



BOROUGH OF HIGHLANDS
COUNTY OF MONMOUTH

RESOLUTION 26-199
ESTABLISHING A FUND BALANCE SURPLUS POLICY

WHEREAS, the Borough of Highlands recognizes the importance of maintaining a sound financial position and ensuring the continued fiscal stability of the municipality; and

WHEREAS, the New Jersey Department of Community Affairs, Division of Local Government Services (DLGS), through its Best Practices guidance, encourages municipalities to establish a fund balance surplus policy with a target of 20% of the municipal budget; and

WHEREAS, maintaining an adequate fund balance provides financial flexibility to address unforeseen expenditures, revenue shortfalls, emergencies, and other unexpected financial obligations while helping to minimize future tax increases.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Borough Council of the Borough of Highlands, County of Monmouth, State of New Jersey, that a Fund Balance Surplus Policy is hereby established with the goal of maintaining unrestricted fund balance and surplus at a target level equal to 20% of the Borough's annual municipal budget.

BE IT FURTHER RESOLVED that the Chief Financial Officer shall monitor the Borough's fund balance annually and provide recommendations to the Mayor and Borough Council regarding the maintenance and use of surplus funds. Any use of surplus shall be considered as part of the annual budget process, taking into account the Borough's financial condition, anticipated revenues, expenditures, and future obligations.

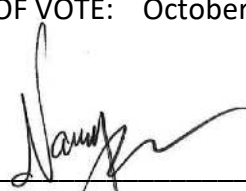
BE IT FURTHER RESOLVED that this policy is intended to serve as a financial management goal and shall not restrict the lawful use of surplus funds as permitted under applicable New Jersey statutes and regulations.

Motion to Approve R 26-199:

	INTRODUCED	SECOND	AYE	NAY	ABSTAIN	ABSENT
CERVANTES			X			
CHELAK			X			
MELNYK			X			
OLSZEWSKI		X	X			
BROULLON	X		X			

This is a Certified True copy of the Original Resolution on file in the Municipal Clerk's Office.

DATE OF VOTE: October 21, 2026



Nancy Tran, Municipal Clerk
Borough of Highlands