

Franklin Township

In Somerset County



OFFICE OF TOWNSHIP MANAGER

Municipal Building

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MEMORANDUM

TO: Mayor and Township Council
FROM: Robert G. Vornlocker, Jr., Township Manager
SUBJECT: Calendar Year 2022 Budget Message
DATE: April 12, 2022

Budget Summary

You may notice the budget increase from 2021 to 2022 is \$13 million, so I'll address this first. Most of this represents an increase in Grants of \$8.2M, most of which is the American Rescue Plan Grant of \$7,735,197, which the Township has until 2026 to utilize. However, the increase in Grants is a net offset in both Revenue and Appropriations. Highlighting the additional key budget changes include:

- Increase in the Capital Improvement Fund of almost \$2.1M –primarily representing an increased attention to Road resurfacing, that will be in addition to \$1.5M of bonded road resurfacing for a total of \$3.5M.
- Increase in Pension & Social Security expenses \$462,000
- Increase of Health Insurance Expense of \$395,000
- Increase in Salary & Wages of \$1.5M.
- Increase in the Library Tax of \$544,000.
- Use of Fund Balance \$4,660,666.24, which helped prevent a larger tax increase

Amount to be Raised by Taxes

Council has managed to avoid raising Municipal Taxes for 4 years (CY '18 – CY'21). CY'22 Municipal Tax is \$35,487,867, compared to the CY'21 Municipal Tax of \$35,136,502 – an increase of \$351,365 (1%)

However, the Municipal Tax rate on the average home will actually decrease from .3167 in 2021 to .2833 (0.0334), down 10.55%

With the increased assessed valuations (from \$11,094,767,831 to \$12,524,680,778), the average home @ \$392,297 (+\$37,506 from \$354,791 in CY'21) will see a municipal-only tax decrease from \$1,123.61 to \$1,111.55, a decrease of \$12.062 (1.07%)

- Even with the increase in the State mandated Library Tax of \$14.71 (12.19%) from \$120.63 to \$135.34; there is still a net tax increase on the average home of \$21.25 from \$1,421.75 to \$1,443.00 (1.49%).