

Lakeway Municipal Utility District

Minutes of Finance Committee Meeting

September 1, 2015

- **Attendees:** Lawrence Christian - Chair, Vince Maggio - Vice Chair, Bud Wellborn, Hal Hirsch – Secretary, Earl Foster - LMUD General Manager.

Absent: Bill Cobb, Kay Andrews - LMUD Board Liaison

- **2015 July YTD P&L** was \$19K favorable to Net Plan, Before Bond and Capital Transactions, thanks to Expenses at \$208K below Plan. July, which is month 10 of Fiscal year 2015, was a Revenue Month and YTD Revenue was \$189K below Plan.

With the return to twice a week watering, and continued expense management, we project achievement of the 2015 Plan, a noteworthy accomplishment by the LMUD personnel.

Through July, that net result brings the LMUD to 1.5% Favorable to Plan*. Given the drought challenges, this is strong performance, especially with another year of Expense Control:

July 2015 Fiscal Year to Date (\$000)

	<u>Actual</u>	<u>Fav / (Unf) Plan</u>	<u>Fav / (Unf) 2014 YTD</u>	<u>Memo: Full Year 2015 Plan</u>
Revenue	\$3954	\$(189)	\$(180)	\$5125
Expenses	<u>2697</u>	<u>208</u>	<u>8</u>	<u>3520</u>
<i>Net Revenue / (Loss)</i>	<u>\$1257</u>	<u>\$19</u>	<u>\$(172)</u>	<u>\$1605</u>

* \$1257 / \$1238 = 101.5%

Earl explained a number of the individual P&L line items and the causals for variances to Plan and Prior Year.

- We reviewed the LMUD Investment Policy and concluded that we will need two **Investment Officers** prior to concluding the project to invest more funds outside of TexPool.
- The Committee unanimously concurred that PMB Helin Donovan, CPA, should be retained for the upcoming **Annual Audit**, consistent their experience, ongoing support, and pricing.
- Earl has an action item to determine if the **2013 Series Bonds** are Callable.
- We reviewed the **Current Cash Position**. While the majority of the funds are in TexPool, there is roughly 255,000 in operating funds at Chase Bank.
- The Finance Committee concurred with Earl's recommendation to **move \$40K of Capital** from the B4 Barge Hose project, which is no longer necessary due to the rise in Lake Travis levels; and use those funds instead for capitalized Building Repairs which are needed.

We also concurred in the recommendation to **fund an additional \$21.5K** for the year to eventually repaint the Elevated Storage Tanks. This is an in-house account to be sure that funds are set aside for the eventual repainting, and also based on the strong financial performance that allows these discretionary funds to be available in 2015.

Both these items are slated for the next LMUD Board Meeting for implementation.

- We discussed an **HMO alternative** for the future but will need further conversation with the APC Committee and the Insurance Advisor. The LMUD would not be able to offer both an HMO and a traditional Health Insurance alternative simultaneously so this appears doubtful for implementation.

Our next Finance Committee Meeting is **Tuesday, October 6th at 1:30 PM.**