

FRANKLIN
TOWNSHIP, NEW JERSEY

2023 BUDGET PRESENTATION

FRANKLIN TOWNSHIP SNAPSHOT

2023 BUDGET – OPERATING BUDGET



Net Taxable Value

\$547,136,600



Average Assessed Home

\$428,440



Property Tax Rate

2.77%

2023 BUDGET – CAPITAL BUDGET



Net Taxable Value

\$547,136,600



Average Assessed Home

\$428,440

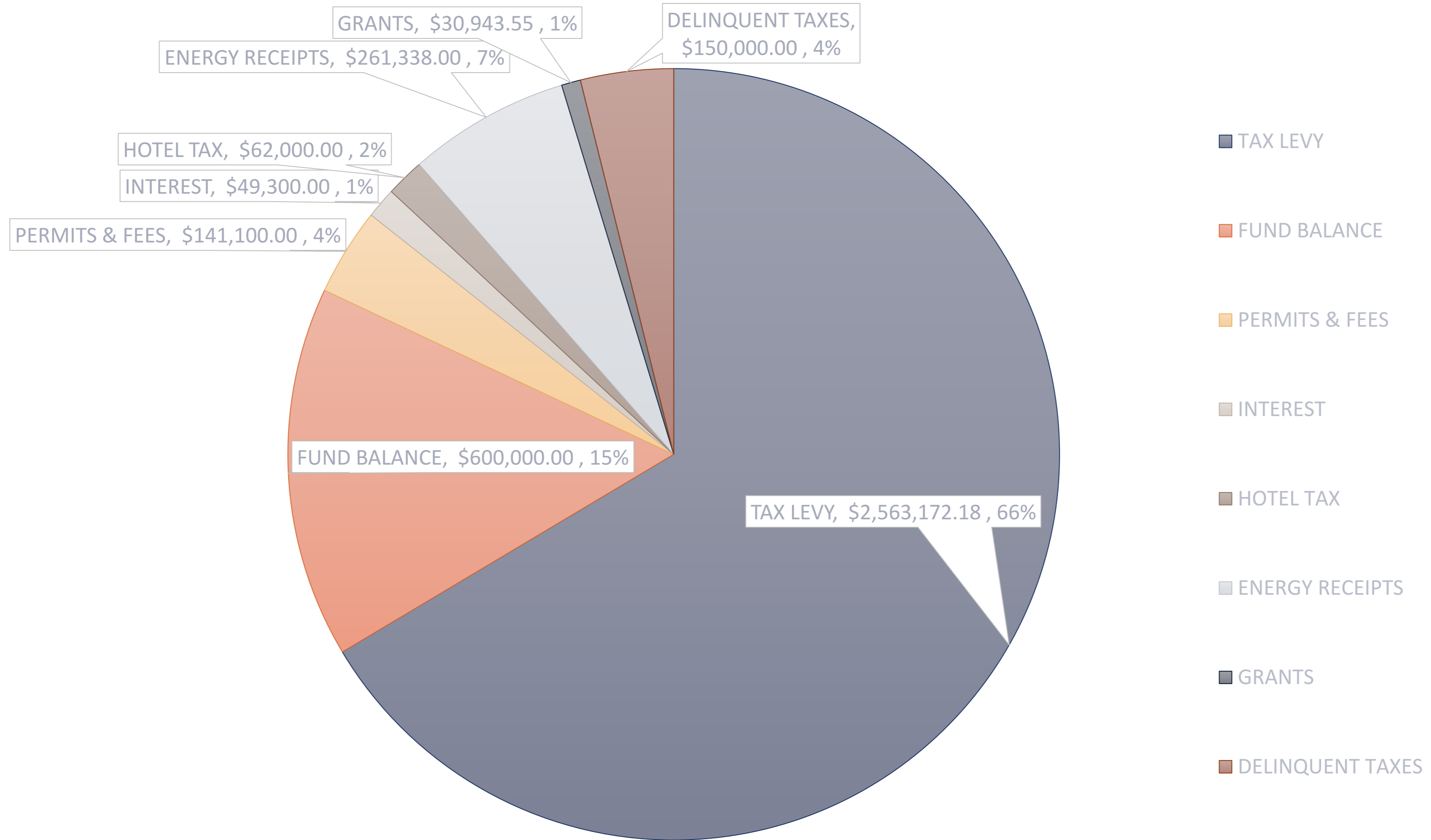


Property Tax Rate

9.69%

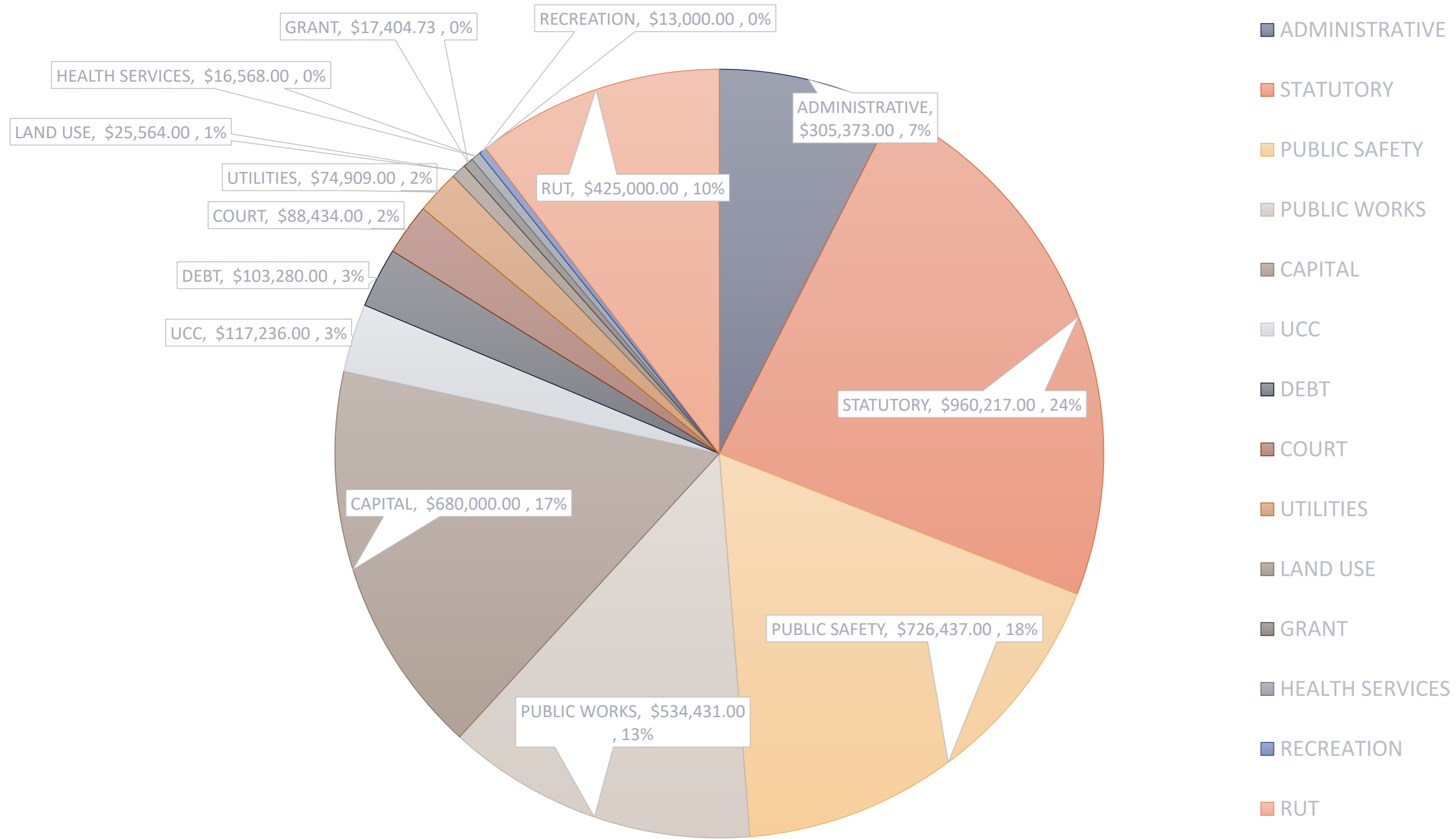
Revenues

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 \$75,000. Interest on debt increased by \$30,000. This is a total of \$145,000 in statutory increases. This represents a 5.8% effective tax increase in the operating budget.



POLICE CONTRACTS, OFFICER REPLACEMENT & ARBITRATION

A total of 85,000 in increases due to contractual arbitration and officer replacement. 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.

✓ Aging Capital Assets

The majority of our capital assets in the municipality exceed their useful life. These assets are expensive and have long wait-times due to supply chain issues.

✓ 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.

✓ Arbitration

The municipality negotiates with collective bargaining units in the best interest of the community. When those negotiations fail, arbitration is used to determine the result.

