



PRINCETON

2015

Budget Presentation to

MAYOR AND COUNCIL

Monday, March 23, 2015



Municipal Budget Overview

- The proposed budget is \$60.9 million dollars.
- This budget represents a new phase in Princeton's financial stewardship.
 - Building Resiliency For The Future
- The proposed budget represents efforts to maintain or increase services at financially sustainable levels.
- The proposed budget continues to manage surplus and debt levels to improve long-term financial health.
- To achieve these objectives the tax rate shows an increase of 1.6 cents.



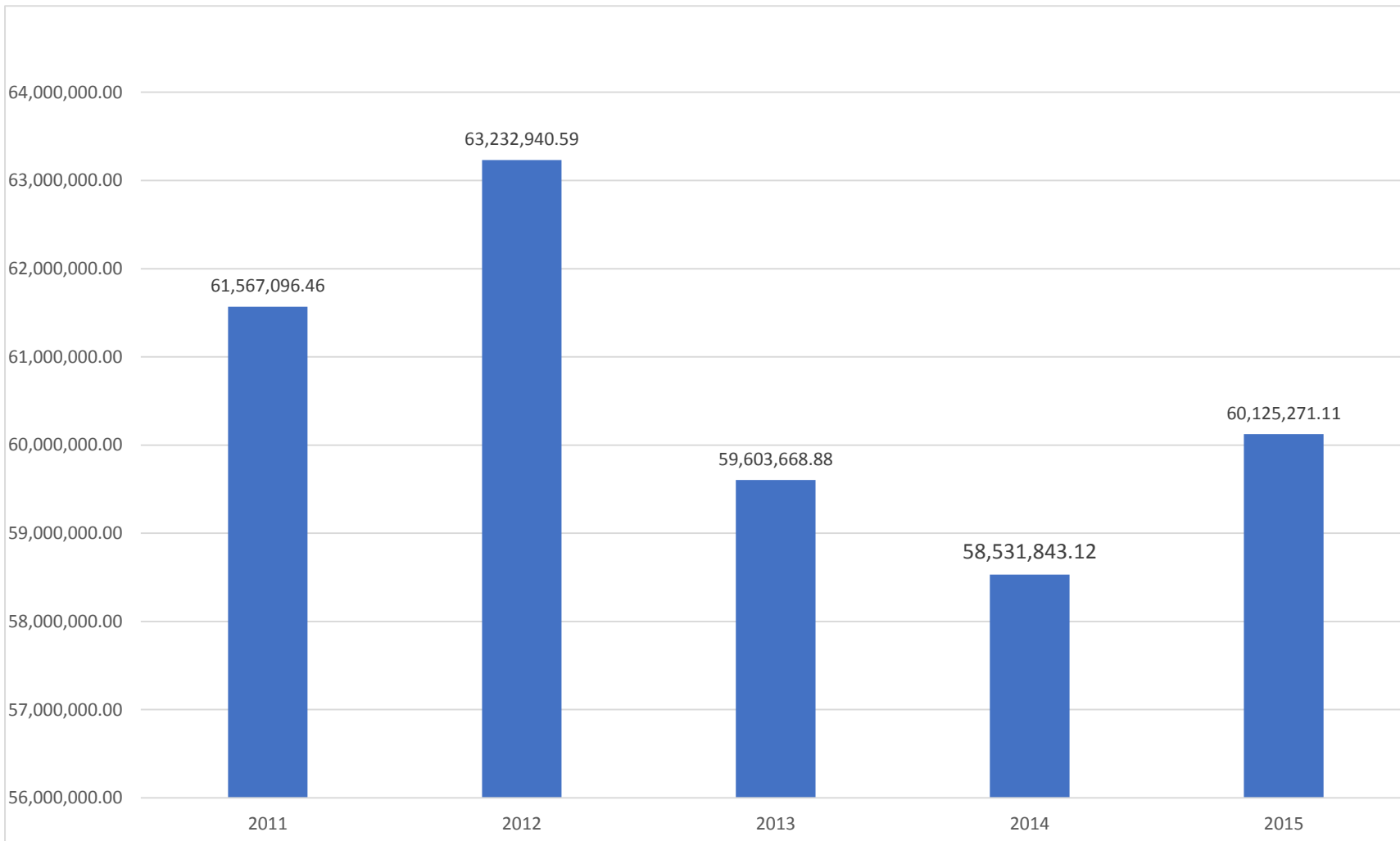
Budget Development

- **Departments prepared baseline budgets.**
- **Departments developed budget requests for additional resources.**
- **Budget proposals were reviewed and analyzed with staff, Citizen's Finance Committee and Council's Finance Committee.**
- **Next Steps:**
 - **Departmental Presentation to Council - TBD**
 - **Public Hearing – April 27, 2015**



