



2011 Princeton Township Budget Newsletter

The Citizens Finance Advisory Committee is pleased to announce that there is no increase in your municipal tax rate this year. This achievement takes place in a year of continuing financial pressure and uncertainty, and is due to continued fiscal discipline by Township Officials and Administration.

The Township tax rate for 2011 remains at \$0.47 per \$100 of assessed value. This is exactly the same rate as 2010. There is no increase in the municipal tax rate for 2011.

On your 2011 tax bill, the tax rate will be shown in two pieces: the municipal tax and the library tax.

Municipal tax	\$0.434
Library tax	<u>0.036</u>
Tax Rate	\$0.470

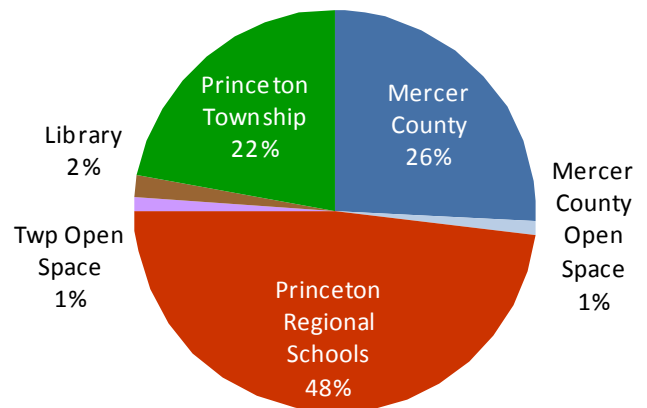
Understanding your tax bill

Your bill includes six separate taxes, and for most residences, a sewer tax. The Township is responsible for three of these: the municipal tax, the library tax and the municipal open space tax. Beginning in 2011, state regulations require that the library tax be presented separately. In the past it had been included as part of the municipal tax. It is not a new or additional tax. The municipal open space tax is administered by the township with the rate set by Township referendum. The other taxes that appear on your bill are: Mercer County, Mercer County Open Space and the Princeton Regional Schools. State law requires Princeton Township to collect taxes for Mercer County and for the Princeton Regional School District. It is important to note that the Township tax rate is flat, the County tax rate is reduced and the School District tax rate is increased.

Achieving a zero tax increase required smart planning and significant actions on several fronts. Budget highlights include:

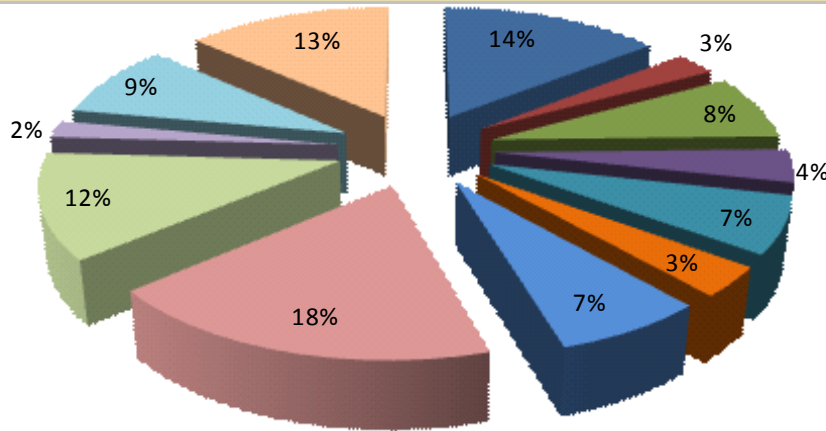
- Township officials and CFAC negotiated a one-time Fair Share contribution of \$500,000 from Princeton University, the first major voluntary contribution by the University in Township history. This agreement is for 2011 only.
- The Township also received a one-time \$300,000 premium on a bond issue.
- Several actions were taken to improve efficiency and reduce costs, including flat or reduced funding in most areas, and a salary freeze for non-union personnel for the second year in a row.
- Revenue from property taxes is expected to drop by \$400,000 or 2% due to appeals and the effect of the Township's tax compliance plan (described on page 4).
- Debt service costs for capital projects and state-mandated pension contributions have increased significantly in 2011.
- The net effect of all these changes is that the budget is in balance and financial reserves remain stable. As a result, the Township expects to retain its AAA bond rating.

