

Mountain Lakes Borough Finance Advisory Committee

Meeting Minutes

Date: January 7, 2026

Meeting Secretary (for Minutes): K. Sheikh

1. Attendance

- **Present:** Mitchell Stern, Jen Semler, Lauren Barnett, Khizar Sheikh, Melissa Muilenberg, Bob Dewing, Jim Murphy, John Kaplan.
- **Late Arrival:** Michael Albanese.

2. Approval of Minutes

- **Motion:** To approve the minutes from the November 5, 2025, meeting.
- **Result:** Approved. (Abstention: Melissa Muilenberg).

3. 2026 Preliminary Budget Review (Current, Water, and Sewer)

Budget Overview & Appropriations

- **Net Appropriations:** Increased by approximately \$142,000 (1.25%).
- **Total Budget Change:** The overall budget appears to have decreased, but this is primarily due to a reduction in grants (expected \$200k this year vs. \$950k last year).
- **Health Benefits:** Costs increased; however, several employees opted for higher deductible plans, resulting in some savings.
- **Salaries & Wages:** Shifting occurred due to an audit/clean-up to ensure employees are appropriately allocated to the correct departments.
- **Police Department:** Noted an increase in the Overtime budget due to state-mandated training. A vehicle lease catch-up is also required following a COVID-era hiatus in purchasing.

Fund Balance & Surplus Strategy

- **Current Status:** Fund balance at the end of '25 was \$3,629,000 (a \$106k decrease from '24).
- **Surplus Target:** The committee debated maintaining an anticipated surplus of \$2.0M.
- **Capex Funding:** Discussion focused on using excess surplus (above \$1.9M-\$2.0M) to fund small capital expenses (items ~\$30k-\$35k) to reduce future borrowing.
- **Decision:** Tabled further capex funding discussion until specific capex items are reviewed.

Utilities & Specific Revenue

- **PFAS Settlements:** Significant revenue anticipated from PFAS settlements (3M, Dupont, etc.), totaling over \$500k collected/expected.
- **Cell Tower:** One carrier (T-Mobile) stopped paying in August; new bids for the tower were lower than previous rates.
- **Water/Sewer:** Operating expenses must be covered by user billing. Significant unknowns remain regarding PFAS remediation, Birchwood dams, and lead line replacements.

Reserves

- **Tax Appeals:** Currently holds \$420k. The auditor suggests the borough is in good shape.
- **Strategy:** Discussed moving these funds to depleted reserves (like storm reserves) or current budget appropriation, but the consensus is to hold for now due to economic uncertainty.

4. Tabled Items

- Preliminary Tax Impact analysis for 2026 reassessment.
- Water usage analysis (pushed to March).

5. Next Meeting

- **Date:** Tuesday, January 19, 2026 @ 7:00 PM (via Zoom)
- **Secretary for next meeting:** J. Murphy.

6. Action Items & To-Dos

Task	Assignee	Due Date
Review budget revisions & Capital budget	Committee	2/4
Review open capital ordinances	Committee	2/4
4th Quarter budget and trust account review	J. Semler	2/4
Tax appeal exposure update (from Tax Assessor)	M. Stern	2/4
Recommendations for reserve replenishment	M. Stern / J. Semler	2/4
Water usage analysis	J. Semler	March
Update Surplus Account / Fund Balance Forecast	J. Semler	4/1
Updated Bond Model	J. Kaplan	Ongoing