

## **BOROUGH OF FRANKLIN LAKES 2017 MUNICIPAL BUDGET FACT SHEET**

- The amount to be raised by taxation is proposed at \$11.78 million, a 1.49% increase; this proposed tax levy is under the maximum allowable State Levy cap by over \$1.6 million.
- The portion of a resident's tax bill for municipal services on an average home (assessed at \$1,030,000) would increase by \$10 to \$2,904, or 0.35%. School and County taxes are additional.
- Notable line items included in the Borough's 2017 budget of \$18.03 million are:
  - Salaries and Wages - \$5.21 million
  - Debt service - \$2.15 million
  - Healthcare insurance - \$1.59 million
  - Municipal Library - \$1.46 million
  - Pension contributions - \$0.89 million
  - Garbage and recycling collection and disposal - \$0.7 million
- The proposed budget includes total budget appropriations of \$18.03 million, an increase of 3.15% from 2016; key increases from the budget as adopted in 2016 include:
  - Debt service - \$241,800 – the Borough has appropriated additional funds for the payment of bond anticipation notes in order to accelerate the Mayor and Council's objective of reducing debt;
  - Capital improvements - \$256,000 – more capital expenditures being funded in the operating budget which will result in less of a need to borrow to fund capital projects;
  - Employee health insurance - \$126,919
  - All other appropriations actually decreased by nearly \$75,000.
- Proposed budget meets the Borough's goals:
  - Stabilize the use of surplus – Once again, in 2016, 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.
  - Manage the tax increase to be minimal, under the tax levy cap, but no more than 2%.
  - Decrease overall debt. In 2016, the Borough stayed on track with its Capital Projects and Debt Service Plan. As a result, the Borough's overall debt was reduced by over \$700,000. The 2017 Budget accelerates the process of long term debt reduction by funding \$1,186,684 in capital projects within the operating budget (\$386,684 more than projected in the 2016 Capital Projects and Debt Service Plan). With more capital projects funded in the operating budgets, the Borough does not need to borrow as much. In addition, this Budget provides for a \$505,000 payment on its outstanding short term notes. By this Budget, the Borough is meeting and exceeding its debt reduction goals.
  - Maintain or improve the level of services while controlling expenses.