

**Lakeway MUD Finance Committee
Meeting Minutes
September 4, 2018**

Members in **Attendance**: Vince Maggio (Chair), Bud Wellborn (Vice Chair), Bill Cobb, Ann Smith, Hal Hirsch (Secretary), Lawrence Christian (Board Liaison), Earl Foster (General Manager); Absent: None

We will be going to “**Boardbook**” in the future. This will reduce paper copies. We will receive messages to access via our home PC’s and share LMUD Chromebooks with other LMUD Committees during our meetings with Earl.

We reviewed the **July Year to Date P&L Performance** which is:

	LMUD P&L			
	Jul YTD (Fiscal Month 10)			
	(\$ Mill)			
		Fav / (Unf)	Fav / (Unf)	Memo:
	Actual	Plan	2017 YTD	FY 2018 Plan
Revenue	\$4.4	0.2	0.1	\$5.1
Costs & Expenses	<u>2.9</u>	-	<u>(0.1)</u>	<u>3.7</u>
Net*	<u>\$1.5</u>	<u>0.2</u>	-	<u>\$1.4</u>

* Before Bond Payments & Capital

Earl responded to our questions regarding specific areas and variances. Earl will explore better ways to approach **fuel purchases** to potentially reduce that expense.

The P&L will change slightly after September when the final review of the Out of District Wastewater revenue and expenses are further reassigned to the project. At this point \$53 K has been reassigned and no longer on the P&L data summarized above.

We discussed the **Draft 2019 Revenue, Expense and Tax Plans**. Labor reflects a 3% average merit raise with the precise allocation based on employee performance. Health Insurance increased 7.1% partially offset by the employee contribution increasing from \$25 / month to \$30. The policy is via United Healthcare and the LMUD cost will increase by \$13 K for fiscal 2019. LMUD’s 2019 Expenses are slated to increase 5% including the hires for the Out of District Wastewater project while Revenue is projected flat with 2018.

Last year the average home had a taxable value of \$427.7 K and the tax rate was \$0.1258 / \$100. The projection for 2019 is average taxable value of \$446.6 K and the LMUD Tax Rate will drop to \$0.1158 / \$100 of assessed value. The Average home will see a 3.9% reduction in their tax bill from \$538 last year to \$517 in the next cycle. This trend continues modest past reductions and partially reflects the recent refinancing of the 2009 issued Bond debt.

The **Annual Financial Audit** should begin shortly after the Fiscal Year closes on September 30th. Earl provided us three vendor proposals. The committee recommends staying with PMB Helin Donovan but only for one more year and then exploring vendors starting in early 2019.

Next Finance Committee Meeting: Tuesday October 2nd at 1:30