

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, MARCH 20, 2014
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 6:02 P.M.

Committee members in attendance: P. Suess, C. Janc, J. Pruyn (arrived at 6:07 P.M.), and J. Zay

Committee members absent: D. Russo

Non-Committee members in attendance: None

Also in attendance: J. Spatz, C. Peterson, T. McGhee, and D. Ellsworth

Minutes

Chairman Zay moved to approve the Minutes of the Regular Committee Meeting of February 20, 2014 of the Finance Committee. Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Approval of Reconciliations

Treasurer Ellsworth stated that he had reviewed and approved the journal entries and bank reconciliations for the month of February.

Treasurer's Report – February 2014

Treasurer Ellsworth stated that he had provided the Committee with a written summary of the February Treasurer's Report. He noted on page 1 of the report that cash and investments increased \$2M from last month due to strong operations.

Treasurer Ellsworth discussed the detailed investment schedules, individual account balances and market yield. Market yield on the portfolio was at 51 basis points, down slightly from the prior month's yield of 52 basis points.

Treasurer Ellsworth noted that on the Statement of Cash Flows the year to date cash and investments has increased by \$6.8M. He stated that all targeted reserve levels were met or exceeded targets.

Chairman Suess asked if the rise in the water costs had an impact on the reserve balances. General Manager Spatz said in essence yes, the O&M account maintained a

higher balance to pay the next month's bills. The Operating Reserve account balance does not change as that reserve is based upon 120 days of the entire budgeted expenses for the year.

Financial Statements – February 2014

Financial Administrator Peterson provided the Committee with a summary of the February Financial Statements. She noted that water sales remained slightly ahead of seasonal budgeted expectations.

Sales Tax collections were higher than prior year revenue amounts by approximately 3.7% in February. Cumulatively Sales Tax collections as of February 28, 2014, were approximately \$1.5 million over the prior year.

Financial Administrator Peterson discussed balances and activity within the cash and investment accounts compared to targets and liabilities.

Financial Administrator Peterson noted that cash balances were up compared to prior year by \$8.8M. The refinancing of the debt was done in February 2013. Therefore, cash accounts related to principal and interest are more comparable.

Financial Administrator Peterson discussed the consistency in results for the first nine months of the year. She noted that account is 01-60-6117 Operations Overtime is over budgeted amounts as discussed in the prior month.

Draft Annual Budget

General Manager Spatz noted that some of the Commissioners had either met with him in person or called to review the budget in more detail. Commissioner Janc asked how the interest costs were estimated in the budget. General Manager Spatz noted that the expense was budgeted on the conservative side regarding the debt certificates and based upon the actual amortization schedule for the revenue bonds.

Discussion of 2015 Appropriation Budget

General Manager Spatz asked for the Committee's concurrence to allow staff to publish the notice of the Appropriation Budget being available for viewing on or prior to April 15, 2014. A discussion was had regarding how the budget was prepared and will be reviewed in detail at the May Board Meeting. The Committee gave its concurrence.

R-8-14

Chairman Zay moved to recommend to the Board a Resolution authorizing and directing the use of General Account balances for the payment of debt service on the Northern Trust Certificate of Debt up to \$6M. Seconded by Chairman Suess and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Election of Interest Period under Northern Trust Certificate of Debt

Financial Administrator Peterson stated that the Libor rate for one month was at approximately 0.157%.

Accounts Payable

Financial Administrator Peterson presented the Accounts Payable to the committee members. The numbers below were to be presented in the General Meeting.

February 11, 2014 to March 10, 2014	\$7,261,080.54
<u>Estimated</u>	<u>\$ 801,420.00</u>
Total	\$8,062,500.54

Other

Chairman Suess asked if General Manager Spatz had been able to schedule a presentation regarding capital projects by someone from the City of Chicago water department to the Board. General Manager Spatz stated that he did discuss it with them and that either a presentation may be schedule for later in the year or other arrangements with Board members would be made.

Chairman Zay and T. McGhee left the meeting at 6:22 P.M. General Manager Spatz left the meeting at 6:23 P.M.

Adjournment

Commissioner Janc moved to adjourn the meeting at 6:24 P.M. Seconded by Chairman Suess and unanimously approved by a Voice Vote.

All voted aye. Motion carried.