

**MINUTES OF A MEETING OF THE  
FINANCE COMMITTEE  
OF THE DUPAGE WATER COMMISSION  
HELD ON THURSDAY, MAY 16, 2013  
600 EAST BUTTERFIELD ROAD  
ELMHURST, ILLINOIS**

The meeting was called to order at 6:05.M.

Committee members in attendance: C. Janc, J. Pruyn, D. Russo (arrived at 6:11 P.M.), P. Suess

Committee members absent: J. Zay

Also in attendance: Treasurer D. Ellsworth, J. Spatz, C. Peterson (arrived at 6:30 P.M.), T. McGhee, Commissioner D. Loftus, Commissioner M. Scheck, and Representatives from PFM

**Minutes**

Commissioner Janc moved to approve the minutes of the Regular Committee Meeting of April 18, 2013 of the Finance Committee. Seconded by Commissioner Pruyn 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 April.

**Treasurer's Report – April 2013**

Treasurer Ellsworth provided the Committee with a summary of the April Treasurer's Report. He noted on page 1 of the report that cash and investments totaled \$64.9M down \$3.4M from the previous month. The decrease was attributed to a \$5M payment to Northern Trust Bank. Material Changes in Investment holdings showed a decrease of \$3.7 BMO Harris money market account.

Treasurer Ellsworth discussed the detailed investment schedules, individual account balances and market yield. Market yield on the portfolio increased slightly to 42 basis points.

Treasurer Ellsworth noted that year to date cash and investments has decreased by \$12M. Operating activities increased cash flows by approximately \$2.2M due mainly to the timing of receivables collected and higher purchased water rates. Sales tax collections increased cash receipts by \$33M. Debt Service and Capital payments year-to-date were just over \$47M.

Treasurer Ellsworth stated that all targeted reserve levels were met or exceeded. Total debt outstanding was approximately \$70M.

General Manager Spatz added that the Operating reserve target was set for April 30, 2014 based on the 2013-2014 budgeted amounts. He also added that the new Revenue Bond outstanding balance will decrease on a monthly basis due to the new payment schedule.

Commissioner Pruyn asked if the account balance represented the entire year's payments. General Manger Spatz informed him that the account contained only the current month's payment and one additional month's payment.

Commissioner Russo arrived at 6:11 p.m.

### **Financial Statements – April 2013**

Treasurer Ellsworth provided the Committee with a summary of the April Financial Statements. Year to date water sales were at 6.3% over the prior year. Sales Tax collections have continued to trend positively over the prior year.

Commissioner Suess asked what the sale tax projections are for the upcoming year. General Manager Spatz informed him that the Sales Tax projection has remained the same as the previous year projected totals.

Commissioner Pruyn stated he felt the reserve accounts requirements and balances were reported in a somewhat confusing manner and requested the targeted account balances also be added to the report. Treasurer Ellsworth reported that he had previously discussed this with Financial Administrator Peterson and they will find a better solution.

Revenue over expenditures equaled nearly \$19M as of April 30, 2013 driven by stronger-than-anticipated water sales, sales tax revenue and lower operating expenditures.

Commissioner D. Loftus and Commissioner M. Scheck left the meeting at 6:20 p.m.

Commissioner Russo asked about the total legal budget for the upcoming year. General Manager Spatz informed him that it was approximately \$200,000; he also informed the Committee that some of the Commission's legal expenses are reimbursable. Commissioner Janc requested that these reimbursable expenses be broken out in a separate line item going forward. Discussion regarding the proper way to account for these reimbursable charges ensued. Commissioner Suess further requested that staff prepare a quarterly report highlighting legal fees by project and whether they will be charged against the Commission budget or reimbursed from other agencies.

Financial Administrator Peterson arrived at 6:30 p.m.

**Investment Review**

Jeff Schroder from PFM gave a Committee a brief overview of the markets current economic conditions. He also updated the Committee on the Commissions current portfolio position and reported the Commission was currently earning approximately 46 basis points on it investments, compared to the Illinois Fund return of approximately 1 basis point.

**O-3-13**

Commissioner Russo moved to recommend to the Board an Ordinance Amending the \$40M Taxable Debt Certificate Series 2010 of the DuPage Water Commission, Counties of DuPage, Cook, and Will, Illinois Pursuant to Agreement with the Original Purchaser (Northern Trust Company). Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

**R-16-13**

Commissioner Pruyn moved to recommend to the Board a Resolution Authorizing the Redemption of the West Suburban Second Amendment and Extended 2009 Debt Certificate and Authorizing and Directing the use of General Account Balances for the Payment Thereof (\$3M). Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

**Election of Interest Period under Northern Trust Certificate of Debt**

Treasurer Ellsworth stated that the Libor rate for one month is 0.198% similar to last month.

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

All voted aye. Motion carried.

General Manager Spatz left the meeting at 6:35 p.m.

**Accounts Payable**

Treasurer Ellsworth presented the Accounts Payable to the committee members. The numbers below were to be presented in the General Meeting.

April 9, 2013 to May 7, 2013

\$ 5,997,215.60

<u>Estimated</u>	<u>\$ 805,040.00</u>
Total	\$ 6,802,255.60

Commissioner Russo moved to recommend the presented accounts payable amounts to the General Board. Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

**Other**

None

**Adjournment**

Commissioner Pruyn moved to adjourn the meeting at 6:55P.M. Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.