

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, DECEMBER 19, 2013
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

The meeting was called to order at 6:02 P.M.

Committee members in attendance: C. Janc, J. Pruyn, D. Russo (arrived at 6:08 P.M.), and J. Zay

Committee members absent: P. Suess

Non-Committee members in attendance: None

Also in attendance: J. Spatz, C. Peterson, T. McGhee, and D. Ellsworth

Minutes

Commissioner Janc moved to approve the Minutes of the Regular Committee Meeting of November 21, 2013 of the Finance Committee. Seconded by Chairman Zay 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 November.

Treasurer's Report – November 2013

Treasurer Ellsworth provided the Committee with a summary of the November Treasurer's Report. He noted on page 1 of the report that cash and investments increased from last month to \$71.0M.

Treasurer Ellsworth discussed the detailed investment schedules, individual account balances and market yield. He noted that the debt payment of \$7 million approved in November's meeting was made on December 2, 2013. Market yield on the portfolio remained stable at 48 basis points. He stated that the fair value of the investment portfolio is \$38,466 above amortized cost.

Treasurer Ellsworth noted that on the Statement of Cash Flows the year to date cash and investments has increased by \$6.1M. He stated that all targeted reserve levels were met or exceeded targets. Treasurer Ellsworth finally noted that outstanding debt now totals \$51.9M, a decline of \$1.1M from last month.

Financial Statements – November 2013

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

Sales Tax collections were approximately 8.9% higher than November 2012. Cumulatively Sales Tax collections were approximately \$1.1 million 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 down compared to prior year by \$6.4M. However, approximately \$7.1M was being held for principal and interest payments at November 30, 2012 compared to just over \$1M at November 30, 2013.

Investment Policy and Reserve Accounts

General Manager Spatz noted that the staff has informed PFM to adjust investment trends to better match the goals within one of the reserve accounts. In planning for the sun setting of the sales tax revenue, which currently funds the Commission's capital program, General Manager Spatz noted that he would be making a recommendation to the Finance Committee to establish a capital reserve account. However, this recommendation would not be made until after the debt certificates are fully repaid and a condition assessment of the Commission's assets has been completed. Commissioner Russo asked if this would be in addition to the long term capital reserve account and General Manager Spatz replied yes.

A general discussion was then had regarding the possible goals of the various reserve accounts and what the impact could be to the Commission's cash flows once sales tax revenues are no longer being received. The Committee agreed to review possible changes to the reserve policy later this fiscal year or early next fiscal year.

General Manager Spatz and Mr. McGhee left the meeting at 6:25 P.M.

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%, similar to the prior 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.

Accounts Payable

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

November 12, 2013 to December 10, 2013	\$6,007,642.96
<u>Estimated</u>	<u>\$1,123,522.00</u>
Total	\$7,131,164.96

Other

None

Adjournment

Chairman Zay moved to adjourn the meeting at 6:27 P.M. Seconded by Commissioner Janc and unanimously approved by a Voice Vote.

All voted aye. Motion carried.