

CITIZENS FINANCE ADVISORY COMMITTEE

Budget Presentation

March 27, 2017

Agenda: Review of:

- 2016 ending Current Fund Surplus
- 2017 Budget & Surplus Forecast
- Taxable Assessed Values
- Core Debt (Debt that is funded through General Revenues (primarily Municipal Taxes))
- *Note: Some figures may have immaterial differences from those in the final budget*

Budget Summary: 2.3% levy increase is due to falling non-tax revenues & modest expense increases. Levy increase is being moderated by increase in tax base.

	2016*	2017	Change	% change
Total Appropriations	61,938,313	62,416,851	478,538	0.77%
Revenues:				
Municipal Taxes	32,932,743	34,234,814	1,302,071	3.95%
PU Fair Share Payment	2,970,000	3,090,000	120,000	4.04%
Utility Operating Surplus	1,400,000	1,400,000	-	0.00%
Reserve for Debt Service	1,400,000	750,000	(650,000)	-46.43%
All Other	23,235,570	22,942,037	(293,533)	-1.26%
Total Revenues	61,938,313	62,416,851	478,538	0.77%
Taxable Assessed Value	6,901,264,357	7,000,081,169	98,816,812	1.43%
Municipal Tax Rate	0.478	0.489	0.011	2.30%

* 2016 Budget is before \$153,448 in added grant-related Revenues and Appropriations

2016 results saw a \$1.8 million increase in Current Fund Surplus

	2016		
	Budget	Projected	Actual
REVENUES:			
Surplus	6,100,000	6,100,000	6,100,000
Anticipated	21,838,496	21,687,256	21,928,268
Non-anticipated		570,000	960,191
Lapsed Appropriation Reserve		3,000,000	3,429,739
Other Credits			886,307
Delinquent Taxes	1,067,074	1,006,483	1,113,493
Tax Appeal Settlement	-	462,480	462,480
Municipal Taxes	32,932,743	32,031,295	32,061,697
Total Revenues	61,938,313	64,857,514	66,942,175
EXPENSES:			
Core Appropriations	59,023,407	55,263,237	55,211,469
-Reserved at Year-End		3,560,170	3,811,938
Reserve for Uncollected Taxes	2,914,906		
Total Expenses	61,938,313	58,823,407	59,023,407
Audit Adj.			(14,049)
Net	0	6,034,107	7,904,719
Surplus Appropriated	(6,100,000)	(6,100,000)	(6,100,000)
Change in Surplus	(6,100,000)	(65,893)	1,804,719

*In 2016, Change in Surplus = \$1.8 million.
(We try to budget so that Change in Surplus = \$0)*

The increase in Surplus was due in part to ~\$1.0 million unanticipated one-time items.

