

# 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 2025 Budget Message  
DATE: April 8, 2025

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#### Budget Summary

You may notice the Municipal budget increase, including Library & Grants, from 2024 to 2025 is \$399,683 (.54%) so I'll address this first. The budget increase is primarily in Statutory Expenses – mandatory expenses over which we have no control of almost \$3.154 million primarily:

- Net Increase in Health Insurance Costs of \$1,390,061 (15.19%), which would have been even higher without employee contribution increases & had we not used our Medical Trust Account to supplement part of the costs @ \$2M
- Increase in Liability Insurance @ \$131,496 (9.63%)
- Increase in Pension & Social Security taxes of \$139,141 (1.81%)
- Increase in Debt Service of \$1,209,222 (35.40%)
- Increase in the Library Tax of \$283,842 (5.93%)

You will also notice an increase of Salary & Wage Expenses @ 776,899 (3.12%), less than the current inflation rate.

Highlighting the additional key budget changes include:

- Use of Fund Balance \$11.9M, which helped prevent a larger tax increase, an increase of \$2.6M (28.04%) over last year.

- We still plan to continue with Township Infrastructure Improvements by bonding. Roads and Sidewalks are planned @ \$4M and an additional 1.2M is planned for road-related projects.

#### Amount to be Raised by Taxes

Council managed to avoid raising Municipal Taxes for 4 years (CY '18 – CY'21). CY'22 & '23 Municipal Taxes increased by 1%, and despite significant inflation, CY'24 Municipal Tax increased 6%. The CY'25 Municipal tax is increasing \$1M from \$37,993,310 to 38,993,310, allowing us to handle the mandatory increases while still maintaining a high level of community services.

However, the Municipal Tax rate on the total township assessed valuations will again actually slightly decrease from .255 in 2024 to .234 in 2025 - **down 0.021 (8.24%)**.

Increased township assessed valuations (from \$14,887,830,900 in 2024 to \$16,697,499,400, show a healthy increase of \$1,809,668,500 (12.16%). The average home value that was \$477,100 in CY'24, has **increased \$78,385 (16.43%) to \$555,485 in CY'25**. So due to this increased value, the average home will see a municipal-only tax increase from \$1,215.61 to \$1,299.83, an increase of \$83.23 (6.84%)