

MOUNTAIN LAKES, NJ – FINANCIAL ADVISORY COMMITTEE

MEETING MINUTES

7 SEPTEMBER 2022

Attendees:

Dewing, Chairman
Stern, Borough Manager
Goscicki, CFO
Albanese
Barnett
Dewing
Happer
Murphy, minutes

Absent:

Kaplan
Richter

- Minutes of the last meeting (3 August 2022) approved
- Agenda for 7 September 2022
 1. Approval of August 3 minutes. Minutes for current meeting - J. Murphy.
 2. Water and Sewer current fund balance review and rate discussion. Timing for implementation of flat rate sewer billing and rate determination.
 3. Long-term capital plan update.
 4. Update on Sunset Lake dam construction schedule and cashflow for general capital expenditures. Review timing on resolution for 2022 BAN financing. BAN rate update.
 5. Other business.
 6. Next meeting: October 5 at 7:30pm, Zoom. Minutes - M. Albanese.
 7. To Dos:
 - a. Review preliminary projections for year-end fund balance and potential reserve contributions/replenishment. - November meeting
 - b. Continue to evaluate RUT policy pending solid waste and police contract negotiations - November/December meeting.
- Water & Sewer Fund Balance
 - Water 2022 - 2024: 0% increase based on a review of the key operating assumptions (salary increases, pension contributions and social security annual increase percentages). Fund balance of \$398,000 in 2021 growing to an estimated \$472,500 in 2022 and declining to \$362,600 in 2024. Discussion regarding the installation of new water meters borough wide. Reviewed the proposal of reducing all houses to one meter is very cost prohibitive. We may be able to get the same result with a lower cost by combining the meter data for the homes with two meters.
 - Sewer 2022 - 2024: Rate increase of 2% in 2023 and 2024. See above for operating cost assumption discussion. Fund balance of \$405,000 in 2021 declining to \$347,500 in 2022 and then to \$185,000 in 2024. We anticipate switching to a flat rate billing plan for sewage in the first half of 2023.

MOUNTAIN LAKES, NJ – FINANCIAL ADVISORY COMMITTEE

MEETING MINUTES

7 SEPTEMBER 2022

- 10 Year Capital Plan
 - The 10-year capital plan totals \$19.6 million (-\$2 million per annum on average). The current debt model assumes ~\$0.9 million per annum in capital expenditures over the same timeframe. The model should be updated to reflect the current capital budget.
 - Water line replacement. State mandate to be completed in 10 years (borough and residential lines). When we undertake the meter replacement, we will confirm the current material used in the residential service line. Discussion on cost, timeframe, and construction alternatives for a project of this magnitude (\$8.5 million on a preliminary estimate). Currently testing 20 locations annually to comply with state water testing requirements. We use the same sites every year.
 - The plan is for the committee members to review the budget individually for a discussion at a future meeting.
- Sunset Lake Dam - project likely to shift into 2023. Status of cost estimate reviewed, and budget still considered valid at \$2.1 million.
- Borough Hall Project - timing of future payments discussed relative to the borough's future cash flow projections.
- BAN issuance timing discussion. Likely an end of 1Q 2023 event based on current cash flow forecasts.

Next meeting: Wednesday - 5 October, 7:30pm
 Albanese will record the minutes
 Zoom call will be scheduled