

FRANKLIN
TOWNSHIP, NEW JERSEY

2024 BUDGET PRESENTATION

FRANKLIN TOWNSHIP SNAPSHOT

2024 BUDGET – OPERATING BUDGET



Net Taxable Value

\$549,426,500



Average Assessed Home

\$428,440



Property Tax Rate

1.96%

2023 BUDGET – UNFUNDED MANDATE FOR POLICE OFFICER



Net Taxable Value

\$549,426,500



Average Assessed Home

\$428,440

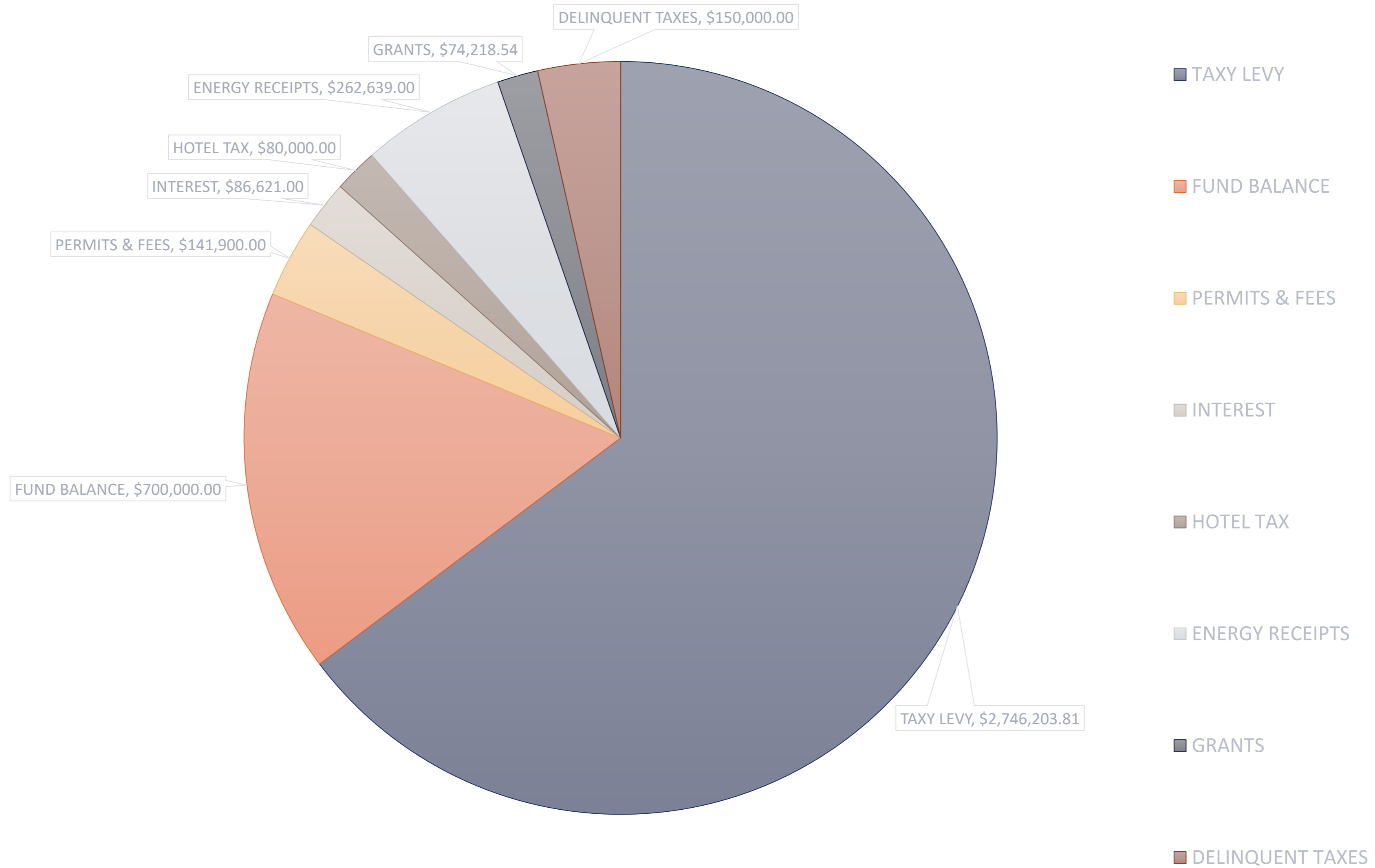


Property Tax Rate

7.03%

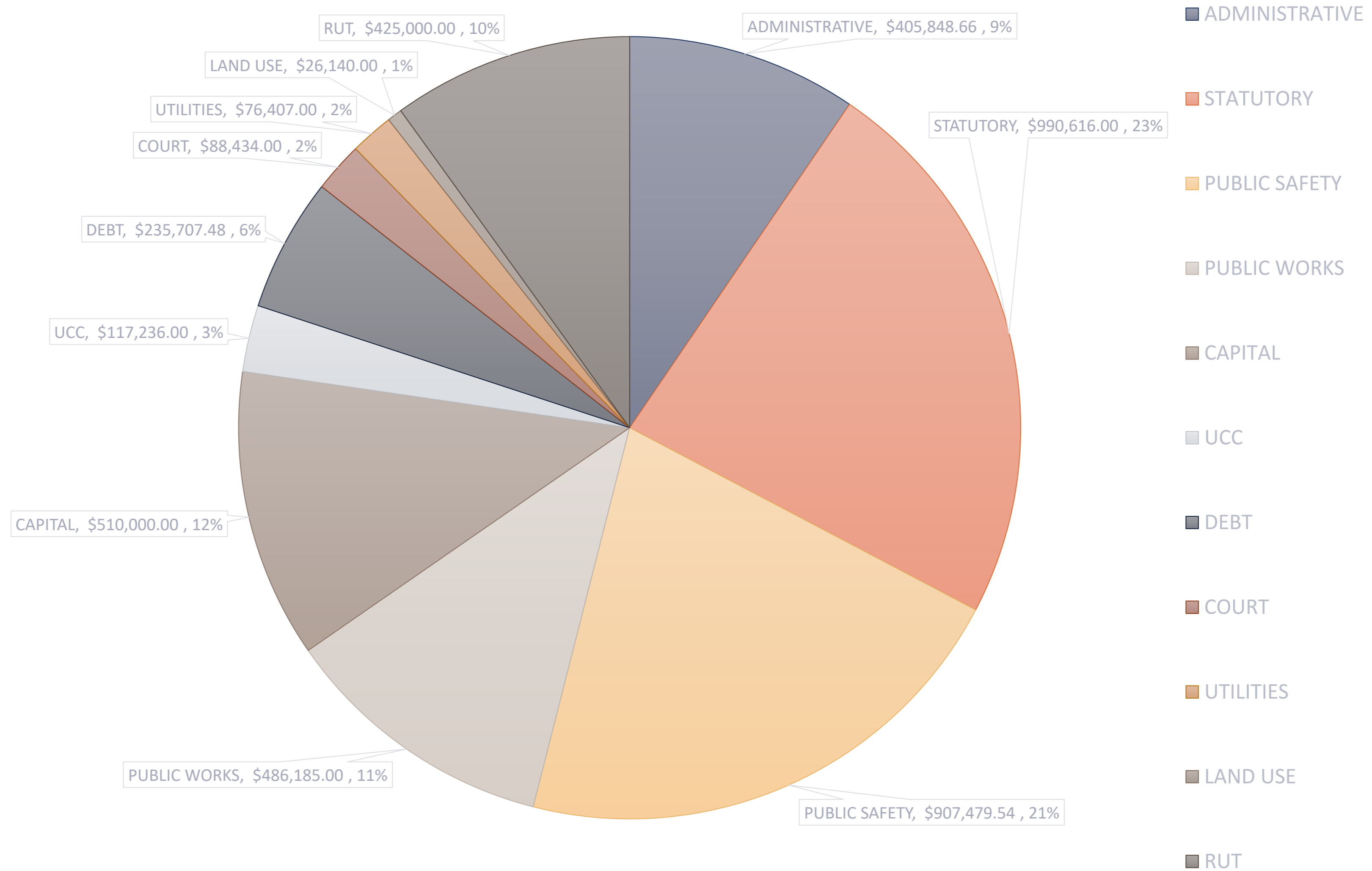
Revenues

Sources of Income to the Municipality



Appropriations

Sources of Expenses to the Municipality



OPERATING BUDGET

Major Impacts to Municipal Operating Budget



LOST REVENUES

A sustained revenue loss of 50,000 from Hotel Occupancy Tax. This represents \$12,048,193 in ratables or 28.12 average residential homes. We've lost our ARP funding of \$184,112. We received less interest revenue due to reduced average cash assets on hand. We are forced to use more fund balance.



STATUTORY APPROPRIATIONS

The municipality received statutory appropriations increasing the cost of pensions by \$40,000. Health benefits increased by \$105,000. This is a total of \$145,000 in statutory increases. This represents a 5.8% effective tax increase in the operating budget.



UNFUNDED MANDATE

A total of 130,000 in increases due to state unfunded mandates requiring an additional full time officer. Officers are required to obtain PTC certification. Municipalities must either send applicants to academy while on paid salaries or we may wait for alternate route applicants to graduate. This increases paid overtime.

Challenges

Sources of Difficulties to the Municipality

✓ Revenues

The municipality has had limited growth over the years. We have limited commercial property and economic development.