✗ 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.

✗ Extended Useful Lifes

We've extended the useful life of our assets beyond their normal use. This has allowed us to reduce our appropriations, but we must replace assets.

✗ Properly Funding Capital

We are properly funding capital in order to avoid the usage of debt and paying inflated interest. This will allow the municipality to save 65% on acquisitions.

✗ 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.

✗ Collective Bargaining

The municipality bases its negotiations on analysis of comparative communities in conjunction with its budget. We firmly address these issues in each opportunity to negotiate.

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.

B

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%.

C

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.

CAPITAL FOR DEPT OF PUBLIC WORKS

TOTAL VEHICLE & EQUIPMENT REPLACEMENT COST OF \$2,385,000 (NOT INCLUDING BUILDING & INFRASTRUCTURE)

	ITEMS	
	COST	LIFE
MACK TRUCK 1	\$300,000	20 YRS
MACK TRUCK 2	\$350,000	20 YRS
MACK TRUCK 3	\$350,000	20 YRS
MASON DUMP 1	\$100,000	10YRS
MASON DUMP 2	\$100,000	10YRS
FRONT-END LOADER	\$280,000	14 YRS

	ITEMS	
	COST	LIFE
TRACTOR 1	\$125,000	5 YRS
TRACTOR 2	\$125,000	5 YRS
TRACTOR 3	\$125,000	5 YRS
BACKHOE	\$120,000	14 YRS
STREET SWEEPER	\$350,000	7 YRS
DUMP TRUCK	\$60,000	7 YRS

Where Your Money is Going

Department of Public Works

✓ MACK TRUCKS

Mack trucks are used to plow and salt the roads. These are the vehicles are used in the worst weather conditions. They bear addition wear from the salt.

✓ MASON DUMPS

Used for various loading and unloading equipment such as tractors, donated furniture to the town, picking up Christmas trees and etc.

✓ TRACTORS

Tractors are used for mowing and maintaining grounds throughout the municipality. They're used through most of the year.

✓ FRONT-END LOADER, BACKHOE & DUMP TRUCK

The front-end loader and backhoe allows the municipality to autonomously manage road and special projects. Dump trucks are used for daily ops.

✓ STREET SWEEPER

This is a statutory requirement or unfunded mandate that all municipalities now bear. The Federal EPA cited NJ DPE for failure to meet strict requirements.

✗ Retiring Assets – Immediate Necessity

Our vehicles were purchased in the same year and were used for 20 years. They've exceeded their useful life. One broke down this year during storm.

✗ Intermediate Assets

These assets are approaching their age to begin replacement in three to five years. While not an immediate need, it is approaching quickly.

