

**Lakeway Municipal Utility District
Finance Committee
Meeting Minutes
July 20, 2021**

Attendees: Vince Maggio, Chairperson; Bud Wellborn, Vice Chairperson; Bill Cobb; Ann Smith; Hal Hirsch, Secretary; Earl Foster; General Manager; Lawrence Christian, LMUD Board Liaison
Absent: None

Preliminary FY 2022 Budget

The Committee reviewed Earl's Preliminary Budget spreadsheets. The summary is:

LMUD Plan Comparison (\$ M)	FY '20 Plan	FY '21 Plan	FY '22 Prel.
Revenue / Tax	\$ 6.4	\$ 6.7	\$ 6.6
Costs / Expenses / Debt Service	6.3	6.6	6.6
Net (w/o Capital)	\$ 0.1	\$ 0.1	\$ -

Some key discussion takeaways:

- The Budget is roughly flat.
- There are some significant areas to finalize including Merit Raises and Health Insurance for which the current assumptions / placeholders are roughly 3% for each.
- Non-Labor charges for the Out Of District Waste Water (OODWW) project will continue to be charged directly to the Capital Project while OODWW Labor is included in this P&L Summary. For FY '22, the OODWW Expense will exceed its incremental Revenue by roughly \$250 K; of course, the revenue stream continues in the 'out years'.
- Specific projects include a \$20 K increase for IT Services to cover additional Cybersecurity; as well as coverage for a new Billing System which may begin implementation in FY '21.
- There are some risks such as chemical price increases that are currently occurring but the ongoing impact is not known.
- Property Taxes collected from In-District customers are intended to stay flat. Due to the new Assessed Property Valuations, which will not be finalized before this Friday, the Preliminary Budget assumes a rate reduction from \$0.103 to \$0.087 per \$100 of Assessed Property Value.
- This Preliminary Budget review, and our next meeting are in preparation for the Board of Directors Meeting on August 11th.
- We discussed some opportunities to pay for Capital Investments, including future facility expansions, without incurring additional LMUD bond debt.

The **Next Meeting** of the Finance Committee will be **Tuesday August 10th, at 1:30** and will include a second review of the FY 2022 Budget.