

**Lakeway MUD Finance Committee
June 3, 2014 Meeting Minutes**

Members in Attendance:

Lawrence Christian (Vice Chair), Kay Andrews (Board Liaison), Earl Foster (General Manager), Bill Cobb, Vince Maggio, Hal Hirsch (Secretary)

Action Items:

- Vince Maggio will announce the Finance Committee opening at the June 4 Lakeway Men's Club Meeting to see if we can get a new member / volunteer who receives a water bill via LMUD.
- Earl Foster will do more research and possibly Capitalize roughly \$15K of the Meters and Testing expenses of \$20K in April.
- Earl will continue working both with TCEQ on reduction of the Cedar Tract requirement and the "firm reuse" customers on their associated contract provisions.

Committee Discussion:

- With Larry Burmeier's successful campaign and subsequent appointment to President of the LMUD Board [Congratulations], the Finance Committee has an opening.
- Lawrence Christian, former Vice Chair of the Finance Committee will now act as the Chair. Vince Maggio is the Vice Chair also pending a possible Committee election in the future. Elections can await the full complement of committee membership.
- The other members of the Finance Committee expressed their desire to remain on the committee.
- Kay Andrews is now the Vice President of the LMUD Board [Congratulations], and will continue as the liaison to the Finance Committee.
- Earl presented a timeline for preparation of the 2015 Budget and subsequent Tax Rate. The Finance Committee is expected to finalize the 2015 Budget at the August 5th meeting and the Budget will go to the LMUD Board on August 13th.
- As requested, Earl prepared a summary of the Debt Service. The good news is that there is a drop in Principal and Interest from \$3.5 Mill in 2015 to \$2.1 Mill in 2016 with more modest ensuing annual reductions.
- Bill raised points and discussion about truck replacement. Earl stated a desire to trade-in the old trucks rather than going through a local sale process.

Review of Financials:

- April, which was the seventh month of the Fiscal year, had revenues of \$129K which were \$16 K below Plan. April Expenses were \$290 K which was \$22K above plan. April Net loss of \$161K was \$38K worse than Plan. There is a potential for a credit of \$15K per the action item above.
- Through seven months, Revenue is \$2497K which is \$85K worse than Plan and \$267K below last year at this point. YTD Expenses of \$1881K are \$57K better than Plan and \$27K below last year through seven months. The Net YTD positive position is \$616K which is worse than Plan and 2013 YTD by \$28K and \$294K respectively.
- Earl answered many questions about the variances associated with individual line items.

Next Meeting:

Tuesday July 1, 2014 at 3:00PM

Hal Hirsch (Secretary)