

Lakeway MUD

Finance Committee Meeting Minutes

January 13, 2015

Attendees: Lawrence Christian (Chair), Vince Maggio (Vice Chair), Bill Cobb, Bud Welborn, Hal Hirsch (Secretary), Kay Andrews, (LMUD Liaison), Earl Foster, (General Manager)

Absent: None

1. Through November, which was the second month of the 2015 Fiscal year, **Revenue** of \$ 874K is \$14K below Plan but \$84K ahead of this point in 2014.
Through November, **Expenses** of \$593 are \$3K more than 2014 YTD and \$5K above the 2014 YTD comparable level. There is a forthcoming \$25K expense reimbursement from the Distributor for last year's baffle issue that will be applied to help the expense variance plus the possibility of roughly \$5K additional from the Manufacturer.
The **Net Bottom Line** through November is \$281K which is \$17K unfavorable to Plan and \$49K better than November YTD 2014.
2. Earl is looking at the trade in value graph to determine the optimal timing to replace the **Pickup Trucks**. The objective is to find an optimal replacement point from a cost perspective.
3. There were a series of recommended changes to the **Spending and Control Authority Approval Matrix**. References to Office Supervisor and Finance / Accounting Manager were updated along with a more clearly defined set of limits for Non-Budgeted Items to be sure LMUD had both flexibility to act in emergencies and built in controls. Earl is providing us his marked up version which will also reflect Vince's input regarding "Corporate Resolution" to improve controls on banking transactions.
4. The Finance Committee voted unanimously on two separate motions regarding the **Administration / Personnel Committee (APC)**. We do not recommend combining the two committees; however we were in favor of scheduling a minimum of two combined committee meetings per year.
5. The L-5 **Lift Station Propane Generator** is now over 50 years old and needs replacement. There is a key risk to ensure that wastewater is not discharged into Lake Travis. Based on the two bids for this 35KW generator, we recommended an expenditure of \$23K including installation wiring. The E&O Committee has approved the selection and this discussion is tentatively slated for the February LMUD Board meeting. Funding is planned via \$10K of favorable variances on previously approved and completed projects, with the balance of \$13K from the 2015 P&L Plan.

Hal Hirsch, Secretary