

Finance Advisory Committee
Minutes – 02/03/2021

Attendees: Mike Albanese, Lauren Barnett, Bob Dewing (minutes), Monica Goscicki, Dan Happer, John Kaplan, Jim Murphy, Khizar Sheikh, Mitchell Stern.

1. Approval of 1/14/2021 minutes: unanimous.
2. 4Q2020 Budget review
 - The Planning and Zoning Board's overbudget entry was caused by the unanticipated size and number of applications
 - Spending on street and roads will be increased in the future to make-up for the under-expenditure in 2019 and 2020 caused by environmental factors
 - UNUM (long-term disability) and workmen's compensation refunds were credited to salary and wages overtime as the associated absence invariably resulted in an overtime expense
3. 2021 Budget - 3rd draft review
 - Revisions included all the recent changes requested by Borough Council
 - Taxes to be raised for the municipal budget are forecast to rise by 1% but, because of an increase in the rateable base from additions and new construction, the average municipal residential tax expense is forecast to decrease by 1.7%
 - With the increase in municipal budget taxes being less than inflation the possibility of increasing taxation to track inflation was discussed. The FAC determined that it was more appropriate to focus on forecast needs than inflation
 - The fund balance is forecast to be above the 5%-7.5% target for 2021 but this remains prudent in the current environment with a number of unquantifiable expenses in the immediate future
 - Water and sewer budgets were as expected
4. Capital Budget review
 - The Capital Budget will be reviewed at the February 8 Borough Council meeting with department heads attending to discuss their needs
 - Reconstruction of the traffic lights at the Boulevard and Pocono Road will include new crosswalks and pavements to be ADA compliant. The county will fund approximately 70% of the cost
 - Mitchell Stern pointed out that sharing capital equipment was difficult/impractical in many cases but was being considered for specialist and less frequently used equipment such as vacuum trucks and street sweepers
 - The Borough was encouraged to make sure that there was an adequate running capital budget to ensure that immediate savings were not detrimental in the future
 - The full 10-year capital budget will be available for review by the FAC after the 2021 budget is completed and approved (late March or April)

To Dos:

1. Review of water/sewer alternatives in April
2. Audit review in March/April in sufficient time for bond issuance
3. Complete 2021 capital budget (ordinance and approved) to draft bond schedule
4. Monica to ascertain if Phoenix Advisors mandate include bond structure advice

Next meeting to be March 24th or April 7th depending on availability of auditors for an audit review.