Your Tax Bill



	2011	2010	2011	% change
Average residential value	\$ 826,636			
<u>Average tax bill:</u>				
	<u>Tax rates:</u>			
Mercer County	\$ 4,182	\$ 0.527	\$ 0.506	-3.98%
Mercer County Open Space	174	0.022	0.021	-4.55%
Princeton Regional Schools	7,828	0.898	0.947	5.46%
Princeton Township	3,588	0.434	0.434	0.00%
Princeton Public Library	298	0.036	0.036	0.00%
Township Open Space	165	0.020	0.020	0.00%
	<u>\$ 16,235</u>	<u>\$ 1.937</u>	<u>\$ 1.964</u>	1.39%

PRINCETON TOWNSHIP 2011 EXPENDITURES - \$36,633,271



Public Safety
Health/Housing/Human Services
Public Works/Utilities/Buildings and Grounds
Land Use
Admin/Finance/Court
Parks/Recreation/Seniors
Library
Capital Investment
Statutory/Employee Benefits
Grants
Sewer
Reserve

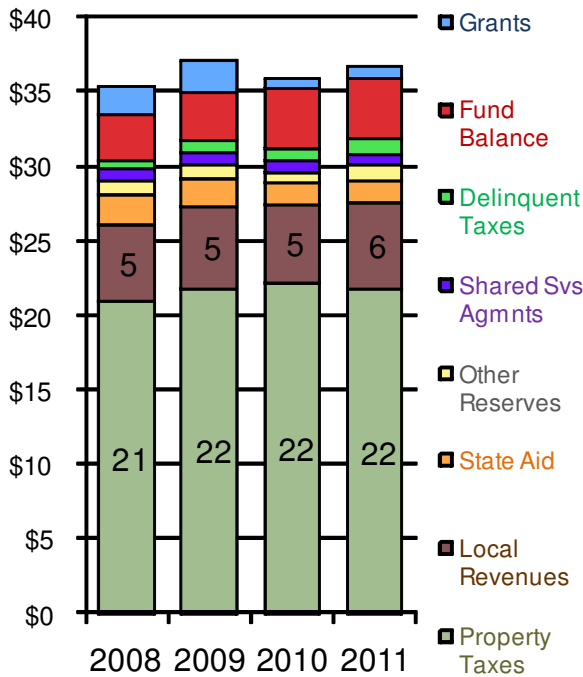
PRINCETON TOWNSHIP-2011 BUDGET EXPENDITURES

Category	Department	2011 Budget	2010 Budget	% Change
Public Safety	Police / Police Dispatchers	4,325,315	4,194,930	3.1
	Fire Safety */ Emergency Mgmt	56,323	102,073	-44.8
	Hazardous Route Busing	132,000	141,750	-6.9
	First Aid**/Fire**/Fire Facilities**/ Hydrants	760,258	817,538	-7.0
Health and Human Svcs	Corner House**	251,167	251,167	0.0
	Human Services **	140,460	140,611	-0.1
	Regional Health** / Joint Environmental**	295,196	293,319	0.6
	Animal Control**/Deer Mgmt	101,470	150,078	-32.4
	Contribution to Affordable Housing	200,000	200,000	0.0
	Utilities/Community Services Act	666,000	668,500	-0.4
Public Works/Utilities	Roads / Vehicle Maintenance	1,659,726	1,664,065	-0.3
	Buildings and Grounds	284,950	284,950	0.0
	Recycling/Shade Tree	140,600	197,387	-28.8
	Regional Planning Board**	341,600	358,624	-4.7
Planning / Land Use	Zoning /Historic Preservation/Sustainable Princeton**	246,637	216,181	14.1
	Engineering	815,960	811,621	0.5
	Administration/Finance/Court/Tax/Consolidation	1,573,707	1,543,317	1.9
General Government	Legal / Prosecutor / Public Defender	461,500	490,500	-5.9
	Information Technology	371,071	365,971	1.4
	Parks and Playgrounds/Joint Recreation Board**	1,162,435	1,229,743	-5.5
Parks/Recreation/Seniors	Senior Resource Center**	97,162	92,555	5.0
