

**Finance Advisory Committee**  
**Minutes – 12/01/2021**

Attendees: Barnett, Dewing, Goscicki, Happer, Kaplan (minutes), Murphy, Sheikh, Stern.  
Absent: Albanese

1. Approval of 11/3/2021 minutes
2. B. Dewing, J. Kaplan and J. Murphy confirmed willingness to serve another year on the FAC. Kaplan will remain chairman. M. Albanese also confirmed by email.
3. Continued discussion of potential alternative billing process for sewer. D. Happer circulated additional data as well as a draft discussion item memo for future distribution to BC. The FAC unanimously agreed to the following recommendation:
  - Implement a single fixed dollar sewer rate per household, reviewed on an annual basis. Commercial sewer billing remains linked to water usage.
  - D. Happer to present to BC in February/March.
  - If BC approves, seek to implement change for Q3 2022 billing cycle, otherwise, January 1, 2023.
  - Combine water billing for yard meters into general water billing and eliminate current higher water billing rate for yard meters. Flat sewer rate eliminates the need for homeowners to install a second meter for yard use.

Considerations:

- Flat billing rate facilitates sound budgeting and reduces revenue volatility stemming from partial reliance on outdoor water use which can vary significantly based on seasonal rainfall.
  - 65% of Morris County municipalities use a flat rate.
  - Flat billing rate is simpler than other alternatives considered including our current method and billing based on winter month water usage.
  - Impact on smaller homeowners who are likely to see modest increases in their sewer bills.
  - Potential impact on water conservation, i.e., if sewer is no longer tied to water use, will some residents increase water use? This issue can be mitigated by modifying current tiered water rates, i.e., increase rates for the largest water users.
4. M. Stern noted that the water meter replacement project is expected to commence in June 2022 targeting 90% completed in 4 to 5 months.
  5. M. Goscicki presented recommendations for reserve replenishment/increases:
    - **Reserve for Tax Appeals:** Budget \$100,000 increase in 2022. Request new tax assessor to provide BC/FAC a 'likely' case tax appeal amount sometime in Q1 2022.
    - **Storm Recovery Trust:** Increase with any funds received from FEMA storm applications (timing is uncertain and amounts aren't significant). Transfer any excess 2021 storm fund balances into trust if we don't get any significant storms in December.
    - **Reserve for Liability Insurance:** Remains at target balance.
    - **Reserve for Accumulated Absences:** Balance is currently low given anticipated police retirements in 2021. M. Goscicki to calculate an estimate for future needs prior to year-end. Depending on estimate, the FAC recommended transferring some or all the 2020 police salary and wage budget balance into the reserve.
  6. M. Stern shared a draft of the 2022 budget timeline. Timeline includes two Budget Workshops for BC in mid/late January. Targeting introduction of budget by the end of February
  7. Open capital ordinances will be reviewed as part of the budget process.
  8. Other business: none
  9. Next meeting: January 12 at 7:30pm, Zoom. Minutes – D. Happer.

**To Dos:**

- *M. Stern, M. Goscicki to circulate first draft of 2022 budgets by 1/7/2022.*
- *During the budget process, the FAC will also meet 1/20/22, 2/2/22 and 2/23/22.*