Municipal Budget Trends

(Excluding Grants)



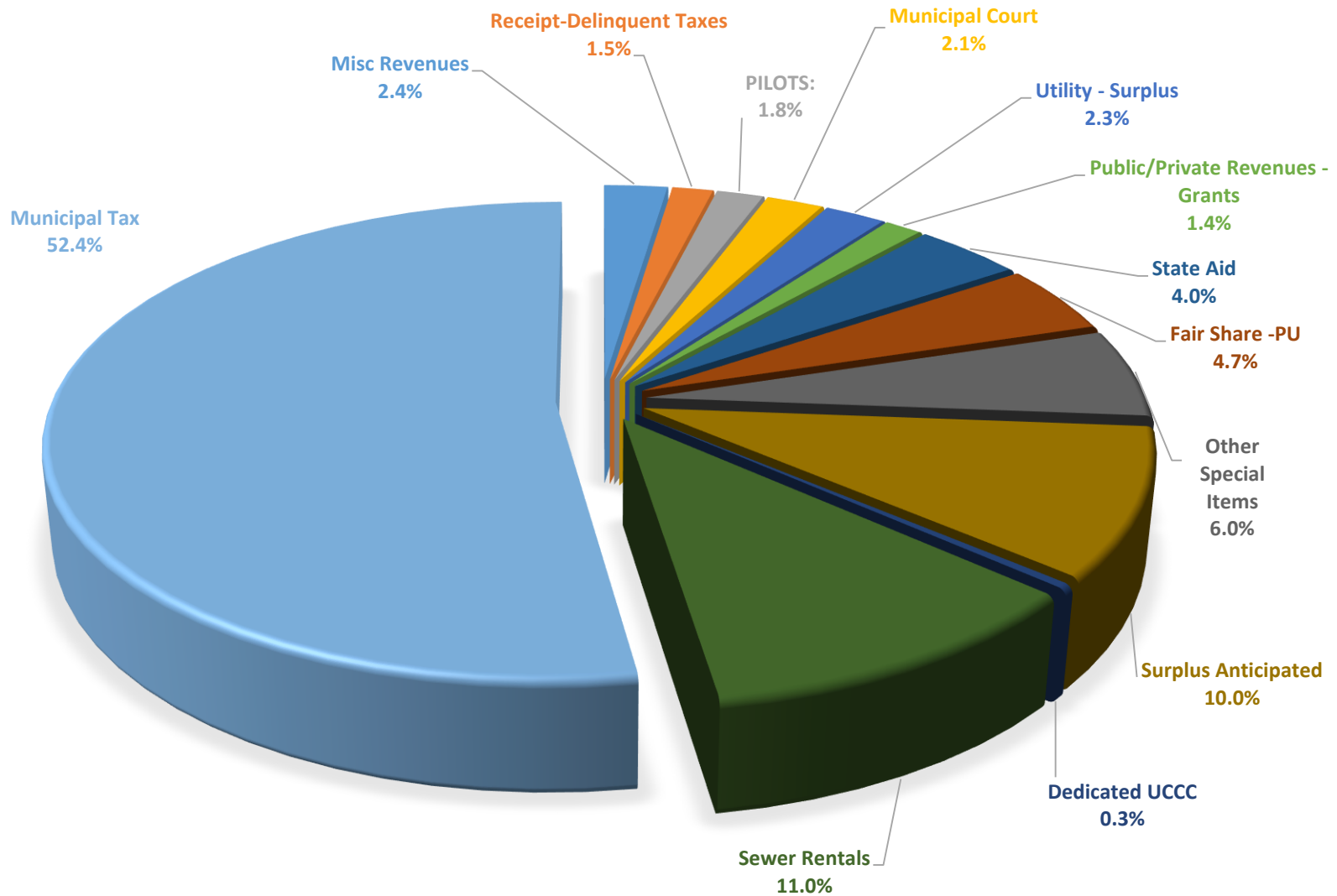


Budget Revenues

	<i>2015 Budget</i>	<i>2014 Budget</i>	<i>Variance</i>	<i>% Change</i>
<i>Amount to be Raised</i>	31,975,690	30,706,857	1,268,833	4.6%
<i>Receipts from Delinquent Taxes</i>	937,378	1,221,945	(284,567)	-23.3%
<i>Fair Share -PU</i>	2,860,000	2,750,000	110,000	4.0%
<i>Fees and Permits</i>	345,700	375,000	(29,300)	-7.8%
<i>Fire and Housing Inspection Fees</i>	242,600	177,600	65,000	36.6%
<i>Interest and Costs on Taxes</i>	396,600	598,000	(201,400)	-33.7%
<i>Interest on Investments and Deposits</i>	186,100	162,000	24,100	14.9%
<i>Licenses</i>	120,100	135,600	(15,500)	-11.4%
<i>Life Hazard Fees</i>	87,500	89,300	(1,800)	-2.0%
<i>Municipal Court</i>	1,300,000	1,300,000	-	0.0%
<i>Passport Fees</i>		4,000	(4,000)	-100.0%
<i>PILOT Payments</i>	1,073,800	1,072,000	1,800	0.2%
<i>Sewer Rentals</i>	6,715,700	6,972,000	(256,300)	-3.7%
<i>Street Opening</i>		5,000	(5,000)	-100.0%
<i>Utility Operating Surplus</i>	1,400,000	1,400,000	-	0.0%
<i>State Aid</i>	2,457,276	2,457,276	-	0.0%
<i>Dedicated UCCC</i>	201,534	157,000	44,534	28.4%
<i>Inter-local Municipals Services Agreement</i>	70,000		70,000	100.0%
<i>Public and Private Revenues - Grants</i>	851,108	754,937	96,171	12.7%
<i>Other Special Items</i>	3,666,293	3,158,265	352,028	11.1%
<i>Surplus Anticipated</i>	6,100,000	5,800,000	300,000	5.2%
Total Revenues	60,986,379	59,296,780	1,690,599	2.8%



