

BOROUGH OF FRANKLIN LAKES 2019 MUNICIPAL BUDGET FACT SHEET

*2019 Municipal Budget was introduced at the March 19 Mayor and Council meeting
and is scheduled for public hearing and adoption at the April 16 Mayor and Council meeting.*

- The budget as proposed would result in a 1.07% increase in the portion of a resident's tax bill for municipal services, which equates to \$31 on an average home (assessed at \$1,030,000). The municipal portion of the tax on an average home would increase from \$2,904 to \$2,935. School and County taxes are additional.
- The municipal tax rate, which was the second lowest in Bergen County in 2018, will increase from \$0.282 to \$0.285 per \$100 of assessed value.
- The amount to be raised by taxation is proposed at \$12.1 million, a 1.77% increase; this proposed tax levy is under the maximum allowable State Levy cap by nearly \$2.8 million.
- Notable line items included in the Borough's 2019 budget of \$19.5 million are:
 - Salaries and Wages - \$5.73 million
 - Capital improvements - \$1.99 million
 - Debt service - \$1.77 million
 - Healthcare insurance - \$1.67 million
 - Municipal Library - \$1.48 million
 - Pension contributions - \$1.08 million
 - Garbage and recycling collection and disposal - \$0.8 million
- The proposed budget includes total budget appropriations of \$19.5 million, an increase of 3.5% from 2018; key increases from the budget as adopted in 2018 include:
 - Capital improvements - \$317,100 – more capital expenditures being funded in the operating budget which will result in less of a need to borrow to fund capital projects;
 - Salaries and Wages - \$205,857 – primarily obligations set by collective bargaining agreements;
 - Healthcare insurance - \$185,000 – primarily increase in cost of prescription coverage
 - Pension - \$162,000
 - All other appropriations actually decreased by over \$200,000.
- Proposed budget meets the Borough's goals:
 - Stabilize the use of surplus – Once again, in 2018, 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 1.77% increase in the amount to be raised by taxation.
 - Decrease overall debt. In 2019, 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 nearly \$1.5 million. The 2019 Budget accelerates the process of long term debt reduction by funding \$1,990,000 in capital projects within the operating budget (\$317,100 more than projected in the 2018 Capital Projects and Debt Service Plan). With capital projects funded in the operating budget, it is anticipated that the Borough will not need to borrow funds in 2019. 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.