

JEA FINANCE & AUDIT COMMITTEE MINUTES
December 1, 2016

The Finance & Audit Committee of JEA met on Thursday, December 1, 2016, in the 8th Floor Conference Room, JEA Plaza Tower, 21 W. Church Street, Jacksonville, Florida.

Agenda Item I – Opening Considerations

- A. Call to Order – Committee Chair Flanagan called the meeting to order at 2:02 PM with Members Board Chair Tom Petway and Husein Cumber in attendance. Board Vice Chair Ed Burr was absent and excused. Others in attendance were Paul McElroy, Melissa Dykes, Jody Brooks, Mike Brost, Brian Roche, Ted Hobson, Steve Tuten, Janice Nelson, Joe Orfano, Judi Spann, Steve McInall, Walette Stanford, Ryan Wannemacher, Jane Upton, Sharon Van Den Heuvel, Gerri Boyce, John DiSanto, Johan Flostrand, and Russ Jeans, Ernst & Young, Robert Campbell, Council Auditors Office, and Sebastian Kitchen, Florida Times-Union.
- B. Adoption of Agenda – The agenda was adopted on **motion** by Mr. Cumber and second by Chair Petway.
- C. Approval of Minutes – The August 8, 2016 minutes were unanimously approved on **motion** by Chair Petway and second by Mr. Cumber.
- D. Approval of Minutes – The October 18, 2016 minutes were unanimously approved on **motion** by Chair Petway and second by Mr. Cumber.

Agenda Item II – New Business

- A. Quarterly Reports and Updates
 - 1. Audit Services – Quarterly ERM/Audit Report – Steve Tuten, Director, Audit Services, provided the Committee with key FY2016 and FY2017 Audit Services highlights, FY2017 Internal Audit Plan timeline, Enterprise Risk Management (ERM) Trend Report and key highlights, and Ethics Hotline Report. This presentation was received for information.
 - 2. Ethics Officer Quarterly Report – Walette Stanford, Ethics Officer and Director, Workforce Strategies, presented the Ethics Officer Quarterly Report, which was received for information.
 - 3. Electric System and Water and Sewer System Reserve Fund Quarterly Report – Joe Orfano, Treasurer, reviewed the Electric System and Water and Sewer System Reserve Fund Quarterly Report, which was received for information.
 - 4. JEA Energy Market Risk Management Policy Report – Materials were provided in the Finance and Audit Committee packages. No discussions were held.
- B. Action Items
 - 1. JEA Calendar Years 2017 and 2018 Fixed Rate Refunding Debt Parameter Resolutions for Electric, Water and Sewer and St. Johns River Power Park Systems – Following a review of the item by Joe Orfano, Treasurer, on **motion** by Mr. Cumber and second by Chair Petway, the Committee unanimously recommends that the Board approve and adopt Resolutions No. 2016-21, 2016-22, 2016-23, 2016-24 and 2016-25 and the related forms of Bond Purchase Agreement, Preliminary Official Statement, Escrow Deposit Agreement and Bond that will provide the Managing Director/CEO the authorization to price and execute Electric System, Subordinated Electric System, Water and Sewer System, Subordinated Water and Sewer

System and St. Johns River Power Park System Issue Three, respectively, fixed rate refunding bonds within the stated parameters.

C. Ernst & Young FY2016 External Audit Report – John DiSanto, Executive Director, Assurance, presented an overview of the 2016 Audit Report and Management Letter, copies of which were provided to Committee Members. Committee Members were also provided with a draft copy of JEA’s Audited Financial Statements. Mr. DiSanto recognized Russ Jeans, Senior Manager, and Johan Flostrand, Senior Manager. Chair Petway congratulated Mr. DiSanto and team, along with Melissa Dykes, Chief Financial Officer and staff for their excellent work.

D. Announcements

1. The next Finance and Audit Committee meeting is tentatively scheduled in March 2017 at 8:00 AM.

C. Committee Discussion Sessions

- 1. Director, Audit Services – At 2:44 PM, Committee Chair Flanagan dismissed staff and the Committee held a general conversation with Steve Tuten, Director, Audit Services.
- 2. Ernst & Young – At 2:47 PM, the Committee held a general conversation with John DiSanto.
- 3. Council Auditor’s Office – At 2:47 PM, the Committee held a general conversation with Robert Campbell.

Closing Considerations

With no further business claiming the attention of this Committee, the meeting was declared adjourned at 2:48 PM.

APPROVED BY:

Kelly Flanagan, Committee Chair

Date: _____

Submitted by:

Melissa Charleroy
Executive Assistant