

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, JANUARY 19, 2017
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 5:47 P.M.

Committee members in attendance: P. Suess, R. Gans, J. Pruyn, D. Russo, and J. Zay

Committee members absent: None

Non-Committee members in attendance: J. Healy

Also in attendance: J. Spatz and C. Peterson

Other

A discussion was had regarding the loan agreements and contracts with Bartlett, particularly around the interest rates to be charged and when funds would begin to be disbursed.

Minutes

Commissioner Russo moved to approve the Minutes of the Regular Committee Meeting of December 15, 2016 of the Finance Committee. Seconded by Commissioner Gans and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Approval of Reconciliations

Financial Administrator Peterson read from the Treasurer's Report that Treasurer Fates had reviewed and approved the journal entries and bank reconciliations for the month of December 2016.

Request for Board Action

General Manager Spatz explained the request was to move funds from the Sales Tax Account to the Long-Term Water Capital Account. The transfer of \$2.1M to the Long-Term Water Capital Account would increase the fund to its Fiscal Year 2017-2018 targeted balance. The Commission has been receiving the minimal amounts of sales tax collections over the past couple months since the sales tax rate for the Commission had sun set in June 2016. The account is expected to be closed once the Commission is no longer receiving any past sales tax collections payments.

General Manager Spatz then discussed possible rate increases from the City of Chicago and that the draft budget would be presented at the next Board meeting.

Commissioner Russo moved recommend to the Board the Request for Board Action: Authorizing the Transfer of Funds from the Sales Tax Account to the Long-Term Water Capital Reserve Accounts (Approximately \$2.1M). Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Treasurer's Report – December 2016

Financial Administrator Peterson reviewed the written summary of the December Treasurer's Report. Cash and Investments were \$159.8M. She highlighted some account activity in the Commission's cash and investments increase of \$23.5M over the past eight months.

Market yield on the portfolio was at 1.13 basis points, a slight increase from the prior month. The portfolio was showing unrealized losses of \$817,000 compared to unrealized gains at the prior year end of approximately \$537,500.

Financial Administrator Peterson reviewed the \$23.5M increase year-to-date on the Statement of Cash Flows. She stated that all targeted reserve levels were met or exceeded targets.

Financial Statements – December 2016

Financial Administrator Peterson noted that for the first eight months of the fiscal year, revenues exceeded expenses by approximately \$18.4 Million. The results were primarily due to higher than anticipated water sales, sales tax collections and timing of expenditures.

The Commission collected \$34,000 in Sales Tax in December. Cumulatively Sales Tax collections as of December 31, 2016, were approximately \$926,000 over the budgeted amount.

Financial Administrator Peterson stated that cash and investment balances at the end of October exceeded liabilities or targets by \$71 Million.

It was noted that cash balances were up compared to prior year by approximately \$35 Million. Receivables declined versus last year due to timing of receivables. She also noted that one account was expected to exceed the management budget in either January or February. Account 60-611700, Operations Overtime, will likely go over budget for the year due to higher volume and length of JULIE calls and the valve replacement project.

Accounts Payable

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

December 7, 2016 to January 10, 2017	\$8,268,216.34
<u>Estimated</u>	<u>\$695,330.00</u>
Total	\$8,963,546.34

Other

General Manager Spatz discussed cash balances in the General Fund and the Operating and Maintenance Account and how the agreements with Bartlett will affect these balances. A discussion was then had regarding the amount of water purchases from past subsequent customers and what Bartlett is expected to purchase.

Adjournment

Chairman Zay moved to adjourn the meeting at 6:06 P.M. Seconded by Commissioner Gans and unanimously approved by a Voice Vote.

All voted aye. Motion carried.