

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 2018 Budget Message
DATE: March 13, 2018

The proposed CY 2018 Budget is submitted with:

- An increase in the Amount to be Raised by Municipal Taxes of only 0.5%, or \$174,809;
- A **decrease** in the Municipal portion of the tax rate of \$.01; from 0.368 to 0.358.
- With the increase in Township assessed valuations, **the Municipal Tax on the average home has gone down (\$6.85) or (0.49%).**
- However, you will notice that due to the Library Tax increase of 9.42%, the total tax on the average home (Municipal, Library & Open Space) has increased \$5.37 or 0.37% .

The CY 2018 Municipal Tax reduction has been achieved despite a flat projection of revenues; but helped by negotiating a \$0 increase in Group Health Insurance and utilizing an extra \$1 million of Fund Balance, which we expect to regenerate during the budget year. The CY 2018 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 2018 Municipal Budget is \$60,855,068 vs. \$59,306,412 in 2017, a difference of \$1,548,656.

The major components of the increase:

- Additional \$1,146,359 in Cash Capital Improvements to \$2,726,987: to include \$2,500,000 in Township Road Resurfacing.
- Increase of \$290,049 in State mandated Library support
- Net \$119,415 increase in Operating Expenses (Operating + Debt Service)
- During the past 5 years (since the CY 2013 Budget), efficiency efforts have resulted in the annual Utilities budget decreasing by \$627,000 (20.92%). Many of the planned Capital initiatives are designed to increase the annual savings in utilities.

Assessed Valuations

Franklin Township's assessed valuations for 2018 have been set at \$9,807,191,247. This represents an increase of \$296,227,587 over the 2017 value of \$9,510,963,660, or 3.11 %. 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 value amounts to an increase of \$1,087,252 in taxation. As a result, in comparing tax rates using the budget as it stands at this point, despite the increase in the dollar amount to be raised by taxation, the impact upon the tax rate will be a decrease of \$.01 (2.71%).