

**Finance Advisory Committee**  
**Minutes - 09/05/18**

*Present: Borough Manager: Mitchell Stern, CFO: Monica Goscicki,*

*Members: Dewing, Happer, Holmberg, Kaplan (minutes)*

*Absent: Dodyk, Riccardi, Shepherd*

1. July 11 minutes were approved.
2. Reviewed the water and sewer three-year revenue, expense and fund balance forecasts prepared by M. Goscicki. Based on the analysis, FAC is recommending the following rate adjustment policy: Annual rate adjustments as needed to target year-end fund balances of \$150,000 for the water budget and \$75,000 for the sewer budget. In addition, based on MG's forecasts for 2019, FAC agreed with MG's recommendation for a 2019 rate increase of 3% for water and 15% for sewer.
3. FAC signed-off on following policies and MG will add to the FAC Google drive
  - New issue bond premiums
  - Volunteer Requisitions
  - Fixed Asset Recording
4. MG shared that the execution costs of using the Morris County Improvement Authority's Pooled Bond Program would exceed the interest savings to the Borough. The Authority's ratings are Aaa and Mountain Lake's ratings are Aa1. The program really benefit's municipalities with lower ratings than Mountain Lakes.
5. M. Stern will prepare a timeline for the 2019 budget process and distribute to FAC prior to the next meeting. MS raised the idea of holding two special Borough Council meetings strictly for budget discussion and review. Meetings would include reports by each department head. Each meeting would cover half the budget items.
6. A long-term, low cost state guaranteed loan is available to finance the Sunset dam project. Project cost is estimated at \$2.0 million and project timing is assumed to be 2020. FAC recommended prefunding the capital improvement fund in 2019 with \$50,000 or half of the 5% down payment for the project assuming there are sufficient funds available in the current fund budget to transfer before year-end 2019. The balance of the down payment would be funded in the 2020 capital improvement fund in the current budget.
7. Borough Hall renovations are still in the very early stages; therefore, there is no need to discuss financing at this time.
8. M. Stern intends to use the annual budget process to update the long-range capital plan. Department heads will be responsible for evaluating their current and future capital needs during the annual budget preparation cycle. The needs will be discussed during the department budget meetings and adjustments to the LT plan can/will be made as appropriate.
9. To do list for next meeting:
  - Borough Manager to prepare timeline for 2019 budget process
  - CFO will review Q3 budget progress
10. Next meeting November 7 at 7:30pm in Borough Hall.