

BOROUGH OF FRANKLIN LAKES 2018 MUNICIPAL BUDGET FACT SHEET

- There will be **NO INCREASE** in the portion of a resident's tax bill for municipal services on an average home (assessed at \$1,030,000). The municipal portion of the tax on an average home would remain the same at \$2,904. School and County taxes are additional.
- The municipal tax rate, which was the second lowest in Bergen County in 2017, will remain at \$0.282 per \$100 of assessed value.
- The amount to be raised by taxation is proposed at \$11.89 million, a 0.9% increase; this proposed tax levy is under the maximum allowable State Levy cap by over \$2.3 million.
- Notable line items included in the Borough's 2018 budget of \$18.03 million are:
 - Salaries and Wages - \$5.43 million
 - Debt service - \$2.23 million*
 - Healthcare insurance - \$1.49 million
 - Municipal Library - \$1.48 million
 - Capital improvements - \$1.35 million*
 - Pension contributions - \$0.91 million
 - Garbage and recycling collection and disposal - \$0.77 million
- The proposed budget includes total budget appropriations of \$18.62 million*, an increase of 3.3% from 2017; key increases from the budget as adopted in 2017 include:
 - Salaries and Wages - \$187,893 – primarily obligations set by collective bargaining agreements;
 - Capital improvements - \$163,316* – more capital expenditures being funded in the operating budget which will result in less of a need to borrow to fund capital projects;
 - Buildings and Grounds - \$119,950 – primarily attributable to projects that may have been funded in the past within the capital budget;
 - Garbage collection - \$84,000
 - Debt service - \$72,125* – the Borough has, once again, appropriated additional funds for the payment of bond anticipation notes in order to accelerate the Mayor and Council's objective of reducing debt;
 - All other appropriations actually decreased by nearly \$32,000.
- Proposed budget meets the Borough's goals:
 - Stabilize the use of surplus – Once again, in 2017, the Borough was able to regenerate more surplus than it had budgeted, resulting in an increase in its fund balance as of year end. Because of this trend in recent years, the Borough is utilizing more of its surplus within the operating budget. The Borough is meeting its goals as stated in its Fund Balance and Use of Surplus policy.

- Goal is to manage the tax increase to be minimal, under the tax levy cap, and no more than 2%. The proposed budget reflects a .9% increase in the amount to be raised by taxation.
- Decrease overall debt. In 2018, the Borough will stay on track with its Capital Projects and Debt Service Plan. As a result, the Borough's overall debt will be reduced by over \$1,878,000. The 2018 Budget accelerates the process of long term debt reduction by funding \$1,350,000 in capital projects within the operating budget (\$163,316 more than projected in the 2017 Capital Projects and Debt Service Plan). With capital projects funded in the operating budget, the Borough will not need to borrow funds in 2018. By this budget, the Borough is meeting and exceeding its debt reduction goals.
- Maintain or improve the level of services while controlling expenses. This budget meets this goal.

* Actual budget includes revenues and appropriations for grant monies received for acquisition of property (\$2,100,000), grant monies anticipated for Fire Department (\$624,000) and contributions received for paving of roads (\$322,900), which artificially increase debt service, grants and capital improvements in actual budget. The amounts indicated in the memo are adjusted to take out these figures to give an accurate comparison to 2017 budget amounts.