

**MINUTES OF A RESCHEDULED MEETING OF THE  
FINANCE COMMITTEE  
OF THE DUPAGE WATER COMMISSION  
HELD ON THURSDAY, FEBRUARY 15, 2018  
600 EAST BUTTERFIELD ROAD  
ELMHURST, ILLINOIS**

The meeting was called to order at 5:39 P.M.

Committee members in attendance: R. Gans, J. Pruyn (arrived at 5:55 P.M.), P. Suess, and J. Zay

Committee members absent: D. Russo

Non-Committee members in attendance: None

Also in attendance: J. Spatz and C. Peterson

**Minutes**

Commissioner Gans moved to approve the Minutes of the Regular Committee Meeting of January 18, 2018 of the Finance Committee. Seconded by Chairman Zay and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

**Approval of Reconciliations**

Financial Administrator Peterson noted that Treasurer Fates had reported that he had reviewed and approved the journal entries and bank reconciliations for the month of January 2018.

**Draft Annual Budget**

General Manager Spatz mentioned that the Commission was holding a special Committee of the Whole meeting after this meeting to discuss the draft budget. General Manager Spatz and Chairman Suess then discussed projected cash flows and its relation to the draft budget, cash reserves and water rates. Chairman Zay added that the Commission has decreased rates when possible, but does not want the Commission to repeat the past. The Commission is just proposing increasing the rates in an equal amount to the increase from the City of Chicago.

**Appropriation Budget**

Financial Administrator Peterson stated that the Commission would be bringing the 2018-2019 Appropriation Budget to the Board in April 2018. In connection, she asked the Committee's permission to notify customers that the Appropriation Budget will be available for viewing 30 days prior to the April 19, 2018 meeting. Financial Administrator Peterson described how the same percentages used last year in determining the

Appropriation Budget compared to the Management Budget will be used this year. Consensus by the Committee was given for publication of the notice.

### **Other**

General Manager Spatz mentioned moving forward with the presentations to rating agencies and the related costs. He also discussed bringing in a consultant from Acacia Financial Group, Inc. to review the presentations and assist with conversations with rating agencies. The costs related to the consultant will be between \$15,000 to \$20,000. The Committee agreed to have the General Manager move forward with an agreement with Acacia.

General Manager Spatz left the meeting at 5:54 P.M.

### **RFBA: Renewal of contract with Baker Tilly Virchow Krause, LLP**

Chairman Suess noted that this contract renewal was discussed at the last meeting and there was no new discussion.

### **Treasurer's Report – January 2018**

Financial Administrator Peterson reviewed the written summary of the January Treasurer's Report. Cash and Investments totaled \$170.5M. She detailed the various account activities in the Commission's cash and investments over the past nine months.

Market yield on the portfolio was at 1.49 basis points, an increase from the prior month. The portfolio was showing unrealized losses of \$2.3M compared to unrealized losses at the prior year end of approximately \$541,000.

Financial Administrator Peterson reviewed the \$8.6M increase year-to-date on the Statement of Cash Flows. She stated that all targeted reserve levels were met or exceeded targets.

### **Financial Statements – January 2018**

Financial Administrator Peterson noted that for the nine months ended January 31, 2018, revenues exceeded expenses by approximately \$6.4M, primarily due to higher than seasonal budgeted water sales, sales tax collections, investment earnings and timing of expenditures.

Water sales were above seasonal budgeted amounts by 7.4%. Water purchases were up 6.3% versus seasonal budgeted amounts.

Financial Administrator Peterson stated that total cash and investment balances at the end of January exceeded total liabilities and targets.

It was noted that cash balances were up compared to prior year by approximately \$13M. Receivables were down slightly due to timing of receivables. She also informed the

Committee that accounts 60-611700 – Operations Overtime and 60-612100 – Pension would be going over management budget levels for the fiscal year in February 2018. The Commission’s Operations Overtime account has seen increased levels of Julie calls and activity related to valve replacements. The Pension account overage was due to a charge related to the retirement of a long-term employee.

**Accounts Payable**

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

January 10, 2018 to February 6, 2018	\$ 8,637,193.69
<u>Estimated</u>	<u>\$ 823,925.00</u>
Total	\$ 9,461,118.69

**Adjournment**

Commissioner Gans moved to adjourn the meeting at 6:01 P.M. Seconded by Commissioner Pruy and unanimously approved by a Voice Vote.

All voted aye. Motion carried.