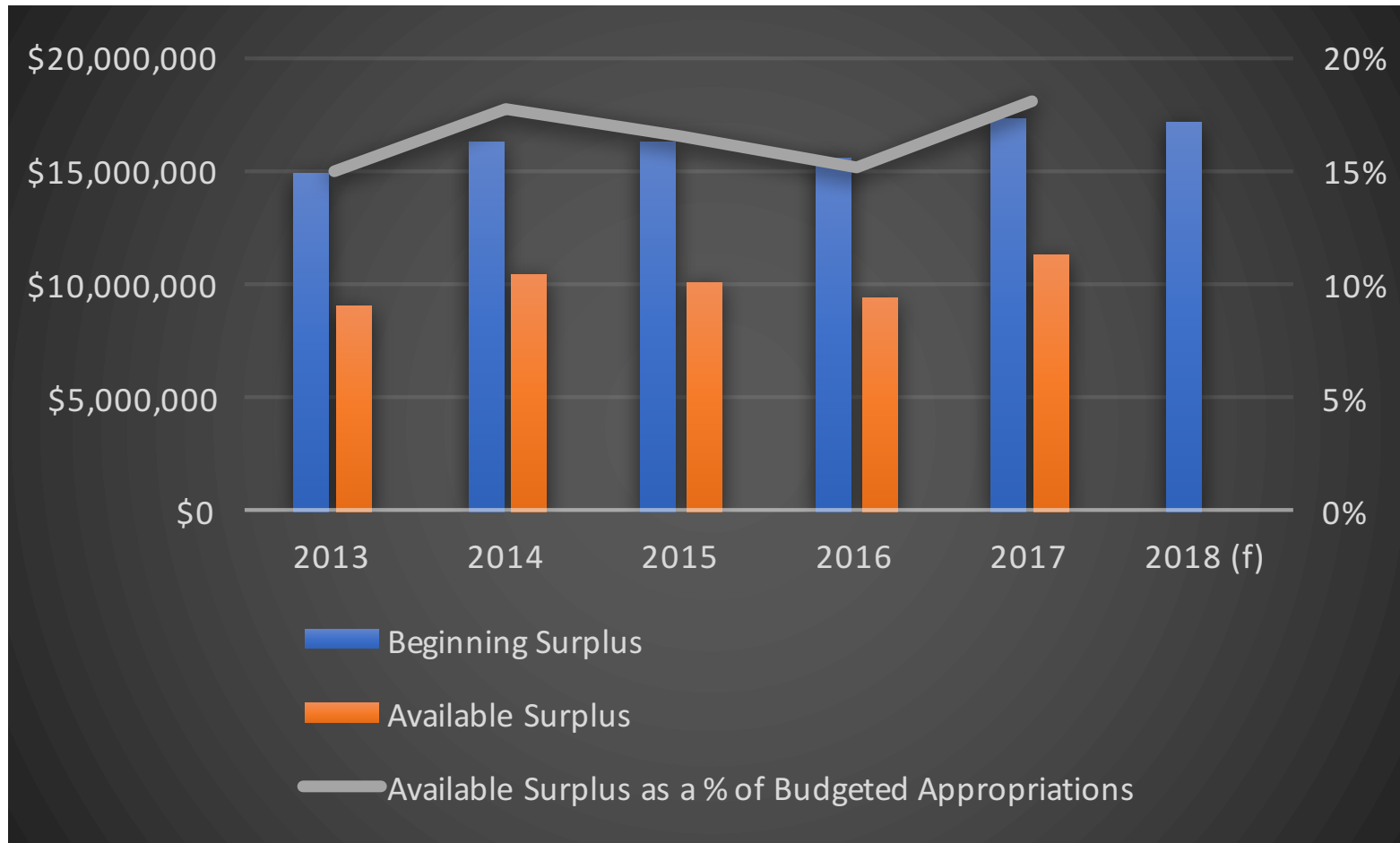
	Projected	Actual	Variance
Miscellaneous Revenue Anticipated	21,687,256	21,928,268	241,012
Delinquent Taxes	1,006,483	1,113,493	107,010
Amount to be Raised by Taxation	32,031,295	32,061,697	30,402
Unexpended Balances Canceled (net)		575,038	375,038
Miscellaneous Revenue Not Anticipated	570,000	960,191	390,191
Lapsed Appropriation Reserves	3,000,000	3,429,739	429,739
Closed Accounts Payable		146,381	146,381
Closed Erroneous Tax Overpayment		164,887	164,887
Tax Appeal Settlement	462,480	462,480	-
Audit adj.		(14,049)	(14,049)
Net Change to Surplus	(65,893)	1,804,719	1,870,611

~\$1.0 million of the Change in Surplus was unforeseen one-time items.

2017 Projected Change in Surplus

	2017	
	Budget	Projected
REVENUES:		
Surplus	6,000,000	6,000,000
Anticipated	21,038,037	21,038,037
Non-anticipated		570,000
Lapsed Appropriation Reserve		3,000,000
Delinquent Taxes	1,144,000	1,029,600
Tax Appeal Settlement	-	494,715
Municipal Taxes	34,234,814	33,046,866
Total Revenues	62,416,851	65,179,218
EXPENSES:		
Core Appropriations	59,501,716	55,701,138
-Reserved at Year-End		3,600,578
Reserve for Uncollected Taxes	2,915,135	
Total Expenses	62,416,851	59,301,716
Net	0	5,877,502
Surplus Appropriated	(6,000,000)	(6,000,000)
Change in Surplus	(6,000,000)	(122,498)

