

Finance Advisory Committee
Minutes – 1/16/2024

Attendees: Jim Murphy, Mike Albanese, Lauren Barnett (minutes), Bob Dewing, Monica Goscicki, John Kaplan, Chris Richter, Khizar Sheikh and Mitchell Stern

1. Approval of 11/1/23 minutes: Minutes approved.
2. All Four (4) citizen members have agreed to serve again.
3. 2024 Current Budget review:
 - Monica Goscicki provided fund balances of \$4,125,170 as of 1/1/23 and \$3,661,458 as of 1/1/24.
 - FAC discussed the anticipated surplus of \$1,750,000 presently proposed in the budget and how best to reduce the fund balance with a multi-year plan. Utilizing the \$1,750,000 would result in an estimated unused fund balance of \$1,660,00 at year-end 2024 based on the fund balance forecast model from November 2023 which is about 15% of the current operating budget and above the 7.5%-10% target. This compares to an unused fund balance of approximately \$2,377,000 at year-end 2023 which is 22% of the 2023 operating budget. The committee agreed to recommend increasing the anticipated surplus line item to \$2,000,000. The Fund Balance Forecast model should be updated to give greater clarity on the projected year-end 2024 fund balance.
 - FAC discussed the additional use of unused fund balances to reduce future debt burden such as reducing the BAN principal amount prior to bonding versus applying additional funding to the 2024 budget. No formal recommendations at this time.
 - FAC discussed the BAN principal payment for the incremental Borough Hall and Sunset Dam cost increases and that the 10% annual repayment policy of capital improvements should not apply to these two expenditures given the useful life would exceed 20 years. FAC agreed to recommend reducing the BAN principal repayment by \$180,175 with the principal payments being addressed when we issue another municipal bond in 2025 or 2026.
 - FAC discussed the revenue projected on interest on Investments given the proposed reduction from the actual revenue in 2023. Monica Goscicki will review.
 - FAC discussed the proposed Reserve for Tax appeals and recommended the line item be reduced an additional \$25,000. (\$100k in 2023 to \$50k in 2024)
 - FAC discussed the increase in funding of 9.72% for the Library. It was confirmed that the Library submitted the request.
 - It was noted that the Police salary and wages line item will be increased to account for an additional officer.
 - FAC discussed refining the budget to try to reduce the level of unexpended balances consistently generated over the last several years.
 - Borough management will review all budget line items for potential reductions. Objective to decrease the amount to be raised by taxation.
4. Water and Sewer Budget:
 - FAC deferred the review until the Sewer budget is submitted.
5. Next meeting: January 30, 2024. R. Dewing up for minutes for this meeting.

To Dos:

- M. Stern to circulate updated 2024 budget.
- M. Stern to circulate 2024 sewer budget.
- M. Stern to confirm remaining tax appeal exposure with Tax Assessor and report back to FAC.
- M. Goscicki to update Fund Balance projections.