

Lakeway Municipal Utility District

Finance Committee

March 2, 2017 Meeting Minutes

- **Attendance**

For the second consecutive meeting, all members were present along with the General Manager and the Board Liaison.

- **Fiscal January YTD P&L**

Based on the financials Earl provided subsequent to the meeting:

Revenue

Through January, which is Fiscal 2017 month 4, Revenue of \$1778 K is \$138 K below plan and \$48 K, or 3% below Jan YTD 2016.

The YTD Revenue includes M&O Tax Revenue of \$134 K, currently ahead of Plan by \$67 K, a timing variance which will not continue to the full year.

Expenses

Expenses of \$1135 K, are less than YTD Plan by \$97 K, partially reflecting a favorable variance on water related variable costs. Through January, Expenses are \$19 K, or 2%, above the January 2016 YTD position.

Net Profit and Loss before Capital and Bond Repayments

LMUD's Net Position prior to Capital and Bond Repayments, of \$643 K, is \$41 K unfavorable to Plan and 10% below the comparable 2016 YTD position. With the summer months ahead of us, this is not a current cause for alarm.

- **New Billing Software**

Committee members were successful in updating their credit card data in the new system. LMUD has negotiated lower credit card processing rates which are now 1.25% vs. the prior 1.75%. Loyd explained the new billing software at the Lakeway Men's Club meeting on March 1st.

We discussed LMUD's next priority of dramatically increasing participation in the credit card and financial draft customers and the potential savings of avoiding the mailing of bills. Once that is accomplished, perhaps a year or more out, then we can consider monthly billing. The key is postage, although the new system avoids the need to send return envelopes to customers on credit card or drafts from checking / savings accounts.

- **Investments outside of TEXPOOL**

There are \$4 M invested against Board approvals of \$4.5 M. Earl provided a new tracking sheet that better highlights maturities. The original 6 month investments come due later in March with added maturities for April. The intent is to reinvest these funds, along with the uncommitted \$0.5 M, for longer maturities to improve returns without tying up funds beyond the dates they will be needed to expand the Sewer Plant to support the Rough Hollow MUDs.

- **Next Meeting.** – Tuesday, April 4th at 1:30