

**Borough of Mountain Lakes  
Minutes of Finance Advisory Committee  
Feb 7th, 2018**

Attendees –Monica Goscicki, Dan Happer, David Shepherd, Mitchell Stern, Larry Dodyk and John Kaplan  
Absent – Peter Holmberg, Bob Dewing and Joe Riccardi

1. Review of January meeting minutes
2. Review of 2017 Actual to Budget for the current, water and sewer funds. The CFO noted that because the rate was not changed in the billing system, the sewer budget will operate in a deficit and we will need to address in the 2017 financial statements and the 2018 budget.
3. Reviewed the 2018 DRAFT Budget for the Current, Water and Sewer funds.
  - a. Discussed appropriately funding reserve accounts based on prior years recommendations and current year estimates. Discussed that the Borough should consider allocating some portion or all of the \$355,000 2017 Interfund balance transfers to the Tax appeal and/or storm reserves if the requirements for surplus and RUT are met.
  - b. The current fund appropriations were discussed and the Committee unanimously recommended that the manager work the budget to a number that is closer to inflationary increase in addition to certain uncontrollable increases in areas such as the trash hauler contract, medical and Pension expense.
  - c. There were a number of line items discussed for review further, including but not limited to:
    - Labor and Overtime
    - Engineering Services
    - Police other expenses
    - IT charges
    - Legal Services
4. Discussed the possibility of creating an environmental reserve accounts to be used for issues such as Birchwood lake and the Ash trees that are at risk due to the emerald ash bore.
5. Discussed status of tax appeals, and Committee would recommend Assessor to present update to Council on status of current appeals and 2018 plans for addressing. Also discussed possibility of Borough re-assessment or re-validation.
6. **Next FAC meeting: Tuesday, February 20 at 7:00 pm in Borough Hall**

Follow-ups:

- Mgr and CFO to review potential for environmental reserve account
- Mgr and CFO to review line items to see where further refinements can be made
- Final review of Storm Recovery, Accumulated Sick Leave, Res for Ins Co-Pays, Res for Tax Appeals, Cap improvement fund and ability to utilize the
- CFO to complete a detailed analysis of sewer 2017 and 2018 budget and the relationship to the water budget and actual.