

**Finance Advisory Committee
Minutes – 02/13/2024**

Attendees: Albanese, Barnett, Dewing (acting chair), Goscicki, Murphy, Sheikh, Stern.

1. Approval of January 30, 2024.
 - Approved unanimously (Albanese abstaining).
2. Budget review and trust account summary.
 - CFO reviewed Q4 budgets for municipality, water, and sewer, as well as reserves for tax appeals and status of water meter project. Discussion of water rates, which have remained flat for two years.
 - Discussion of 2024 introduced budget. Budget flat after amendments recommended by Council.
 - FAC discussed a question from Council as to whether additional surplus should be used. FAC believed that the current anticipated \$2m use of surplus was prudent at this time.
3. Review Surplus Account / Fund Balance Forecast Analysis – if available.
 - Not available for meeting. Postponed discussion to March meeting.
4. Review latest version of current and water budgets.
 - FAC believed that the amounts charged were prudent.
 - Discussion re: capital increases. CFO explained that the Borough needed for emergency. The auditor agreed with the approach and said the amounts could be reviewed and canceled if not needed by year-end.
5. Review 2024 sewer budget.
 - Discussion re: reasons for increases. CFO indicated that there was an increase in charges from Parsippany due to a 6% increase in flow, and a 2% cost increase. Also, the salary line was up 10% due to the reallocation of an employee to the sewer budget to more accurately reflect work responsibilities.
6. Tax appeal status and exposure update.
 - Exposure remains but is decreasing as tax appeals are settled and annual revaluations make risk of appeals lower. There are sufficient reserves to cover. Council will receive a detailed update.
7. 2024 preliminary capital budget review. Review/discuss open capital ordinances.
 - Reviewed capital budget and Council discussion. Council had settled on capital projects list. Appx \$1.3m capital amount is offset by appx \$300k in grants. FAC supportive of outcome in range of \$1-1.1m.
8. Other business.

9. Next meeting: Wednesday, March 6 at 7:00pm, Zoom. Minutes – J. Murphy.

To Dos:

- Update and distribute Surplus Account / Fund Balance Forecast analysis, include dam financing in 2025– M. Goscicki.