,000 over three years. Both agreements include the option of two, two-year renewals for a maximum term of seven years. The not-to-exceed amounts of both agreements allow for utilization of the vendor's services by NCPA Members as needed.

Motion: a motion was made by David Hagele and seconded by Philip McAvoy recommending approval of the Multi-Task Consulting Services Agreements with PFM Financial Advisors LLC as well as PFM Swap Advisors LLC. A vote was taken by roll call: YES = David Hagele (Healdsburg), Ann Hatcher (Santa Clara), and Philip McAvoy (Roseville). The motion passed.

4. Finance Committee Charter

Staff is seeking a recommendation for Commission approval of a Finance Committee Charter in order to better define the roles and responsibilities of the Finance Committee as described in the Agency Bylaws. In accordance with the Amended and Restated Commission Rules of Procedure (aka – NCPA Bylaws) the Finance Committee's role is to provide financial oversight for the Agency and is described as reviewing and reporting all financial, accounting, or auditing matters referred to it by the Commission, Executive Committee, the Chair, the Chief Financial Officer of the Agency, or by the General Manager. The recommended modifications were made to the Charter as directed by Finance Committee members at the August 9th Finance Committee meeting. Staff presented the redlined version of the Charter as well as a draft final version.

Motion: a motion was made by Ann Hatcher and seconded by Philip McAvoy recommending approval of the Finance Committee Charter as presented. A vote was taken by roll call: YES = David Hagele (Healdsburg), Ann Hatcher (Santa Clara), and Philip McAvoy (Roseville). The motion passed.

5. Banking Services Agreement

Staff is seeking a recommendation to approve an Agreement for Banking Services with U.S. Bank N.A. for a three-year term with an option of two, one-year renewals. This agreement includes fixed pricing for the term (up to five years). The Agency is currently operating under a Master Service Agreement and Deposit Account Agreement with U.S. Bank. A specific contract setting forth the pricing structure for depository services, wire transfers, ACH and related banking services did not exist. Following discussions with U.S. Bank, the bank has agreed to decrease the per item pricing of several services and increase the Earnings Credit Rate (ECR) from 0.22% to 0.60% for compensated balances in exchange for agreeing to a three-year term.

Motion: A motion was made by Philip McAvoy and seconded by David Hagele recommending that the Commission approve the Banking Services Agreement with U.S. Bank N.A.. A vote was taken by roll call: YES = David Hagele (Healdsburg), Ann Hatcher (Santa Clara), and Philip McAvoy (Roseville). The motion passed.

6. Baker Tilly Virchow Krause Audit Letter Acknowledgement

During the August 9, 2017 Finance Committee meeting, staff reviewed a letter from NCPA's auditing firm, Baker Tilly Virchow Krause (Baker Tilly) covering their auditing standards, requirements, and responsibilities as well as those of the Committee's. Staff requested that the Finance Committee members acknowledge that they have received, reviewed and understand their responsibilities as the oversight Committee for the NCPA FY17 audit. Finance Committee members David Hagele, Ann Hatcher, and Philip McAvoy acknowledged receipt of the letter and that they understand their responsibility.

7. Next Finance Committee Meeting

The next regular Finance Committee meeting is scheduled for November 8, 2017 at 3pm.

ADJOURNMENT

The meeting was adjourned at 2:46 p.m.