

MEETING of the Finance Committee of the
Clean Power Alliance of Southern California
Wednesday, May 27, 2020, 11:00 a.m.

MINUTES

The Finance Committee conducted this meeting in accordance with California Governor Newsom's Executive Order N-29-20 and COVID-19 pandemic protocols.

WELCOME & ROLL CALL

Chair Julian Gold called the meeting to order at 11:19 a.m. and Clerk of the Board Gabriela Monzon conducted roll call.

Roll Call			
Beverly Hills	Julian Gold	Committee Chair	Remote
Carson	Reata Kulcsar	Committee Member	Remote
Claremont	Corey Calaycay	Committee Member	Remote
Rolling Hills Estates	Steve Zuckerman	Committee Member	Remote
Santa Monica	Pam O'Connor	Committee Member	Remote

All votes are unanimous unless otherwise stated.

GENERAL PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

1. Approve Minutes from the April 29, 2020 Finance Committee Meeting

Motion: Committee Member Calaycay, Claremont

Second: Committee Member O'Connor, Santa Monica

Vote: Item 1 was approved by a roll call vote, with a no vote from Committee Member Kulcsar.

Committee Member Kulcsar expressed concern for the lack of detail surrounding the budget discussion on the April 29 meeting minutes.

2. Receive and File March 2020 Monthly Financial Dashboard
3. Receive and File April 2020 Risk Management Team Report

Motion: Committee Member Calaycay, Claremont

Second: Committee Member Kulcsar, Carson

Vote: Items 2 and 3 were approved by a roll call vote.

REGULAR AGENDA

4. Report from the Chief Financial Officer

David McNeil, Chief Financial Officer, provided an update on the strong performance in CPA's first quarter, discussed increased allowance for bad debt, and detailed accounts receivable aging.

5. Review and Recommend Approval of Proposed FY 2020/21 Budget to the Board of Directors

Mr. McNeil provided an overview of the proposed FY 2020/21 budget operating expenses, noting that the budget erred conservatively, based on load forecasts analyzed through revenue models that applied rates and incorporated into revenue projections. Mr. McNeil discussed load forecasts and cost of energy modeling, energy forward pricing, and revenue projections impacted by a decrease in energy load. Mr. McNeil continued to review a budget comparison summary, noting that Community Choice Aggregations' (CCA) staffing budgets varied based on the size of the agency, priorities, and organizational development.

Committee Member Kulcsar asked if staff would produce a salary schedule that provided additional breakdowns of the budget and specified that information on the total number of staff, compensation, benefits, and projected costs would bring more context; inquired about performance increases; and the status of a salary survey. Committee Member Calaycay similarly shared interest in a salary breakdown.

Staff noted that salary ranges for all vacant positions were not yet determined, however, clarified that further details would be provided to Committee Members; and the budget included considerations for possible Cost of Living Adjustments (COLA), possible performance increases, and employee benefits and contingencies; and added that a salary survey was still expected to occur.

Chair Gold expressed support for the budget request, noting that the \$7.5 million staffing budget included a cap on spending authority for salaries and benefits, but embedded in that budget was the current and future staffing needs, not to exceed the specified amount in the budget. In response to Committee Member Calaycay's request for a detailed breakdown of the increase itself, Mr. McNeil directed the Committee's attention to the staff report which detailed the sources of the cost increase and explained that increases included annualized costs for staff hired in the FY19/20 fiscal year and that further refinement decreased the number of vacant positions since the last meeting.

Committee Member Zuckerman shared that Rolling Hills Estates City Council set salaries for the executive team but left all other staff salaries to the City Manager and noted that salaries were already publicly available information. Committee Member O'Connor suggested that the Committees' focus be to maintain oversight rather than management of the budget and noted the importance of vetting methodology and analytics of staff to reach budget recommendations. Chair Gold agreed that the Committee should not focus on specific salaries, but instead focus on an appropriate amount allocated to staffing and that CPA's staffing budget was well below other comparable CCAs. Lastly, Committee Member Calaycay expressed appreciation for Committee Member Kulcsar's concerns and

noted that the intent was to understand the components of the budget in a way that justified its approval when constituents inquired about these decisions.

Mr. McNeil described cashflow targets and COVID-19 bill assistance, including the proposal to include an additional \$1 million, if the agency met target reserves and credit covenants, with a possibility of reallocation of local programs funds. In response to Committee Member questions and comments, staff noted that reallocation of local program funding for COVID-19 bill assistance would be limited, the Board was to receive a report regarding funding status, and that bill assistance thus far was broad and not concentrated in any one part of CPA service area.

Committee Member Zuckerman joined at or about 11:45 a.m.

There were no public comments on this item.

Motion: Committee Member Calaycay, Claremont

Second: Committee Member Zuckerman, Rolling Hills Estates

Vote: Item 5 was approved by a roll call vote.

6. Review and Approve Selection of Baker Tilly as Independent Financial Auditor for CPA's FY 2019/20 Financial Statements

Hui Lisano, CPA Controller, provided a brief oral report of staff's recommendation to select Baker Tilly as the agency's financial auditor.

Motion: Committee Member Calaycay, Claremont

Second: Committee Member O'Connor, Santa Monica

Vote: Item 6 was approved by a roll call vote.

COMMITTEE MEMBER COMMENTS

In response to Committee Member Zuckerman's question about the new office space, Mr. Bardacke stated that plan submittals were underway.

Chair Gold thanked staff for the preparation of the budget.

ADJOURN

Committee Chair Gold adjourned the meeting at 12:40 p.m.