

**Finance Advisory Committee
Minutes –11/2/2022**

Attendees: Mike Albanese (minutes), Bob Dewing, Monica Goscicki, Dan Happer, John Kaplan, Jim Murphy, Chris Richter, Mitchell Stern

Absent: Lauren Barnett

1. 9/7/22 minutes: Approved
2. Q3 Budget review and trust account summary:
 - FAC reviewed activities through Q3 against the current fund, water, and sewer budgets. Specific line items were discussed, with no significant issues identified.
 - Trust, Capital and Reserve account balances at the end of the 3rd quarter were reviewed.
 - The FAC agreed going forward the Borough's tax appeal exposure should be included as part of our quarterly budget and trust account review.
3. Update on Sunset Lake dam construction schedule and cashflow for general capital expenditures:
 - An updated schedule for the dam project was provided and reviewed by FAC, with an overall timeline pushed back from prior assumptions.
 - Project completion is now estimated for April 2024, with construction to begin February 2023.
 - The delayed start date for the dam results in general capital cash balances that remain positive through at least May 2023, likely through the end of summer. FAC will continue to monitor capital expenditures to determine when ordinance financing will be required.
4. Review preliminary projections for year-end fund balance and potential reserve contributions/replenishment:
 - FAC reviewed projections for year-end fund balances through 2025 based on preliminary estimates of annual revenues and expenditures.
 - The group will keep an eye on Unused Fund Balance and the use of surplus anticipated when preparing and reviewing the 2023 budget.
5. Update on new solid waste contract and status of MLPD contract negotiations:
 - Mr. Stern provided a brief update on the new solid waste contract and expected timing to finalize the MLPD contract negotiations.
 - Impacts from the negotiated solid waste contract will be analyzed and included in the 2023 budget.
6. 2023 budget timeline: FAC requested an updated timeline for review at the December 7th meeting (meeting subsequently pushed to January).

7. Updated bond model discussion:
 - FAC is working on an updated bond model that reviews various scenarios of future debt loads. One model would assume future borrowing based on the long-term capital plan, the other with a more conservative approach based on reduced spending.
 - The model will be distributed and reviewed by FAC in future meetings to determine the potential impact on debt load and debt service.

8. Next meeting: January 18, 2023, 7:30pm Zoom mtg.
 - Preliminary budget review
 - Continue to evaluate RUT policy pending solid waste and police contract negotiations
 - Recommendations for reserve replenishment and/or increases – M. Stern, M. Goscicki
 - Continue discussion of updated long-term capital plan and bond model.