

Finance Advisory Committee
Minutes – 11/03/2021

Attendees: Albanese, Barnett, Dewing (minutes), Goscicki, Happer, Kaplan, Sheikh, Stern.

Absent: Murphy

1. Approval of 10/6/2021 minutes: unanimous except for M. Stern who abstained as not being present at the 10/6 meeting.
2. 3rd Quarter budget and trust account review: comprehensive 3rd Quarter reports previously circulated by Monica Goscicki – points noted:
 - Significant amount of delinquent taxes have been paid recently
 - Affordable housing (General Admin) may be up to \$16,400 underbudget,
 - Increased overtime due to police retirements net of compensation savings from new hires plus the associated costs with new recruits will add \$64,000 to the police budget. Monica was confident that this amount can be covered by transfers from elsewhere in the budget,
 - Replenishment of trust account for accumulated leave compensation will need to be reviewed at year end,
 - Percentage revenue collections were in line with previous experience.
3. Review preliminary projections for year-end fund balance and potential reserve contributions/replenishment:
 - Reserves for tax appeals at \$150,000 - \$250,000 was sufficient,
 - Whilst the reserves for capital improvements were well above the \$100,000 target FAC recommended that the excess is retained for prudence in the future,
 - Consider allocation of the windfall MRNA revenues to underfunded reserve accounts and/or to fund a portion of 2022 capital ordinances so as mitigate excessive changes in annual tax rates,
 - Reconsider the magnitude of the unused fund balance utilized in the budget process.
4. Finalize and approve cover memo for 10-year Capital Plan: approved (“Good to go”).
5. Finalize and approve Water & Sewer fund balance target policy: approved.
6. Continue discussion of sewer use and potential alternative billing process: Dan Happer circulated data and a concise financial analysis of a proposal to amend the sewer billing to a single fixed amount per household, reviewed on an annual basis. Advantages (sound budgeting, reduced cash flow volatility, consistency with other Morris County municipalities – 65% use flat rate, reduced need for two meters) and disadvantages (minimum billing increases, smaller homes getting greater increases) were discussed. Further consideration was tabled to the December FAC meeting.
7. Update on current status of gross tax appeals pending/anticipated: no more information available at this time, follow up with Borough Council for budget season Request tax assessor to provide BC/FAC a ‘likely’ case tax appeal amount.
8. 2022 budget timeline: will follow same timeline as last year with a first draft by 12/31.
9. Other business: none.
10. Next meeting: December 1 at 7:30pm, Zoom. Minutes – J. Kaplan.

To Dos:

- *M. Stern to circulate a ‘one-pager’ provisional budget timeline.*
- *D. Happer to circulate a first draft of a sewer billing proposal (talking points) prior to the December FAC meeting.*