

# Franklin Township

In Somerset County



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## 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 2019 Budget Message  
**DATE:** March 26, 2019

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The proposed CY 2019 Budget is submitted with:

- No increase in the Amount to be Raised by Municipal Taxes!
- A **decrease** in the Municipal portion of the tax rate of (\$.013) (3.76%); from 0.358 to 0.345.
- With the increase in Township assessed valuations, **the Municipal Tax on the average home has gone down \$4.52 or (0.39)%**.
- However, you will notice that due to the mandatory Library Tax increase of 4.47%, the total tax on the average home (Municipal, Library & Open Space) has increased \$8.41 or 0.59%

Council's decision not to increase the CY 2019 Municipal Tax (which represents a reduction of 3.76% in the tax rate and \$4.52 on the average home) has been achieved with

- a projection of \$442,343 in increased revenues
- a projected \$450,000 increase in collection of delinquent taxes,
- effectively no increase in Salaries & Wages
- no increase in the use of Fund Balance
- and despite an \$1,050,000 increase in Group Health Insurance

The CY 2019 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 2019 Municipal Budget is \$61,931,338 vs. \$60,855,068 in 2018, a difference of \$1,076,270.

The major components of the increase:

- \$1,050,000 increase in Group Health Insurance
- Increase of \$446,000 in Social Security & Pension costs
- Increase of \$150,460 in State mandated Library support
- Decrease of \$1,450,000 in Debt Service
  
- During the past 6 years (since the CY 2014 Budget), efficiency efforts have resulted in the annual Utilities budget decreasing by \$676,000 (22.53%). Many of the planned Capital initiatives are designed to increase the annual savings in utilities.

### Assessed Valuations

Franklin Township's assessed valuations for 2019 have been set at \$10,198,322,683. This represents an increase of \$391,131,436 over the 2018 value of \$9,807,191,247, or 3.99 %. 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 \$1,400,251 in taxation. As a result, in comparing tax rates using the budget as it stands at this point, there will be no increase in the dollar amount to be raised by taxation, and the impact upon the municipal tax rate will be a decrease of \$.013 (3.76%).