



Commission Staff Report - *DRAFT*

September 20, 2017

COMMISSION MEETING DATE: September 29, 2017

SUBJECT: Approval of Finance Committee Charter

AGENDA CATEGORY: Consent

FROM:	Monty Hanks Assistant General Manager/CFO	METHOD OF SELECTION: N/A
Division:	Administrative Services	
Department:	Accounting & Finance	

IMPACTED MEMBERS:		
All Members <input checked="" type="checkbox"/>	City of Lodi <input type="checkbox"/>	City of Shasta Lake <input type="checkbox"/>
Alameda Municipal Power <input type="checkbox"/>	City of Lompoc <input type="checkbox"/>	City of Ukiah <input type="checkbox"/>
Bay Area Rapid Transit <input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Plumas-Sierra REC <input type="checkbox"/>
City of Biggs <input type="checkbox"/>	City of Redding <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Gridley <input type="checkbox"/>	City of Roseville <input type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Healdsburg <input type="checkbox"/>	City of Santa Clara <input type="checkbox"/>	Other <input type="checkbox"/>
<i>If other, please specify</i>		
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RECOMMENDATION:

Staff recommends that the Commission approve Resolution 17-XX establishing a Finance Committee Charter which will better define the roles and responsibilities for the Finance Committee as described in the NCPA By-Laws.

BACKGROUND:

The NCPA Amended and Restated Rules of Procedure for the Commission (a.k.a. NCPA By-Laws) provides for a standing, advisory Committee known as the Finance Committee. The role of the Finance Committee is primarily to provide financial oversight for the Agency and is described as considering and reporting on all financial, accounting, or auditing matters referred to it by the Commission, the Executive Committee, the Chair, the Chief Financial Officer of the Agency, or by the General Manager.

The purpose of a Finance Committee Charter is to better define the Finance Committee's purpose, responsibilities and duties, structure and operations, frequency of meetings and requirements. The Charter will provide assistance to the Commission in fulfilling its responsibility with respect to the policies, practices, and strategies related to management of the financial affairs of the Agency.

The Finance Committee Charter is attached.

FISCAL IMPACT:

There is no direct dollar impact to approve a Finance Committee Charter.

ENVIRONMENTAL ANALYSIS:

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

COMMITTEE REVIEW:

Pending Committee review.

(The Finance Committee Charter was reviewed by the Finance Committee on August 9th and changes suggested by the Committee were made. This recommendation was reviewed by the Finance Committee on September 18th and was recommended for Commission approval.)

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments: (2)
Resolution
Proposed Finance Committee Charter

RESOLUTION 17-XX

RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY APPROVING A FINANCE COMMITTEE CHARTER

(reference Staff Report #xxx:17)

WHEREAS, the NCPA Amended and Restated Rules of Procedure for the Commission (a.k.a. NCPA By-Laws) provides for a standing, advisory Committee known as the Finance Committee; and

WHEREAS, the Finance Committee shall consider and report upon all financial, accounting, or auditing matters referred to it by the Commission, the Executive Committee, the Chair, the Chief Financial Officer of the Agency, or by the General Manager; and

WHEREAS, the purpose of a Finance Committee Charter is to define the purpose, responsibilities and duties, structure and operations, and meetings of the Finance Committee; and

WHEREAS, the Finance Committee Charter will provide assistance to the Commission in fulfilling its responsibility in respect to the policies, practices, and strategies that relate to the management of the financial affairs of the Agency; and

WHEREAS, this activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a "project" for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED, that the Commission of the Northern California Power Agency adopts the Finance Committee Charter defining the purpose, responsibilities and duties, structure and operations, and meetings of the Finance Committee.

PASSED, ADOPTED and APPROVED this ____ day of _____, 2017 by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Shasta Lake	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

BOB LINGL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY

**NORTHERN CALIFORNIA POWER AGENCY
(NCPA)
FINANCE COMMITTEE CHARTER**

PURPOSE

The purpose of the Finance Committee is to assist the Commission, the Executive Committee, the Chair, the Chief Financial Officer of the Agency (CFO), or the General Manager in fulfilling its responsibilities to:

- Report upon all financial, accounting, or auditing matters;
- Review management's plans to administer NCPA's financial risk;
- Review NCPA's capital management, planning activities, investment and debt management policies;
- Review NCPA's financial performance, including the performance of the investment and debt portfolios, and other significant financial activities;
- Review NCPA's pension strategy and performance; and
- Review NCPA's health care costs, post-employment (OPEB) benefits and funding.

STRUCTURE AND OPERATIONS

The Finance Committee shall be a standing, advisory committee that is subject to the Brown Act. Members of the Finance Committee, who may be either Commission members or other staff or officers of members, shall be appointed by the Chair and then ratified by the Commission. The Chair is ~~recommended by the Nominating Committee and then~~ ratified by the Commission. All Members of the Finance Committee shall have a working familiarity with basic finance practices, and at least one Member of the Finance Committee shall have financial management expertise.

Finance Committee Members shall serve at the pleasure of the Commission for indefinite terms. The size of the Finance Committee shall be as determined by the Commission from time to time. Currently, the Finance Committee consists of five Members plus the CFO ~~(or his/her alternate)~~. Any Member of the Finance Committee may be removed from the Committee, with or without cause, by a majority vote of the Commission. A Member may also resign by notifying the CFO or General Manager.

MEETINGS

The Finance Committee shall ordinarily meet at least four times annually, or more frequently as circumstances dictate. The Committee may take action on any of the items listed on an Agenda regardless of whether the matter appears on the Agenda or is described as an Action Item, a Report, or an Information Item. The Chair will lead all regular meetings of the Finance Committee and set agendas for

the Finance Committee meetings. If the Chair is unable to attend, a member of the Committee can serve as the alternate Chair. Both the Chair and alternate Chair can call special meetings.

A quorum is required for the Finance Committee to conduct Agency business and shall consist of those primary representatives (Members), ~~or their designated alternate representatives,~~ representing a numerical majority of the Participants but not including the CFO ~~or his/her alternate.~~ Member alternates are not allowed for the purposes of meeting a quorum or voting on agenda items.

RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities, duties and recommendations to the Commission, the Finance Committee shall:

1. Review of current financial market conditions or issues;
2. Review of NCPA's debt portfolio;
3. Biennial review of NCPA's Debt and Interest Rate Management Policy;
4. Annual review of NCPA's Investment Policy including cash flow, liquidity targets, trading strategies and methodologies;
5. Review long-term liabilities and funding strategies;
6. Review report(s) on recent rating agency actions;
7. Review of various Request for Proposals for banking, custodian, audit, financial advisor, bond counsel, underwriters, etc.;
8. Review NCPA's capital strategies including the issuance of new debt or refunding of outstanding debt;
9. Any financial matter pertaining to NCPA and/or its members or business partners that requires review, comment, recommendation or direction to the Commission;
10. Document and maintain records of its proceedings, and shall make regular reports to the Commission summarizing the matters reviewed and actions taken at each Finance Committee meeting; and
11. Review and assess the adequacy of this Charter as it deems appropriate. The Committee may recommend amendments to this Charter at any time and submit the recommendations of approval to the Commission.