✗ Long-Term Assets

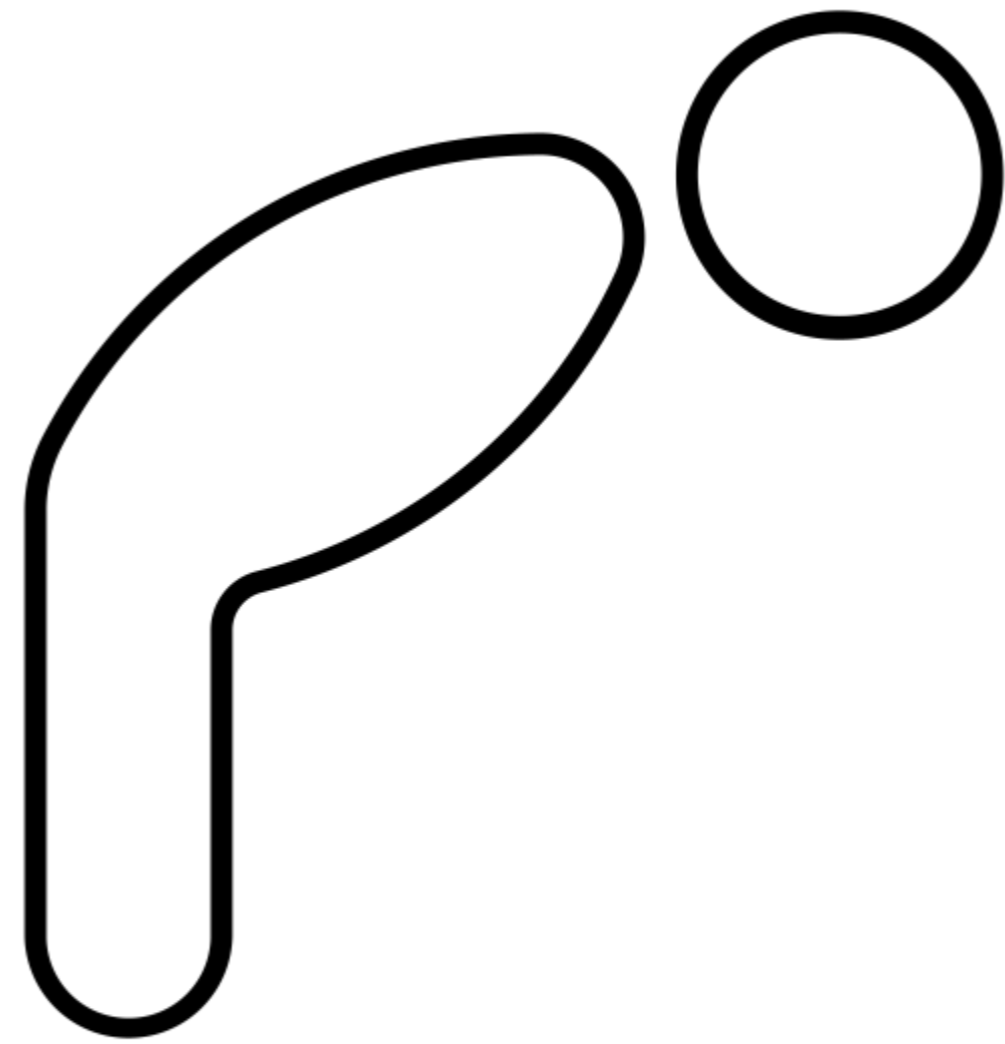
We recently replaced two of our tractors. We have flexibility on the replacement schedule for the final aging tractor.

✗ Various Assets

The front-end loader and backhoe are intermediate assets. The immediate need for the municipality is a Mack truck and dump truck.

✗ Immediate Necessity

The unfunded mandate was issued at the end of 2022. It is expected to take into effect in late 2023 or early 2024.



Thank You.