	Princeton Public Library**	2,555,581	2,538,581	0.7
Library	Bonds and Notes	6,446,355	6,138,326	5.0
	Down payments	300,000	300,000	0.0
Debt Service for Capital Investment	Insurance (Medical, Liability, WC, FICA)	2,808,308	2,807,075	0.0
	Pensions	1,615,641	1,309,578	23.4
Statutory / Empl Benefits	Grants (directly offset by revenues)	717,946	698,398	2.8
	Sewer**	3,186,903	3,096,243	2.9
Grants	Reserve for Uncollected Taxes and Unanticipated budget appropriations	4,809,000	4,728,544	1.7
	Revaluation pay down	110,000	110,000	0.0
	Total Expenditures	36,633,271	35,945,211	1.9

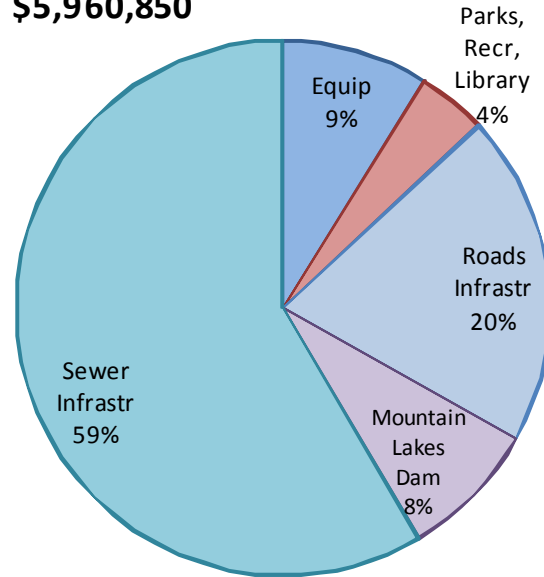
* Decrease due to moving Fire Safety to Borough as a shared service

** Represents a Joint Agency or Interlocal Agreement

Sources of Revenue (in millions)



2011 Capital Budget Plan
\$5,960,850



*This year's Mountain Lakes Dam project is a continuation of improvements now to the upper dam and will be funded completely through a private donor.

PRINCETON TOWNSHIP - BUDGET REVENUES

Category	Revenue Source	2011 Budget	2010 Budget	% Change
	Fund Balance Appropriated	4,125,000	4,125,000	0%
Local Revenues	Licenses, Fees, Permits	101,800	99,100	3%
	Municipal Court Fines	347,600	346,750	0%
	PILOTS / Fair Share Payment	1,515,000	969,000	56%
	Sewer Revenue	3,500,000	3,400,000	3%
	Interest	333,600	422,500	-21%
	Total Local Revenues	5,798,000	5,237,350	11%
State Aid	Municipal Property Tax Aid/Other	27,627	51,437	-46%
	Energy Receipts Tax	1,440,694	1,412,029	2%
	Total State Aid	1,468,321	1,463,466	0%
Shared Svcs	Interlocal: Joint Agencies w/Boro	782,276	737,131	6%
	Total Shared Svcs Agreement	782,276	737,131	6%
Grants	State / Local Grants	394,136	375,124	5%
	Corner House Foundation	313,810	313,810	0%
	Total Grants	707,946	688,934	3%
Other Reserves	Reserve for debt service / Other	723,662	728,574	-1%
	Bond Premium reserved	350,000	-	100%
	Total Reserves	1,073,662	728,574	47%
Taxes	Delinquent Taxes	961,000	820,000	17%
	Property Tax (Municipal portion)	21,717,067	22,144,756	-2%
	TOTAL REVENUES	36,633,271	35,945,211	2%

