

Finance Advisory Committee
Minutes – 02/12/2025

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

Absent: None

1. Approval of January 28, 2025 minutes: unanimous
2. 4th Quarter 2024 budget and trust account review:
 - Final tax collection percentage was 99.37%, another strong collection year.
 - Budget transfers were required between several expense line items to cover higher than budgeted costs, however total expended and encumbered figures were \$483k below budget at the time of the report preparation. Final unencumbered balance is expected to settle around \$440k below budget.
 - Water and Sewer: Water collections were down marginally this year, partially offset by an increase in MRNA year over year. Q4 billings to be collected during Q1 are up compared to Q3. No notable concerns on the Sewer budget report.
 - Trust and capital accounts were reviewed with no notable concerns.
3. Review open 2025 budget items:
 - There were minimal changes from the prior version of the budget reviewed by FAC at the 1/28/25 meeting. Primary item for discussion was the use of \$2,000,000 of anticipated surplus in the revenue budget, given the expectation that Fund Balance would decrease year over year as a result.
 - FAC recommended no change to the proposed budget, as the current Fund Balance remains larger than desired and above percentage of budget targets.
4. Tax appeal exposure update from tax assessor:
 - FAC reviewed commentary from the Borough Tax Assessor related to maximum appeal exposure based on all current outstanding appeals. It was determined that current reserves are sufficient to cover the estimated maximum exposure of outstanding tax appeals.
5. Recommendations for reserve replenishments:
 - All reserves determined to be sufficient at this time.
6. Other business:
 - Update the Debt Model: FAC discussed the benefits of updating the Borough Debt Model in order to help forecast total debt load going forward, the associated impact on debt service, and ultimate impact on required tax revenue. FAC will seek to produce an updated model in 2025.
7. Next meeting: Wednesday, May 7th at 7:00pm

To Dos:

- 2024 Audit Review with J. Mooney
- Timing to shift to flat rate sewer billing, 5/7 meeting – M. Stern
- Circulate updated Long-Term Capital Plan, TBD – M. Stern
- Update and distribute Surplus Account / Fund Balance Forecast analysis, 5/7 meeting – M. Goscicki.
- Updated bond model – J. Kaplan.