2017 Available Surplus is 18% of Appropriations; Policy is 15 – 20%

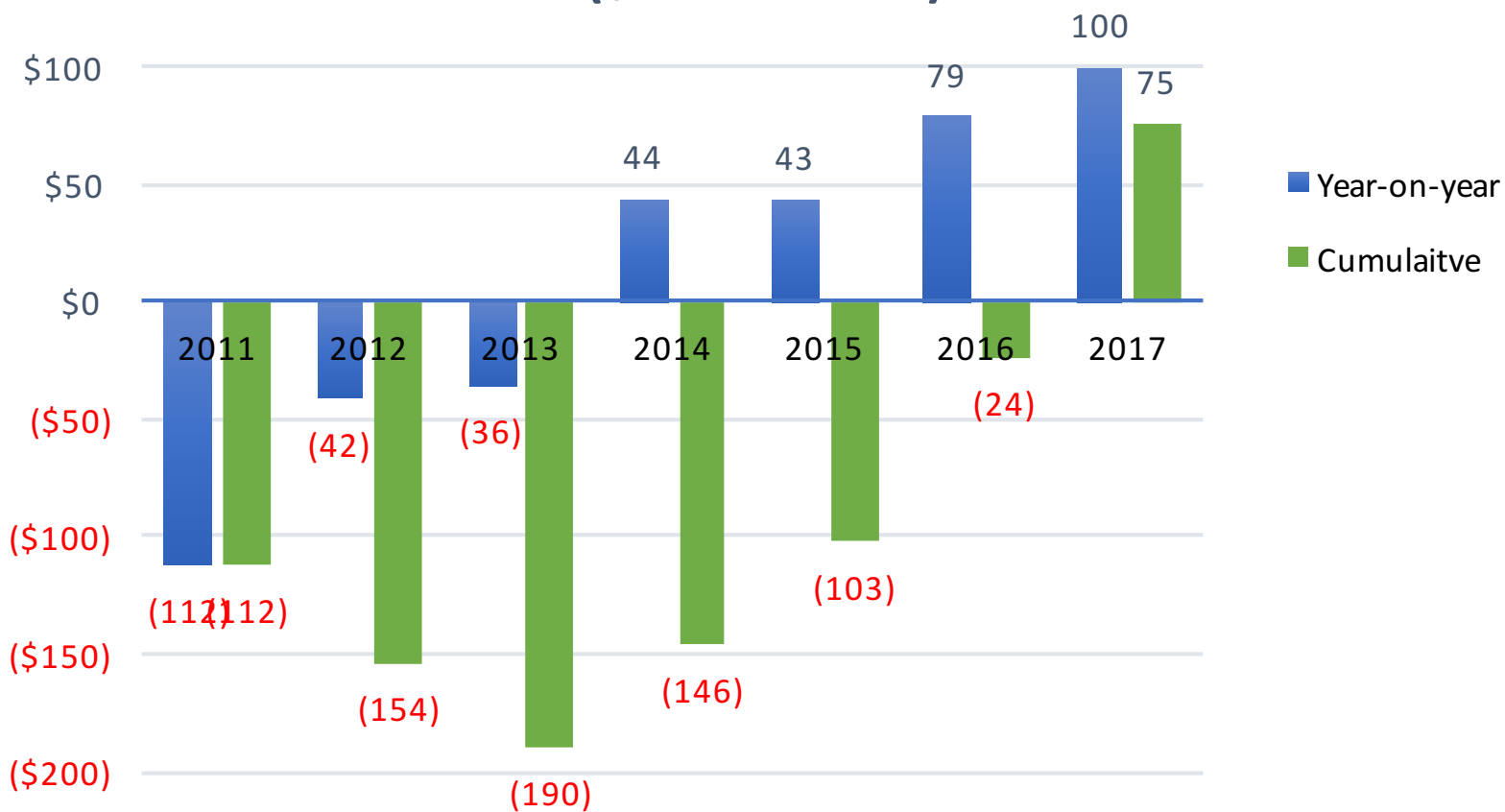


Total Assessed Values increased by ~1.4%, helping to offset levy increase(s).

