

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, NOVEMBER 19, 2015
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 5:54 P.M.

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

Committee members absent: R. Gans

Non-Committee members in attendance: None

Also in attendance: J. Spatz and C. Peterson

Minutes

Commissioner Pruyn moved to approve the Minutes of the Regular Committee Meeting of October 15, 2015 of the Finance Committee. Seconded by Chairman Zay and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Worker's Compensation Insurance

General Manager Spatz noted that final numbers were just received due to adjustments and the amount totals \$89,828 for the calendar year, which is lower than last year. Main drivers of the decrease were the reclassification of two people and fewer claims.

Commissioner Pruyn made a motion to recommend purchasing the worker's compensation coverage from Illinois Public Risk Fund as proposed by Arthur J. Gallagher & Co. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried

IMRF Unfunded Actuarial Accrued Liability

General Manager Spatz reviewed the directive from last month's meeting to bring to the Board a request to pay down in full the unfunded pension liability of the Commission of approximately \$1.3 million in December 2015. He described that the reduction in liability will reduce interest costs and employer rates in future years.

Commissioner Russo made a motion to recommend the authorization of the payment of the unfunded actuarial accrued liability balance per IMRF for the Commission. Seconded by Commissioner Pruyn and unanimously approved by a Voice Vote.

All voted aye. Motion carried

Approval of Reconciliations

Commissioner Pruyn stated that Treasurer Fates had reviewed and approved the journal entries and bank reconciliations for the month of October 2015 per his report.

Treasurer's Report – October 2015

Commissioner Pruyn reviewed the written summary of the October Treasurer's Report prepared by Treasurer Fates. Cash and Investments were \$119.4M. He described by account the Commission's cash and investments increase of \$19.9 million over the past six months.

Market yield on the portfolio was at 83 basis points, a slight decrease from the prior month. The portfolio was showing unrealized gains of \$201,803 compared to unrealized gains at the prior year end of approximately \$215,000.

Commissioner Pruyn detailed the \$19.9M 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 \$6.3 million of debt outstanding at October 31, 2015.

Financial Statements – October 2015

Financial Administrator Peterson provided the Committee with a summary of the October Financial Statements. She noted that for the first six months of the fiscal year, revenues exceeded expenses ahead of budgeted seasonal expectations, even as water sales were below budget by nearly 2%. An offset to the water sales being down is that water purchases were approximately 3% below budgeted seasonal expectations.

Sales Tax collections were higher than prior year revenue amounts by approximately 5% in October. Cumulatively Sales Tax collections as of October 31, 2015, were approximately \$526,000 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 \$38M. Receivables were slightly higher compared to prior year due to higher water sales. Debt has declined by \$13M compared to prior year balances at October 31st.

Commissioner Pruyn asked for an overview of the budgeted water sales in the current fiscal year versus the prior year actual numbers. General Manager Spatz reviewed that budgeted water sales are based off of the original rate model done a few years ago and account for an approximate 2% decline in water sales each year. Current water sales were up versus last year due to the low water sales the Commission had experienced through first six months in fiscal 2014-2015.

Subsequent Customers

General Manager Spatz stated that the Commission received the signed amendment from one the subsequent customers and that two of them are still planning on making prepayments in December 2015. The other two have chosen not to make any accelerated payments in 2015. Chairman Suess asked about the amounts to be expected and General Manager Spatz outlined the amounts from each of the two that are expected to pay in December 2015.

Accounts Payable

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

October 7, 2015 to November 10, 2015	\$10,169,795.26
<u>Estimated</u>	<u>\$2,547,725.00</u>
Total	\$12,717,520.26

Other

General Manager Spatz and the Finance Committee discussed the option to possibly review further at the next meeting the idea of refinancing current debt outstanding or to just continue to pay debt down as scheduled. The general consensus was to continue pay debt as originally scheduled for now without further discussion.

Adjournment

Commissioner Russo moved to adjourn the meeting at 6:13 P.M. Seconded by Commissioner Pruyne and unanimously approved by a Voice Vote.

All voted aye. Motion carried.