

Lakeway Municipal Utility District

Finance Committee

Meeting Minutes

Tuesday December, 6 2016

- **Attendees** were Vince Maggio, Bill Cobb, Ann Smith, Hal Hirsch, Earl Foster (GM) and Lawrence Christian (Board Liaison). Only absentee was Bud Wellborn who was on a trip and could not attend this recently added meeting.
- October was month 1 of Fiscal Year 2017. The **P&L Plan** is set for Full Year but the monthly calendarization is not yet final. October, which was not a billing month, had Revenue of \$74 K which was \$18 K less than October 2015. Expenses of \$266 K were \$44 K below 2015, primarily related to two pay periods falling into this October vs. three employee pay periods in October 2015.
- With an **Additional \$1 M Invested Outside of Texpool**, LMUD now has \$3 M invested. There are \$2 M in the CDARS program and \$1 M with Financial Northeastern Companies (FNC). Maturities vary from 6 months to 2 years and interest rates vary from 0.065% up to 1.15 % per year for the 2 year investment at FNC. At this time the FNC rates are more favorable than the CDARS rates. Investing activity will continue with LMUD Board approval for an additional \$1 M slated for FNC. The interest rate environment is improving and as these initial investments mature their reinvestment is going out 2 years to achieve maturities laddered for each month and improving average returns.
- Our **Employee Recognition** discussion resulted in a 4-0 vote to recommend \$200 HEB Gift Cards for each employee. This 'Thank-you' award is for the continued outstanding expense control; and consistent with rate and tax reductions for the customers. Our desire is not to set a precedent since future financial performance is unpredictable. Vince will present this recommendation at the Dec. 14th LMUD Board meeting.
- We reviewed the **Cash on Hand** and will discuss the recommendation for better labeling at our January meeting. This recommendation was requested by the LMUD Board.
- The **Billing Software Conversion** is on track for a parallel run with the existing system in February 2017. Auto Pay customers will need to resubmit their credit card data.
- **Next Finance Committee Meeting** will be Tuesday, January 10th at 1:30.

PS

Happy 90 years and 1 month to Bill Cobb!