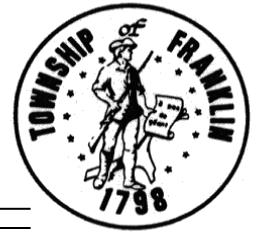


Franklin Township

In Somerset County



OFFICE OF TOWNSHIP MANAGER

Municipal Building

475 DeMott Lane, Somerset, NJ 08873
Phone: 732-873-2500 Fax: 732-873-1284

MEMORANDUM

TO: Mayor and Township Council
FROM: Robert G. Vornlocker, Jr., Township Manager
SUBJECT: Calendar Year 2017 Budget Message
DATE: February 28, 2017

The proposed CY 2017 Budget is submitted with:

- Nearly \$182,000 decrease in total appropriations
- Nearly \$186,000 decrease in the use of Fund Balance to balance the Budget
- **No Municipal Tax Increase**, and with the increase in Township assessed valuations, **the Municipal Tax on the average home has gone down (\$17.59) or (1.48%).**

This CY 2017 Municipal Tax reduction has been achieved despite a flat projection of revenues and significant increases in Group Health Insurance and Pension costs. The CY 2017 Budget continues to demonstrate the Township's prioritization of improved efficiency and effectiveness, careful spending, and also working towards providing increased services, responsiveness and convenience for our constituents.

Budget Summary

As the accompanying budget summary schedule indicates, the proposed CY 2017 Municipal Budget is **\$237,066 less** than the Municipal Budget submitted for 2009, and uses more than \$8.2 million less in Fund Balance to balance the budget. The proposed CY 2017 Municipal Budget is also \$181,604 less than last year's budget; while still proposing to spend \$1,580,628 in "Cash Capital", instead of incurring the debt service expense of bonding for this capital over the next 10 years. The proposed "Cash Capital" expenses include \$1,250,000 of the annual \$2,500,000 in Township Road Resurfacing. During the past 4 years (since the CY 2013 Budget), efficiency efforts have resulted in the annual Utilities budget decreasing by \$587,000 (19.59%).

Assessed Valuations

Franklin Township's assessed valuations for 2017 have been set at \$9,511,604,960. This represents an increase of \$265,402,212 over the 2016 value of \$9,246,202,748, or 2.87 %. An increase in assessed values has a

positive impact on the applicable tax rates. Taking the increase in ratables at last year's municipal tax rate, this increase in values amounts to an increase of \$1,003,220 in taxation. As a result, in comparing tax rates using the budget as it stands at this point, although the increased dollar amount to be raised by taxation is \$0, the impact upon the tax rate will be a decrease of \$.01 (2.65%).