

# BOROUGH OF MOUNTAIN LAKES, NEW JERSEY

## FINANCIAL ADVISORY COMMITTEE – AGENDA & NOTES

28 JANUARY 2025

### Finance Advisory Committee

#### Agenda - 01/28/2025

1. Approval of January 16, 2024. Minutes for current meeting - J. Murphy.
2. Review latest version of current fund budget
3. Review 2025 water and sewer budgets.
4. Review of preliminary capital budget.
5. Other business.
6. Next meeting: Wednesday, February 5 at 7:00pm, Zoom. Minutes - M. Albanese.

#### To Dos:

- Circulate preliminary water, sewer and capital budgets as well as updated current fund budget as soon as possible - M. Stern.
- 4th quarter budget and trust account review, 2/5 meeting - M. Goscicki.
- Tax appeal exposure update from tax assessor, 2/5 meeting - M. Stern.
- Recommendations for reserve replenishment after update from tax assessor, 2/5 meeting - M. Stern, M. Goscicki.
- Circulate updated Long-Term Capital Plan, TBD - M. Stern
- Update and distribute Surplus Account / Fund Balance Forecast analysis, 4/2 meeting - M. Goscicki.
- Review/discuss open capital ordinances, TBD.
- Updated bond model - J. Kaplan.

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#### Notes:

- Approval of prior meeting (Wednesday, 15 January 2025) minutes
- Review of the latest version of the current fund budget - consistent with the changes proposed by this committee from the last meeting. Noting the following:
  - Increase in the current fund to \$2 million
  - Reserve for tax appeal reduced to zero
  - Typo in the tree removal budget fixed
  - Amount to be raised by taxation reduced by \$120,000 (9% increase over the prior year)
- Capital budget review - recommended amount is \$1.5 million
  - Expected grant funding of ~\$175,000 (would lower the amount to be raised from taxpayers)
  - Down payment of ~\$65,000
  - Vactor truck is the single largest item in the capital budget of \$650,000 (a new truck has an expected life of 20 years)
    - Discussion of alternatives (leasing, pooling or rebuilding)

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- If purchased, debt service will be allocated 60% to Water, 30% to Sewer and 10% to the Municipal Operating Budget
- Road paving budget of ~\$600,000
- Lakes study discussion, multi-year study, may be funded by a grant (Highlands), estimated cost of \$185,000 and take two years (Princeton Hydro has provided a proposal).
- Water & Sewer budget review
  - Water:
    - Status of water meter replacement - down to a handful of replacements
    - Lead pipe survey - still at less than 10% of inventory
    - 2024 water rent collections ~\$40,000 below budget - likely attributable to the switch to the new water meters
    - 2025 Anticipated Surplus included in revenue is ~\$209,000 relative to \$110,000 in the prior year.
    - Water budget increase of ~10% to reflect higher capital spending (PFOS remediation and vactor truck) is the largest contributor
    - Expected operating cost for the PFOS remediation equipment of ~\$130,000 per annum once system is in place.
    - Expect to bid out the PFOS remediation system September 2025; 14-month delivery time.
  - Sewer:
    - 5.5% increase in expenditures due to an increase in the charges from Parsippany and the vactor truck offset by slightly lower salaries.
    - 2025 Anticipated Surplus included in revenue is ~\$175,000 relative to ~\$117,000 in the prior year.
- Next meeting: Wednesday, 12 February 2025