

**Finance Advisory Committee  
Minutes – 10/06/2021**

*Present: Monica Goscicki, CFO; Mike Albanese, Lauren Barnett (minutes), Bob Dewing, John Kaplan, Jim Murphy, Khizar Sheikh*

**1. September 1 minutes**

FAC unanimously approved the September 1 minutes.

**2. Review/discuss draft cover memo for 10-year Capital Plan**

FAC reviewed a draft of the cover memo, noting that the Plan has been renamed “Long-Term Capital Plan.” The committee recommended that language be added to the memo to clarify that the Plan serves as a planning tool but does not represent approved capital expenditures. The Plan will be updated annually as part of the Borough’s budget review and approval process. FAC agreed that Lauren would make edits to the cover memo and recirculate to the committee for approval.

**3. Confirm amount to be reimbursed by Hawkins, Delafield & Wood for costs resulting from error in the July 2020 BAN term, 1-year vs 9.5-mos.**

FAC agreed that the proposed dollar amount to be reimbursed of \$2,400 is correct. The committee appreciates this reimbursement and believes it is fair.

**4. Continue discussion of sewer use and potential alternative billing process. (D. Happer, M. Albanese)**

This discussion was deferred until the November FAC meeting.

**5. Review of Water & Sewer Policy recommendation**

FAC reviewed the following Water & Sewer Policy recommendation:

- **Target Water Operating Fund Balance – 20% of total annual appropriation**
- **Target Sewer Operating Fund Balance – 15% of total annual appropriation**
- Review annually during the budget process and in the context of potential water and sewer rate changes and/or managing any potential larger one-time expenditures.
- Auditor initially recommended setting a specific dollar target of \$200,000 to \$250,000 for each utility. FAC felt these levels were high relative to 2021 appropriations of \$895,000 and \$897,000 for water and sewer respectively. After further discussion, auditor and FAC agreed that using a percent of annual appropriation as a target was more practical and would track with changes in annual

appropriations. The lower target percentage for sewer is due to greater certainty with respect to usage (water usage is more unpredictable because of sprinkler use) and less frequent one-time repair expenses (e.g., water main breaks).

FAC unanimously supported this new Water & Sewer Policy for target operating fund balances, noting that the auditor's original proposal did not represent the best use of Borough taxpayer funds.

#### **6. Update on Current Status of Tax Appeals Pending/Anticipated**

FAC reviewed the status of pending and anticipated tax appeals and discussed whether the committee should play a role in monitoring the aggregate risk exposure to the Borough of tax appeals. FAC will revisit this at an upcoming meeting.

#### **7. Next meeting: November 3, 2021 at 7:30pm, Zoom.**

##### **To Dos:**

- Finalize Long-Term Capital Plan Cover Memo
- Preliminary projections for year-end fund balance discussion at November meeting