Revenue Sources



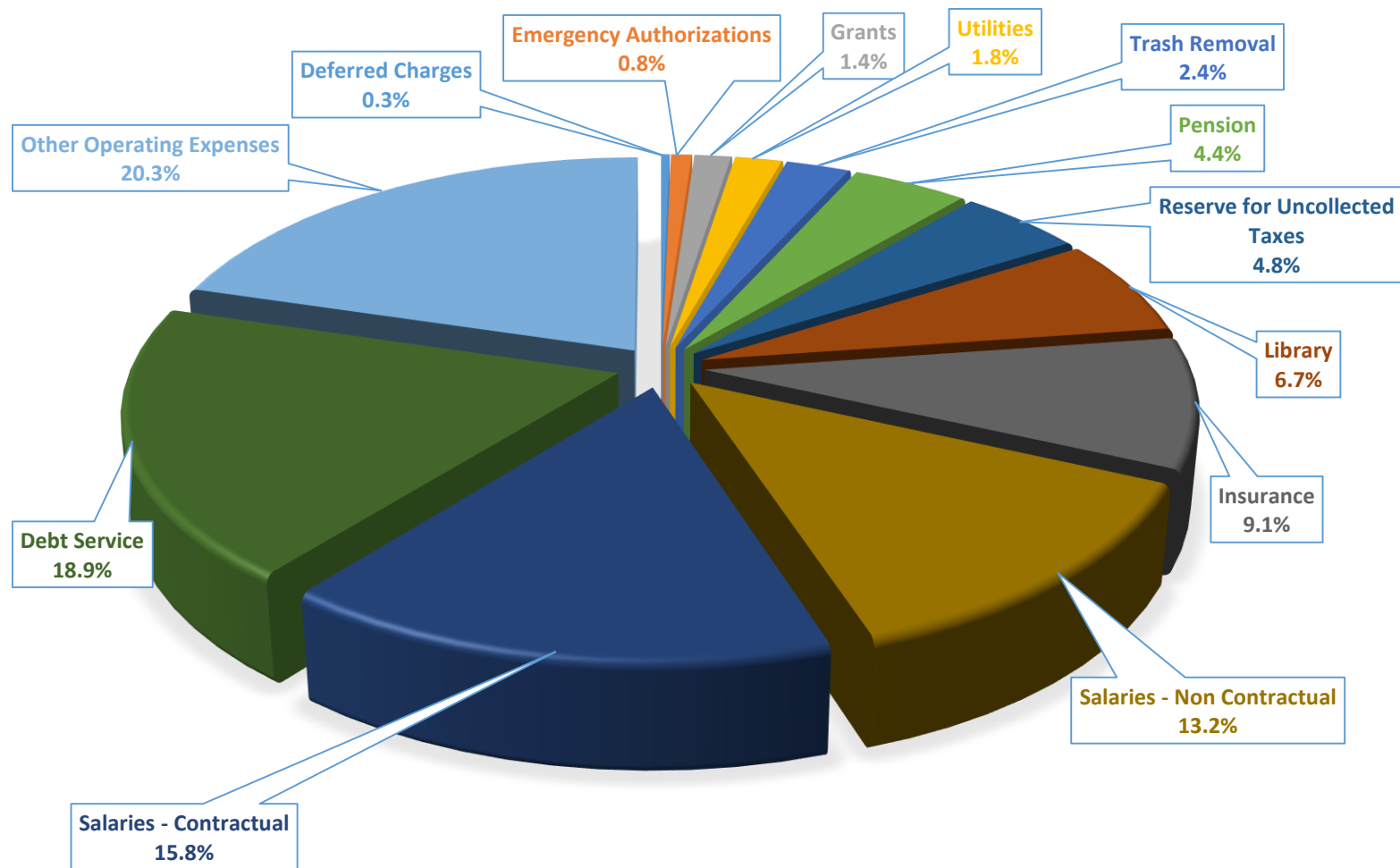


2015 MUNICIPAL EXPENDITURES

	<i>Budget 2015</i>	<i>Budget 2014</i>	<i>Variance</i>	<i>% Change</i>
<i>Salaries - Contractual</i>	9,633,087	9,338,837	294,250	3.2%
<i>Salaries - Non Contractual</i>	8,033,422	7,839,897	193,525	2.5%
<i>Total Salaries</i>	17,666,509	17,178,734	487,775	2.8%
<i>Other Operating Expenses</i>	12,409,584	12,224,171	185,413	1.5%
<i>Utilities</i>	1,099,100	1,067,974	31,126	2.9%
<i>Library</i>	4,087,205	4,015,533	71,672	1.8%
<i>Insurance</i>	5,532,063	5,042,089	489,974	9.7%
<i>Trash Removal</i>	1,491,500	1,300,000	191,500	14.7%
<i>Pension</i>	2,708,100	2,847,957	(139,857)	-4.9%
<i>Grants</i>	861,108	754,943	106,165	14.1%
<i>Debt Service</i>	11,532,793	11,188,043	344,750	3.1%
<i>Deferred Charges</i>	200,000	275,000	(75,000)	-27.3%
<i>Emergency Authorizations</i>	483,516	483,516	-	0.0%
<i>Reserve for Uncollected Taxes</i>	2,914,901	2,918,821	(3,920)	0.0%
<i>Total Other Expenses</i>	43,319,870	42,118,046	1,201,824	2.9%
<i>Total Budget</i>	60,986,379	59,296,780	1,692,730	2.8%



2015 Expenditures – Major Categories





Municipal Wage Analysis

Union	2015 Budget	2014 Budget	Variance
AFSCME	36	35	1
Non - Contractual	98	93	5
PBA	52	52	0
Teamsters	10	8	2
Total	196	188	8

Union	2015 Budget	2014 Budget	Variance	Increase from wage Increases	Increase from staffing increases
AFSCME	2,348,313	2,264,158	84,155	49,155	35,000
Non - Contractual	8,033,422	7,839,897	193,525	95,904	97,621
PBA	6,474,012	6,391,979	82,033	221,176	(139,143)
Teamsters	810,762	682,700	128,062	11,729	116,333
Current Fund Total	17,666,509	17,178,734	487,775.03	367,964 (2.1%)	119,811 (.7%)



Council's Finance Committee Review

(Alternatives Recommended)

Expenditure Reductions

- Reduce State Unemployment - \$10,000
- Reduce Sick Leave Payment - \$50,000
- Reduce Capital Improvement Fund - \$100,000
- Reduce Vacant Positions - \$107,055

