

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, NOVEMBER 21, 2013
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 6:10 P.M.

Committee members in attendance: C. Janc, J. Pruyn, D. Russo, and J. Zay (arrived at 6:12 P.M.)

Committee members absent: P. Suess

Non-Committee members in attendance: None

Also in attendance: J. Spatz, C. Peterson, T. McGhee, D. Ellsworth and representatives from PFM and Nugent Consulting

Minutes

Commissioner Janc moved to approve the Minutes of the Regular Committee Meeting of October 17, 2013 of the Finance Committee. Seconded by Commissioner Russo 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 October.

Treasurer's Report – October 2013

Treasurer Ellsworth provided the Committee with a summary of the October Treasurer's Report. He noted on page 1 of the report that cash and investments increased slightly from last month to \$68.5M.

Treasurer Ellsworth discussed the detailed investment schedules, individual account balances and market yield. Market yield on the portfolio increased to 48 basis points. He stated that the fair value of the investment portfolio is \$100,400 below amortized cost.

Treasurer Ellsworth noted that on the Statement of Cash Flows the year to date cash and investments has increased by \$3.5M. He stated that all targeted reserve levels were met or exceeded targets. Treasurer Ellsworth finally noted that outstanding debt now totals \$53M, a decline of \$1.2M from last month.

Financial Statements – October 2013

Financial Administrator Peterson provided the Committee with a summary of the October Financial Statements. She noted that water sales remained slightly ahead of seasonal budgeted expectations.

Sales Tax collections were approximately 3.5% higher than October 2012. Cumulatively Sales Tax collections were approximately \$871,000 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 although cash balances are down slightly compared to prior year by \$6.1M, but approximately \$7.2M was being held for principal and interest payments at October 31, 2012 compared to just over \$1M at October 31, 2013.

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General Manager Spatz noted the Committee's desire to be conservative while making debt payments when recommending the \$7M payment. He then stated that the balance of the reserves are higher as of October 31, 2013 than they were at July 31, 2013 when a \$5M debt payment was recommended and authorized.

Chairman Zay moved to recommend to the Board a Resolution authorizing and directing the use of General Account balances for the payment of debt service on the Northern Trust Certificate of Debt. Seconded by Commissioner Russo and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Property and Liability Insurance

General Manager Spatz and Commissioner Pruyn discussed and reviewed the replacement coverage policy briefly. Chairman Zay and General Manager Spatz recommended reviewing with the City of Chicago the insurance coverage on the Lexington properties once title has been transferred.

General Manager Spatz and Mr. McGhee left the meeting at 6:21 P.M. and 6:22 P.M., respectively.

Workers' Compensation and Employer's Liability Insurance

Michael Nugent from Nugent Consulting discussed the reasons for the Commission to maintain coverage through the Illinois Public Risk Fund. He also noted that the coverage has performed well for the Commission over the past few years and premiums have remained fairly stable.

The overall policy only increased slightly and the amount to be recommended to the Board is \$81,000 to account for a full years cost.

Commissioner Russo moved to recommend approval of the Workers' Compensation Insurance coverage through the Illinois Public Risk Fund to the General Board. Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Election of Interest Period under Northern Trust Certificate of Debt

Financial Administrator Peterson stated that the Libor rate for one month is just below 0.17%, down slightly from 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 Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

Chairman Zay left the meeting at 6:26 P.M.

Investment Review

Jeff Schroeder from PFM gave a Committee a brief overview of the markets current economic conditions. He also updated the Committee on the Commission's current portfolio position. Commissioner Russo asked for further detail on the impact of lengthening the duration of the investments in the various accounts. It was decided that further discussions regarding account balances and the investment policy would be scheduled for upcoming meetings.

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 6, 2013 to November 11, 2013	\$6,765,507.68
<u>Estimated</u>	<u>\$8,050,109.00</u>
Total	\$14,815,616.68

Other

None

Adjournment

Commissioner Janc moved to adjourn the meeting at 6:58 P.M. Seconded by
Commissioner Pruyn and unanimously approved by a Voice Vote.

All voted aye. Motion carried.

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