The Citizens Finance Advisory Committee:

Scott Sillars, Chairman
Zvi Eiref, Vice Chairman
John Wynne, Jr.
Anne Burns
Brian McDonald
Deputy Mayor Sue Nemeth—Liaison
Committeewoman Liz Lempert—Liaison

Township of Princeton

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ABOUT CFAC

The Citizens Finance Advisory Committee was established in 2008 as a way for the Township Committee to utilize the depth and breadth of financial experience within the Princeton Community. Its five members meet with Township elected officials and administrative staff to review Township financial matters such as the budget, debt service and capital spending plans. Committee members are seasoned professionals from the private and public sectors who bring different perspectives and experiences to enhance the work of the Township Committee and its Administration.

During 2010, CFAC:

- Worked with Township officials to negotiate a Fair Share contribution from Princeton University
- Began an analysis of the Open Space Tax and Fund
- Presented its second annual report on the financial state of the Township

In 2011, CFAC will:

- Complete an analysis of public works costs and services and benchmark data against other municipalities
- Present a report and recommendation regarding the Open Space Tax to the Township Committee
- Continue working with Township elected officials to formalize a long-term Fair Share contribution from Princeton University

Revaluation news

Using information gathered since last year's revaluation, including prices from subsequent home sales and 2010 tax appeals, the Township tax assessor filed a compliance plan for the tax year 2011. The plan is one step his office has taken to ensure that each parcel of property is taxed at its fair and full value. After reviewing all 5,590 properties in 121 neighborhoods in the Township, 1,177 properties in 22 neighborhoods have been adjusted as a result of the compliance plan. This equates to a tax readjustment of 21% of the properties. To read more about the compliance plan, visit the Township website: www.princetontwp.org and click on Tax Assessor / Compliance Plan.

PRINCETON TOWNSHIP: A GREAT PLACE TO LIVE

The Township of Princeton covers an area of 16.5 square miles in the heart of central New Jersey. It surrounds the 1.85 square mile area of the Borough of Princeton. The 2010 census stated the population of the Township to be 16,265. A substantial portion of the property of Princeton University lies within the borders of the Township as does all the property of the Institute for Advanced Study. Approximately 25% of Princeton Township consists of major parks, recreation facilities, historic sites and open space. The Township has a world class library, excellent public schools and is one of only ten municipalities in New Jersey to maintain a AAA bond rating.

Important Financial Information and Outlook for 2012

In its April 25, 2011 annual report to Township Committee, CFAC made the following observations:

- CFAC agrees that a flat tax rate for 2011 is reasonable and Township's general reserve fund should remain stable despite a slight reduction in current tax revenue. This is partly due to the University Fair Share contribution (which needs to be renegotiated for 2012) and the one-time bond premium received this year.
- The Township has done a good job of improving efficiency and managing personnel costs with minimal effect on service levels; however, rising pension and medical benefit contributions continue to drive personnel costs higher.
- Debt service costs for capital projects are expected to increase 3-5% per year for the next few years.
- At this point, there is no indication of any turnaround in property values which means that the tax base is not likely to grow in the near future.
- For all these reasons, CFAC anticipates that the 2012 budget process will be challenging and that it will be difficult to maintain a flat tax rate for another year.

To view the CFAC Annual Report which was presented to Township Committee, visit the Township website at www.princetontwp.org

Stay Connected

Please visit the Princeton Township website at www.princetontwp.org and sign up to receive email alerts, newsletters, and to register your phone number for the Emergency Notification System.

The Township / Borough Consolidation and Shared Services Study Commission has its own website: www.cgr.org/Princeton which includes study documents, meeting calendars, and contact information for commission members.

