

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, OCTOBER 17, 2013
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 6:00 P.M.

Committee members in attendance: C. Janc, J. Pruyn, D. Russo, P. Suess, and J. Zay

Committee members absent: None

Non-Committee members in attendance: R. Furstenau

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

Minutes

Chairman Zay moved to approve the Minutes of the Regular Committee Meeting of September 19, 2013 of the Finance Committee. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Approval of Reconciliations

Financial Administrator Peterson read from the Treasurer's statement that he had reviewed and approved the journal entries and bank reconciliations for the month of September.

Treasurer's Report – September 2013

Financial Administrator Peterson summarized the report submitted by Treasurer Ellsworth. It was noted on page 1 of the report that cash and investments increased from last month to \$68.3M due to positive financial results.

Financial Administrator Peterson noted that the market yield on the portfolio was 44 basis points.

Financial Administrator Peterson stated that year to date cash and investments has increased by \$3.3M. She described operating activities having increased cash by \$5.4M and sales tax by \$14.1M. Debt Service payments to date totaled \$16.6M. She stated that all targeted reserve levels were met or exceeded targets.

Commissioner Russo made a motion to accept the Treasurer's report. Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Financial Statements – September 2013

Financial Administrator Peterson provided the Committee with a summary of the September Financial Statements. She noted that water sales remained in line with seasonal budget expectations.

Sales Tax collections were approximately 2.1% higher than August 2012. Cumulatively Sales Tax collections were approximately \$771,000 over the prior year. Commissioner Suess questioned the amount of budgeted increase in Sales Tax for the current fiscal year. General Manager Spatz indicated that budgeted Sales Tax was based upon last year's actual collections, which were higher than anticipated in fiscal year 2012/2013.

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

Financial Administrator Peterson noted that although cash balances are down slightly compared to prior year, almost \$6M was being held for principal and interest payments at September 30, 2012 compared to just over \$1M at September 30, 2013.

Property and Liability Insurance

General Manager Spatz stated that staff and insurance consultant Mr. Michael Nugent asked for and received quotes from Marsh USA regarding property and liability insurance. The quote that was recommended, by Commission staff and Mr. Nugent to minimize cost increases, was based upon an increase in asset values of only 2.5%, lower crime limits, and higher property deductibles.

Chairman Suess asked if there had been any claims against this policy recently or prior to the hiring of General Manager Spatz. Mr. McGhee noted the Commission has not had any claims against this policy since the early 1990s.

The Committee members then further discussed the coverage of the insurance, including the Lexington Pump station, and other possible scenarios for cost savings in the future including increasing the deductible or reducing the limits.

Chairman Zay move to recommend purchasing the property and liability insurance coverage as proposed by Marsh USA. Seconded by Commissioner Russo.

Before the vote was called, Chairman Suess noted that he would be recusing himself from any discussion or vote. With no further discussion, the motion was approved by a Voice Vote.

All voted aye. Motion carried

Commissioner Furstenau left the meeting at 6:18 p.m.

Election of Interest Period under Northern Trust Certificate of Debt

Financial Administrator Peterson stated that the Libor rate for one month is just below 0.18%, down very slightly from last month.

Chairman Zay moved to recommend the election of a one-month Libor rate period with Northern Trust to the General Board. Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Accounts Payable

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

September 10, 2013 to October 6, 2013	\$7,572,027.82
<u>Estimated</u>	<u>\$ 882,279.00</u>
Total	\$8,454,306.82

General Manager Spatz and Mr. McGhee left the meeting at 6:21 P.M.

Other

None

Adjournment

Commissioner Janc moved to adjourn the meeting at 6:22 P.M. Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.