

# **BOROUGH OF FRANKLIN LAKES 2020 MUNICIPAL BUDGET FACT SHEET**

*2020 Municipal Budget was introduced at the March 17 Mayor and Council meeting and is scheduled for public hearing and adoption at the April 21 Mayor and Council meeting.*

- The budget as proposed would result in a 2.11% increase in the portion of a resident's tax bill for municipal services, which equates to \$62 on an average home (assessed at \$1,030,000). The municipal portion of the tax on an average home would increase from \$2,935 to \$2,997. School and County taxes are additional.
- The municipal tax rate, which was the second lowest in Bergen County in 2019, will increase from \$0.285 to \$0.291 per \$100 of assessed value.
- The amount to be raised by taxation is proposed at \$12.5 million, a 3.36% increase; this proposed tax levy is under the maximum allowable State Levy cap by nearly \$2 million.
- Notable line items included in the Borough's 2020 budget of \$18.75 million are:
  - Salaries and Wages - \$6.02 million
  - Healthcare costs - \$1.71 million
  - Debt service - \$1.46 million
  - Municipal Library - \$1.45 million
  - Pension contributions - \$1.11 million
  - Capital improvements - \$0.95 million
  - Garbage and recycling collection and disposal - \$0.79 million
- The proposed budget includes total budget appropriations of \$18.75 million, a decrease of 3.8% from 2019; key increases from the budget as adopted in 2019 include:
  - Salaries and Wages - \$309,684 – primarily obligations set by collective bargaining agreements;
  - Police Department – Other Expenses - \$167,100 – primarily new vehicles and other equipment;
  - Healthcare costs - \$44,865 – primarily increase in cost of medical insurance coverage;
  - Pension - \$33,000;
  - All other appropriations actually decreased by nearly \$1.3 million.
- Proposed budget meets the Borough's goals:
  - Stabilize the use of surplus – In 2019, the Fund Balance for the Borough, notwithstanding some significant decreases in revenue, remained within the Borough's target as set forth in its Fund Balance and Use of Surplus policy, at approximately 15% of its overall budget.
  - Goal is to minimize the tax increase and keep it under the tax levy cap. The proposed budget reflects a 3.4% increase in the amount to be raised by taxation, a reasonable increase given budget constraints.
  - Decrease overall debt. In 2020, the Borough will stay on track with its Capital Projects and Debt Service Plan. As a result, it is anticipated that the Borough's overall debt will continue to be reduced.
  - Maintain or improve the level of services while controlling expenses. This budget meets this goal.