

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, OCTOBER 15, 2015
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 5:48 P.M.

Committee members in attendance: P. Suess, R. Gans, J. Pruyn (arrived at 5:53 P.M.), and J. Zay

Committee members absent: D. Russo

Non-Committee members in attendance: R. Furstenau

Also in attendance: J. Spatz, C. Peterson, R. Jones from Gorski & Good, LLP, and M. Nugent from Nugent Consulting

Minutes

Commissioner Gans moved to approve the Minutes of the Regular Committee Meeting of September 17, 2015 of the Finance Committee. Seconded by Chairman Zay and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

IMRF Unfunded Actuarial Accrued Liability

General Manager Spatz noted that a board member at the prior month's meeting asked about the Commission's unfunded pension liability. General Manager Spatz then stated that although the pension is nearly 100% funded on a market basis, there is still an unfunded liability. Therefore, he met with a representative from IMRF again to discuss any benefits to reducing the Commission's unfunded liability. The representative discussed the pros and cons, which included a reduction to the percentage charged to the Commission related to interest expense on the liability in future years. A discussion regarding whether to pay the unfunded portion and if so over what time period. The decision was made to have Commission staff bring forward a request to be voted on at the next meeting to pay down in full the unfunded liability in December 2015.

Commission Furstenau left the meeting at 5:54 P.M.

Subsequent Customers

General Manager Spatz stated that of the four subsequent customers, two customers are moving forward to make additional principal payments in December. The other two have chosen not to make any accelerated payments in 2015. General Manager Spatz

and Robin Jones of Gorski and Good, LLP also discussed with the committee the customer agreements, the Water Act of 1985, and other topics related to water sales and purchases within the county.

General Manager Spatz left the meeting at 6:07 P.M.

Property and Liability Insurance

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

Before the vote was called, Chairman Sues 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

Pollution Insurance

Chairman Zay moved to recommend purchasing the pollution insurance coverage as proposed by AJ Gallagher Risk Management. Seconded by Commissioner Gans.

Before the vote was called, Chairman Sues 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

Approval of Reconciliations

Commissioner/Treasurer Pruyn stated that he had reviewed and approved the journal entries and bank reconciliations for the month of September 2015. It was noted that the new Treasurer, Bill Fates, was approved by the County Board in October and came in with Commissioner/Treasurer Pruyn to review September's activity.

Treasurer's Report – September 2015

Commissioner/Treasurer Pruyn reviewed the written summary of the September Treasurer's Report. Cash and Investments were \$114.0M. Over the past five months the Commission's cash and investments increased a total of \$14.5 million.

Market yield on the portfolio was at 85 basis points, a slight increase from the prior month. The portfolio was showing unrealized gains of \$414,419 compared to unrealized gains at the prior year end of approximately \$215,000.

Commissioner/Treasurer Pruyn detailed the \$14.5M increase year-to-date on the Statement of Cash Flows. He stated that all targeted reserve levels were met or exceeded targets. He concluded noting that there was \$7.2 million of debt outstanding at September 30, 2015.

Financial Statements – September 2015

Financial Administrator Peterson provided the Committee with a summary of the September Financial Statements. She noted that for the first five months of the fiscal year, revenues exceeded expenses ahead of budgeted seasonal expectations, even as water sales were below budget by nearly 4%. An offset to the water sales being down is that water purchases were approximately 5% below budgeted seasonal expectations.

Sales Tax collections were higher than prior year revenue amounts by approximately 5% in September. Cumulatively Sales Tax collections as of September 30, 2015, were approximately \$359,000 over the prior year.

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

Financial Administrator Peterson noted that cash balances were up compared to prior year by nearly \$29M. Receivables were slightly higher compared to prior year due to higher water sales. Debt has declined by \$20M compared to prior year balances at September 30th.

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 8, 2015 to October 6, 2015 | \$9,370,472.57 |
| <u>Estimated</u> | <u>\$1,684,550.00</u> |
| Total | \$11,055,022.57 |

Other

None

Adjournment

Commissioner Gans moved to adjourn the meeting at 6:15 P.M. Seconded by Commissioner Zay and unanimously approved by a Voice Vote.

All voted aye. Motion carried.