

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, MAY 19, 2011
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 6:10 P.M.

Committee members in attendance: P. Suess, J. Pruyn and J. Zay (*ex officio*).

Committee members absent: C. Janc and D. Russo.

Also in attendance: J. Spatz, T. McGhee, R. Skiba, Vicki Hellenbrand, and Nick Caviliere.

MINUTES

The committee accepted the revisions to the March 17, 2011 minutes.

APPROVAL OF RECONCILIATIONS

Interim Treasurer Pruyn reviewed and recommended that the Committee approved the reconciliations for April.

Chairman Suess asked the representatives from Baker Tilly to provide their recommendations for future approvals of reconciliations. Vicki Hellenbrand of Baker Tilly stated that they are in the process of investigating a secure web site that the Finance Committee could use to review all future reconciliations.

Chairman Suess asked if Baker Tilly would sign off on reconciliations and Baker Tilly confirmed they will sign off on these reconciliations.

Treasurer Recommendation

The Committee recommended the appointment of Nick Narducci as Treasurer of the DuPage Water Commission.

Treasurer's Report – April 2011

Former Financial Administrator Skiba provided the Committee with a synopsis of the April Treasurers reports (A, B, and C). There was a brief discussion in regard to the format of future Treasurers Reports.

Financial Statements – April 2011

Former Financial Administrator Skiba provided the Committee with a synopsis of the April Financial Statements. The Committee asked if Baker Tilly could provide automated statements in the future that provided monthly budget information and projected account balances.

Discussion items

a. Budget Appropriation Ordinance

Manager of Water Operations McGhee explained both the current and prior years' methodology of establishing an Annual Budget Appropriation Ordinance. The Committee discussed the pros and cons of each method and Former Financial Administrator Skiba added that the prior method allowed the Board additional spending flexibility while still holding the General Manager to the Management budget. At the conclusion of the discussion the committee recommended that the Board should return the prior year's method of establishing an Annual Budget Appropriation Ordinance.

b. Debt Repayment and restructuring(fixed vs. floating)

General Manager Spatz informed the Committee that he had met with West Suburban Bank about making an \$8,000,000 principle payment on June 21, 2011 and converting the balance to a three year fixed agreement. The representative from West Suburban stated their forecast showed interest rates remaining stable until the third or fourth quarter of 2012. General Manager Spatz recommended that the Commission maintain the current agreement until the end of this year while monitoring interest rates.

c. Baker Tilly Update

Chairman Suess asked the representatives from Baker Tilly to provide a status report on the Finance Department transition. Ms. Hellenbrand and Mr. Caviliere reviewed the "shadowing" of finance personnel and consultants they did during April. Baker Tilly is preparing a work plan for the General Manager. The May closing will be handled by Baker Tilly with assistance from Former Financial Administrator Skiba. The audit for FY2011 will be the responsibility of Mr. Skiba.

Accounts Payable

Manager of Water Operations McGhee informed the Committee that there was a revised estimated Accounts Payable for May due to the rescheduling of the June meeting. The new date for the June meeting is after the required payment date for the West Suburban CD

April 14, 2011 – May 10, 2011	\$ 3,924,643.31
<u>Estimated</u>	<u>\$ 9,279,300.00</u>
Total	\$13,203,943.31

OTHER

Manager of Water Operations McGhee stated that representative from INCODE the Commission financial software provider would be on-site the last week of July to provide training to Baker Tilly, the Treasurer, and Commission staff on the functionality of the their software package.

Manager of Water Operations McGhee stated that representative from Sikich LLC were on site performing work on the FY2011 audit. He also stated this was the final year of the engagement. Manager of Water Operations McGhee asked the committee how they would like to proceed with retaining an audit firm for future years. The committee directed staff to prepare an RFP for an auditing service engagement for FY2012, FY2013 and FY2014. Sikich LLC will be invited to respond to this RFP as their work has been completely satisfactory and the Commission has no formal policy to rotate audit firms.

RECESS

The meeting was recessed at 7:18 with re-adjournment scheduled after the adjournment of the Commission meeting.

ADJOURNMENT

The meeting was adjourned at 8:05 P.M.

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