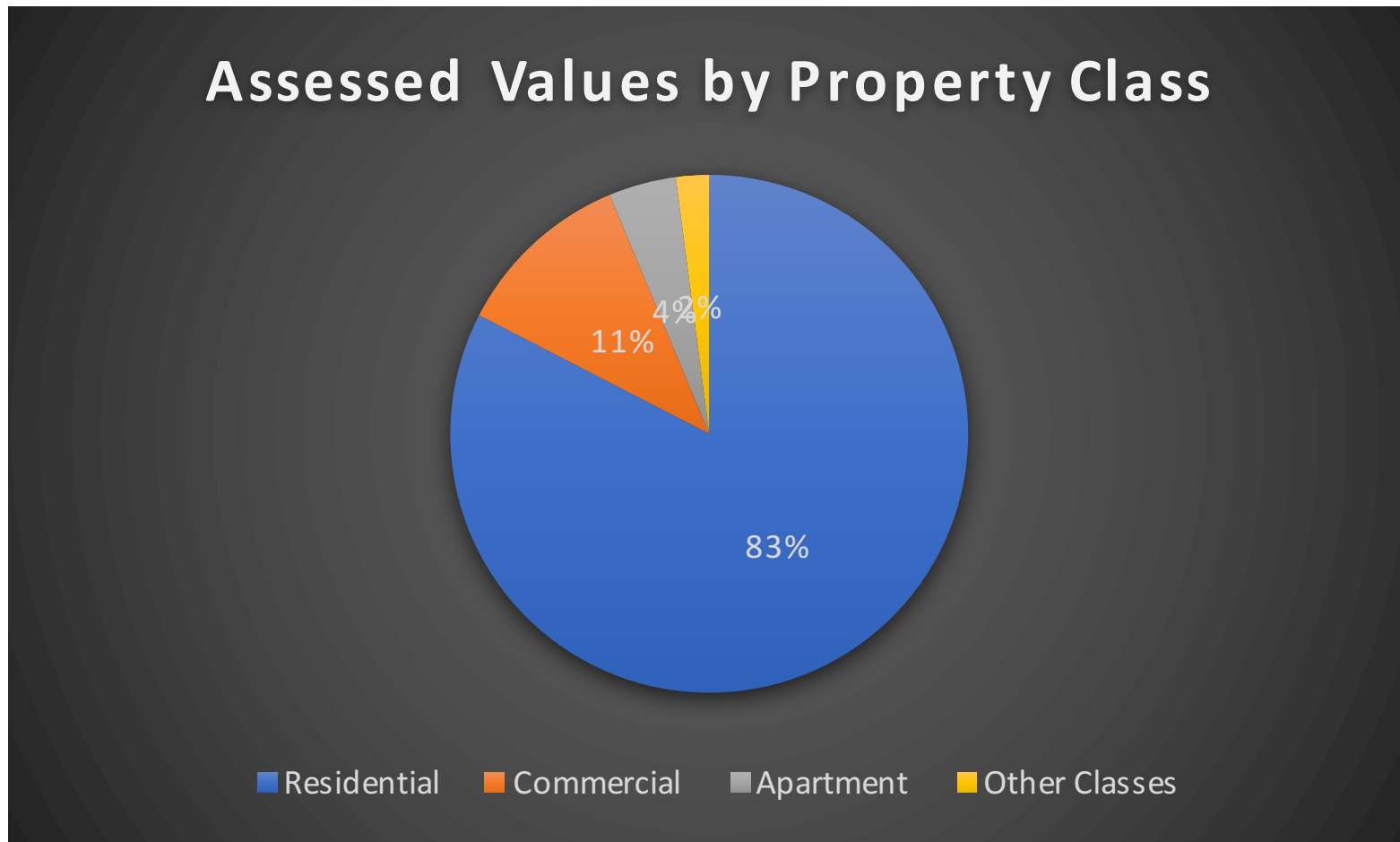
All Taxable Properties	2016	2017	Change	% change
Residential	5,700,970,100	5,780,694,100	79,724,000	1.4%
Commercial	778,455,800	779,781,900	1,326,100	0.2%
Apartment	274,387,200	295,171,800	20,784,600	7.6%
Other Classes	147,451,257	144,433,369	-3,017,888	-2.0%
All Princeton Properties	6,901,264,357	7,000,081,169	98,816,812	1.4%

Residential Detail	2016	2017	Change	% change
Median value	685,900	702,410	16,510	2.4%
Average value	807,046	818,795	11,750	1.5%
Number of properties	7,064	7,060	-4	

Change in Taxable Assessed Values (\$ in millions)



Princeton's tax base is predominantly residential.



The CFAC continues to work with Administration on Princeton's capital spending plans to ensure compliance with its Debt Policy.