Revenue Enhancement

- Increase Use of Surplus - \$100,000
 - (offset by future revenues)
- Add Cable Franchise Fee Revenues – \$155,000



Council's Finance Committee Review

(Alternatives Recommended – Continued)

Reduce Future Debt Service – Cash Capital

- **Authorize \$200,000 in the current fund to pay for items currently in the capital plan**



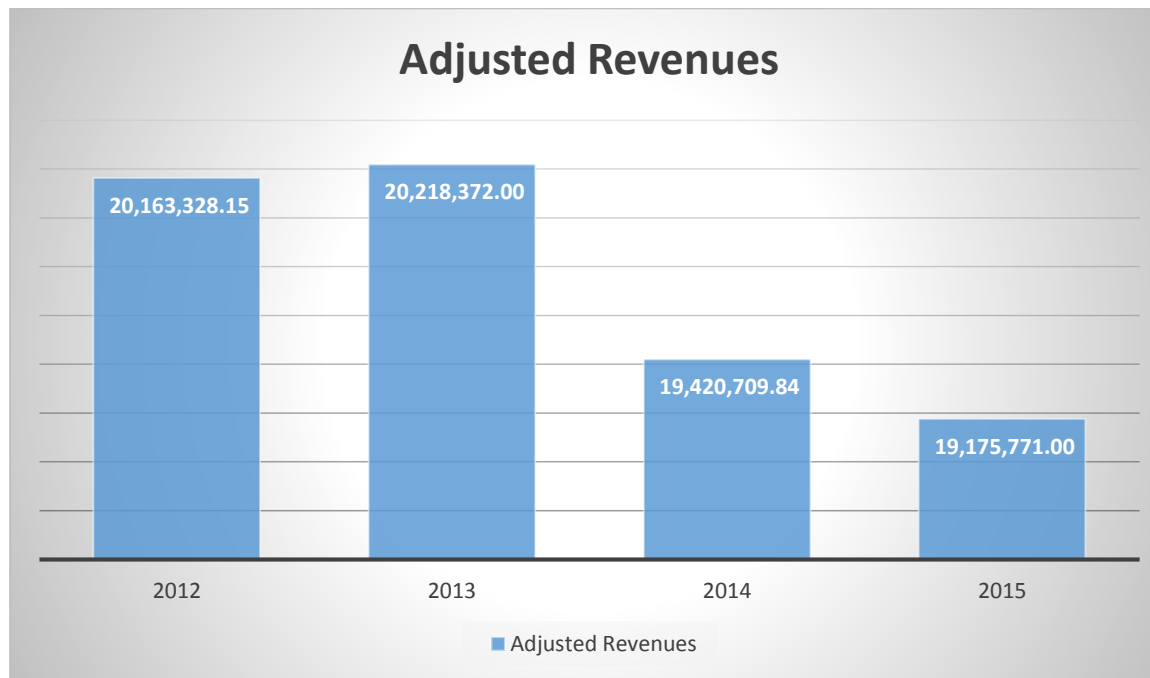
Budget Impact on Average Household

Impact of 2015 Budget

	Budget 2015	Budget 2014	Variance	% Change
<i>Total Salary and Wage</i>	17,666,509	17,178,734	600,765	3.5%
<i>Total Other Expenses</i>	43,319,870	42,118,046	1,066,874	2.5%
Total Budget	60,986,379	59,296,780	1,667,639	2.8%
<i>Municipal Tax Rate</i>	0.469	0.453	0.016	3.5%
<u><i>Average Municipal Tax:</i></u>				
<i>Avg. residential value</i>	800,560	796,023		
<i>Avg. residential tax bill</i>	3,753	3,606	147	



Challenge for the Future (Managing Revenue Growth)



(Excludes Taxes, Surplus, Grants, State Aid, Inter-local Services, Dedicated UCC Fees)



Capital Budget Policy Decisions

Sidewalk Policy

➤ **Alternative One**

- The cost of the installation of new sidewalks is paid by the Municipality (\$50,000).

➤ **Alternative Two**

- The cost of the installation of new sidewalks and the repair/replacement of existing sidewalks (\$100,000).

➤ **Alternative Three**

- The policy is not changed. Property owners assessed for 50% of the cost of sidewalk replacement and repair.

➤ **Alternative Four**

- Phase-in the increase cost to the municipality by decreasing the percentage of cost assessed to the property owner.