

**MINUTES OF A MEETING OF THE
FINANCE COMMITTEE
OF THE DUPAGE WATER COMMISSION
HELD ON THURSDAY, JUNE 23, 2011
600 EAST BUTTERFIELD ROAD
ELMHURST, ILLINOIS**

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

Committee members in attendance: P. Suess, C. Janc J. Pruy and D. Russo.

Committee members absent: J. Zay (*ex officio*)

Also in attendance: J. Spatz, T. McGhee, J. Nesbitt, N. Narducci, V. Hellenbrand, and N. Cavaliere.

Minutes

The committee accepted the minutes for Regular Committee Meetings of March 17, 2011, April 21, 2011, and May 19, 2011.

Approval of Reconciliations

Mr. Cavaliere stated that Baker Tilly reviewed the reconciliations. Treasurer Narducci was given the reconciliations to review and sign while the meeting continued.

Ordinance No. O-13-11

Commissioner Janc was concerned with the following statement in the Request for Board Action: 'Although the Staff Attorney disputed the Commission's authority to make such a grant, others have assumed that authority is implicit in the general contracting authority granted to units of local government.' He inquired what 'others' was referring to. General Manager Spatz stated that 'others' was referring to other municipalities or units of government.

The committee members asked what Staff Attorney Crowley meant by the following statement: '...the lease provides that the Commission is granting a purchase money security interest in the copiers to KMBS.' At this point, the Commissioners requested Staff Attorney Crowley to attend the meeting to address this statement.

Chairman Suess asked why staff did not bid this contract. General Manager Spatz stated that staff looked at the three biggest copier companies and Konica Minolta came in lower than joint purchasing. He added that while getting quotes the two other companies both had started with an associate and by the time the quotes came, there was someone else that was working on staff's quotes. He stated that the associate at Konica Minolta has been at the company for fourteen years. He added that if staff was

not specific enough with the bidding requirements then a new machine may not be provided.

Commissioner Russo asked if toner was included with the contract. General Manager Spatz replied in the affirmative and added that scanning is free as well as other measures to make sure paper is not wasted. He added that as staff scan cards will be required anytime copies/scans/certain print jobs need to be made. He also added the printers are set to default black and white. He continued by stating that black and white has additional savings versus color and this should reduce the amount of copies.

At this time Staff Attorney Crowley entered the meeting. She stated the following with respect to the copier contract: the Commission is not granting security interest, that Konica Minolta is taking the risk, and that by signing the contract the security interest is not enforceable. She added that they were given the case log and it was disclosed. At this time Staff Attorney Crowley left the meeting.

Chairman Suess asked if the committee was in agreement with the ordinance. They all responded aye.

Treasurer's Report – May 2011

Mr. Cavaliere provided the Committee with a synopsis of the May Treasurers reports (A, B, and C). There was a brief discussion in regard to the format of future Treasurers Reports. Mr. Cavaliere stated that staff and Baker Tilly are meeting with Incode developers in July for training and customization.

There was also a brief discussion of cash flow analysis, interest rates, electronic banking, and the public funds investment act.

Financial Statements – May 2011

Mr. Cavaliere provided the Committee with a synopsis of the May Financial Statements.

Discussion items

- a. West Suburban Bank Debt Repayment \$8,000,000 June 21, 2011

The \$8,000,000 payment was made to West Suburban Bank on June 21, 2011.

- b. Baker Tilly Update

Some items that were discussed regarding the Baker Tilly update were:

- Automating accounting processes.
- Interfacing the Commission's work order system, Infor, with Incode.
- Baker Tilly's documentation of the Commission's accounting procedures relating to the Jenner and Block report.
- Baker Tilly's process for electronically reviewed documents
- Receipt of the auditors' final report.
- Statute relating to recent amendments to the Water Commission Act regarding internal control procedures is not clearly defined. Baker Tilly will review issues identified by the external auditor once their report is issued and provide recommendations to address any findings..

- Secretary of State Local Records Act for destroying documents and the Commission's document retention policy.
- The Baker Tilly update worksheet is a living document and items can be added.

c. Budget Appropriation Ordinance Hearing July 21, 2011

General Manager Spatz stated that the settlement with 75th and Washington payment will need to be added to the budget. He added that if it is settled before July, it will have to be taken out of the contingencies. Manager of Water Operations McGhee added that there can be changes to the budget up to the July 21, 2011 approval.

Accounts Payable

Mr. Cavaliere stated that the check register was present at the meeting if anyone wanted to review it.

May 11, 2011 – June 14, 2011	\$ 4,605,059.28
<u>Estimated</u>	<u>\$ 1,059,100.00</u>
Total	\$ 5,664,159.28

OTHER

At this time, Treasure Narducci stated that the Reconciliations were all approved. He added that he would like to look at a number of items to better understand the Commission's accounting processes. He stated that the Commission has straighter mains then where he previously worked as well as different reporting measures.

Chairman Suess asked Treasurer Narducci to put together a list of projects for the Committee.

Manager of Water Operations McGhee stated the audit report from Sikich LLC should be ready for the Committee's review by the July meeting. He added that staff has started on the RFP for an auditing service engagement for FY2012, FY2013 and FY2014. He stated that Sikich LLC will be invited to respond to this RFP as their work has been completely satisfactory and the Commission has no formal policy to rotate audit firms.

Chairman Suess asked if there was an update on Downers Grove's repayment. Manager of Water Operations McGhee stated that it will be addressed at the meeting.

ADJOURNMENT

The meeting was adjourned at 6:57 P.M.