

Finance Advisory Committee Minutes – 1/6/2021

Attendees: Mike Albanese (minutes), Lauren Barnett, Bob Dewing, Monica Goscicki, Dan Happer, John Kaplan, Jim Murphy, Khizar Sheikh, Mitchell Stern.

Absent: None

1. Approval of 12/2/20 minutes.
2. Update on New Water Meter Project:

Mitchell Stern provided updated costs for meter replacement options:

- The installation of one new meter for single meter homes is estimated at \$135
- The installation of two new meters for dual meter homes is estimated at \$195 total.
 - It would cost approximately \$2,000 to replumb a dual meter home to a one-meter setup, which is cost prohibitive.

The Committee will revisit this project at a subsequent meeting when time permits.

3. Monica Goscicki and Mitchell Stern provided a first draft of the 2021 Budget to FAC, with a detailed review of projected Revenues and Appropriations:
 - The first draft of the budget in its preliminary form calls for a 3.56% year over year tax increase given the current revenue and appropriation assumptions. This increase does not factor in minor revisions noted by meeting participants to be factored into the next draft.
 - Total Revenues are projected to decline by \$299k net of a \$241k tax increase, primarily driven by:
 - i. \$105k decrease in Surplus Anticipated
 - ii. \$42k decline in UCC Fees (return to historic levels after an increase due to large construction projects in 2020)
 - iii. \$180k decline in prior year water and sewer fund balances (also related to 2020 construction projects)
 - iv. \$225k decline in General Capital Fund Balance revenues
 - Total Appropriations are projected to decline by \$299k due to \$333k reduction in Capital Improvements and \$330k reduction of Bond Principal. These reductions are offset by annual salary increases.
 - Takeaways: FAC agrees to target a 2.0% tax increase vs. the 3.56% outlined in the 1st budget draft. Follow up items to achieve this threshold include:

- i. Review of detailed expense line items to determine if there are any areas that can be reduce. Several areas were discussed with additional feedback to be provide to Monica and Mitchell.
- ii. Potential adjustment to the Surplus Anticipated. This requires further evaluation of expected expense and revenue increases/decreases in future years, including future debt service associated with new bond issuances.

4. Next meeting: Thursday, January 14 at 7:30pm Zoom mtg.

- To Do: 2nd budget review after incorporating discussions from 1/6/21 meeting and the upcoming Borough Council 1/13/21 budget workshop meeting.
- Other business.