

**Borough of Mountain Lakes
Finance Advisory Committee
Minutes – August 5, 2025**

Attendees: L. Barnett (minutes), B. Dewing, J. Howley, J. Kaplan, J. Murphy, J. Semler, K. Sheikh.

Absent: M. Albanese, M. Stern.

1. June 10 minutes – approved.
2. FAC welcomed the Borough's new CFO Jen Semler and Jen introduced herself to the committee.
3. 2nd quarter budget, trust account and tax appeal review
 - FAC reviewed 2Q actuals compared to budget. Questions regarding several line items were answered:
 - Interest & Cost on Taxes: Revenue shortfall is tied to the Borough's high tax collections rate – currently 99.37%.
 - Shared Services (BOE): New SRO positions with the School District that pass through the Borough's budget, with some expenses paid for by the Borough.
 - Shared Services (Health Services): New health services contract.
 - Legal Services: Increase in cost of annual contract.
 - Solid Waste: Timing of payments.
 - There was discussion regarding the fact that 1Q 2025 residential and commercial water usage was up materially compared to 1Q 2024. Some of the increase may be due to the shift from estimated readings to manual readings of water meters. J. Semler will investigate this with M. Stern and get back to FAC at an upcoming meeting.
 - Reserves are in good shape with the possible exception of the Capital Improvement Fund. FAC's recommendation has been to add to this reserve fund if it dips below \$100k. Note for the next budget cycle is to consider shifting funds from the Tax Appeal Reserve Fund to the Capital Improvement Fund now that so many outstanding tax appeals have been settled, including the recent Verizon tax appeal settlement.
4. BAN issue update – The Borough is on track for a BAN issue on October 10. The amount to be funded for 2025 is \$6.3M. FAC supports J. Semler's recommendation (in consultation with the Borough's Auditor and Bond Counsel) that the Borough engage with a financial advisor for the BAN sale. The estimated cost of engaging Phoenix Advisors is \$4,500.
5. Debt Policy Discussion – FAC agreed to hold an in-depth discussion of debt policy at an upcoming meeting. J. Kaplan will work on a simplified version of the bond model.
6. Long term capital plan – FAC will discuss the LTC plan when it is ready for review, either in September or October.
7. Other business – Question raised regarding if/when the Borough will move to flat rate sewer billing. FAC's recommendation to move to flat rate sewer billing, and subsequent Borough Council discussion, took place three years ago. It will be important to refresh the analysis

supporting a move to flat rate billing, confirm FAC's support for this recommendation, and have a public Borough Council discussion to ensure that Council and the public are aware of any potential changes to Sewer Billing and that Council supports these changes.

8. Next meeting: September 3rd at 7:00pm, Zoom. Minutes – J. Howley. *Note: September meeting will be cancelled/postponed if LTC Plan is not ready for review.*

To Dos:

- Circulate updated Long-Term Capital Plan, Sep/Oct – M. Stern
- Review water and sewer fund balance and potential changes in water and sewer rates, Sep/Oct Meeting – J Semler
- Updated bond model, TBD – J. Kaplan
- Investigate Q1 2025 water revenue issue – J. Semler and M. Stern