✓ Debt

Interest has become extremely expensive in the last six months. Interest in the prior year was 8,380 dollars. It is now 30,280 dollars.

✓ Statutory Appropriations

The municipality struggles with the growing number of statutory appropriations that are required by New Jersey state law as unfunded mandates.

✗ Limited Appropriation Growth

We address this issue by strictly controlling our appropriations. The municipality has limited appropriations to 2% or less over the last 5 years.

✗ Shared Services & Shared Responsibilities

The municipality uses shared services for the court and municipal employees hold multiple roles to avoid increasing head count and labor costs.

2% TAX LEVY CAP

Statutory Rules on the Levying of Taxes and Their Limitations

A

Tax Levy Cap Rule

The tax levy cap law imposes a 2% cap on the total increase of local government tax levies, subject to certain exclusions. These exclusions to the 2% tax levy cap allows a municipality to increase the tax levy over 2% due to these exclusions.

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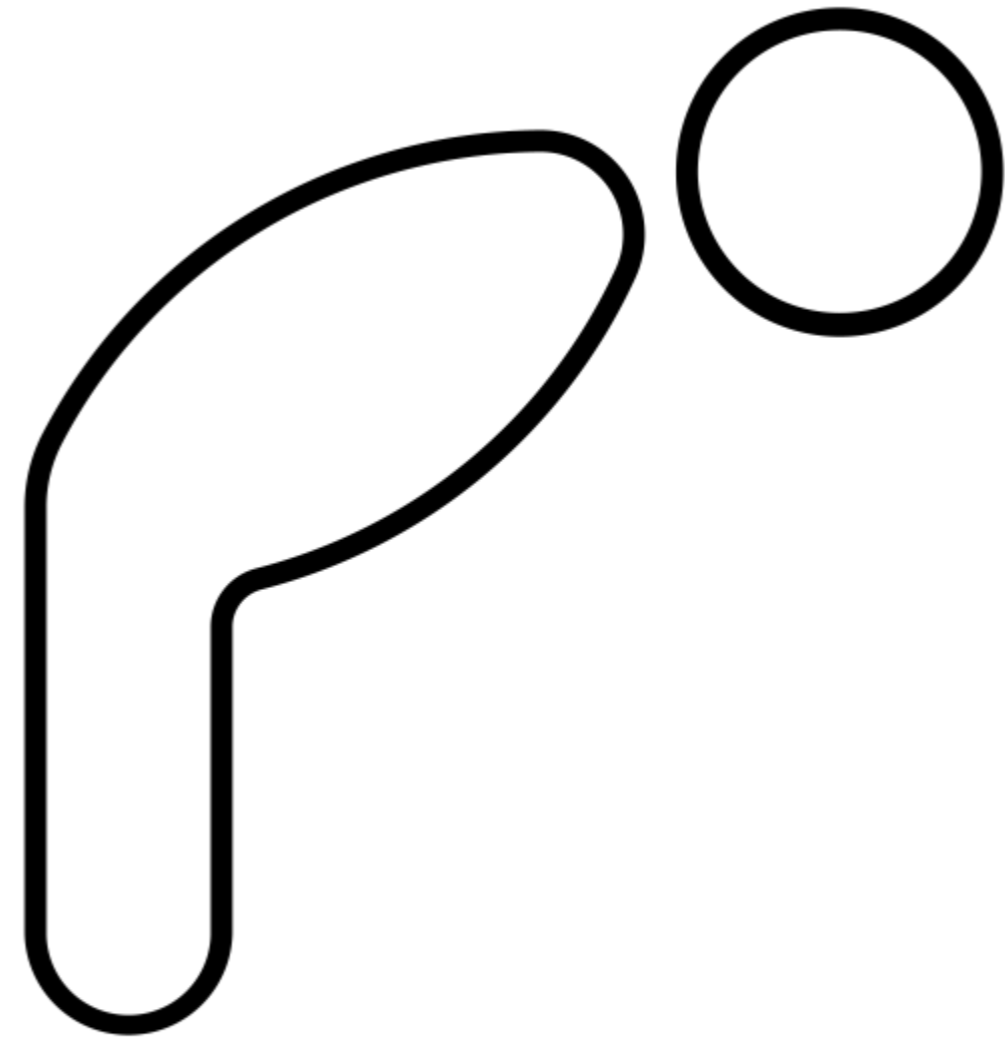
Exemptions to the Tax Levy Cap Rule

The exclusions include increase in debt service; capital expenditures; weather and other declared emergencies; pension contributions in excess of 2%, and health benefit cost increases in excess of 2%.

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Referendum Necessary When Tax Levy Cap is Exceeded

If any of the aforementioned exemptions causes our tax levy to increase over 2%, then we would still comply with the 2% tax levy cap law. To increase the tax levy over 2%, when not related to these exemptions, then we would need a referendum.



Thank You.