



# 2012 Princeton Township Budget Newsletter

The Citizens Finance Advisory Committee is pleased to report that, for the second consecutive year, there is no increase in your municipal tax rate. This was accomplished through continued fiscal discipline by Township Officials and Administration. Princeton Township and Princeton Borough are in the midst of planning and executing their historic consolidation, which will take effect on January 1, 2013. A summary of key aspects of consolidation can be found on the last page of this report.

The Township tax rate for 2012 remains at \$0.47 per \$100 of assessed value for the 3rd consecutive year. On your 2012 tax bill, the tax rate is shown in two parts, a municipal tax and a library tax.

<b>Municipal tax</b>	<b>\$0.435</b>
<b>Library tax</b>	<b><u>0.035</u></b>
<b>Tax Rate</b>	<b>\$0.470</b>

### Understanding your tax bill

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 the same in 2012 as it was in 2011 and 2010. Both County and School District taxes are increasing this year.

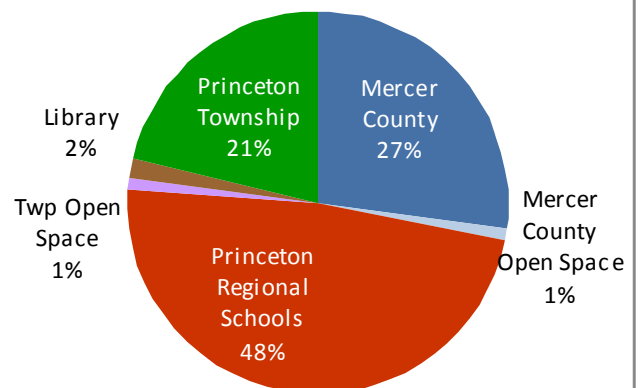
Your bill includes six separate taxes, and for most residences, a sewer tax. The Township is responsible for three of these: the municipal tax, the library tax and the municipal open space tax. The state now requires that a portion of the municipal tax be shown as a library tax. This is not a new tax or additional tax. The municipal Open Space tax is administered by the Township with the rate set at 2¢ by voter referendum. The other taxes that appear on your bill are: Mercer County, Mercer County Open Space and Princeton Regional Schools.

Maintaining a zero tax increase for the second consecutive year required continued careful long-term management across all municipal departments. Budget highlights include:

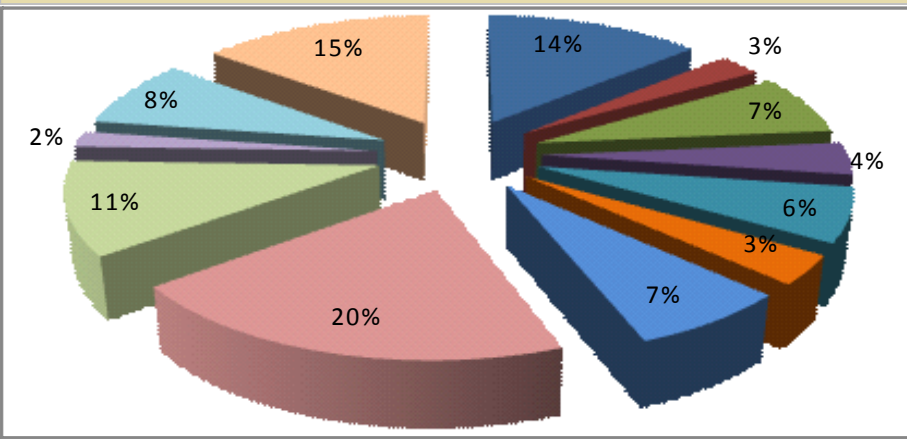
- Township officials and CFAC negotiated a two year extension to the Fair Share contribution agreement with Princeton University that included increasing the annual contribution from \$500,000 to \$775,000.
- Municipal tax collections are expected to decrease \$150,000 due to the effect of the Township's Compliance Plan, which periodically adjusts assessed values in select areas to ensure that each property is taxed at its fair and full value.
- Debt service costs for capital projects will increase by \$852,000 (13%) primarily as a result of bonding for the new municipal pool. The Township will be reimbursed for roughly 40% of the bonding costs by the Recreation Trust and others in the future.
- Pension and insurance costs are lower as a result of State-mandated changes and reduced staff levels.
- Total spending is budgeted to increase by 2.3% in 2012. The increased spending will be primarily funded through increased Fair Share payments and increased utilization of reserves and fund balance.

	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>%</u>
Average residential value	\$821,711			
<u>Average tax bill:</u>			<u>Tax rates:</u>	
Mercer County	\$ 4,552	\$ 0.506	\$ 0.554	9.49%
Mercer County Open Space	173	0.021	0.021	0.00%
Princeton Regional Schools	8,053	0.947	0.980	3.48%
Princeton Township	3,574	0.435	0.435	0.00%
Princeton Public Library	288	0.035	0.035	0.00%
Township Open Space	<u>164</u>	<u>0.020</u>	<u>0.020</u>	<u>0.00%</u>
	\$ 16,804	\$ 1.964	\$ 2.045	4.12%

### Your Tax Bill



PRINCETON TOWNSHIP 2012 EXPENDITURES - \$ 37,489,856



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

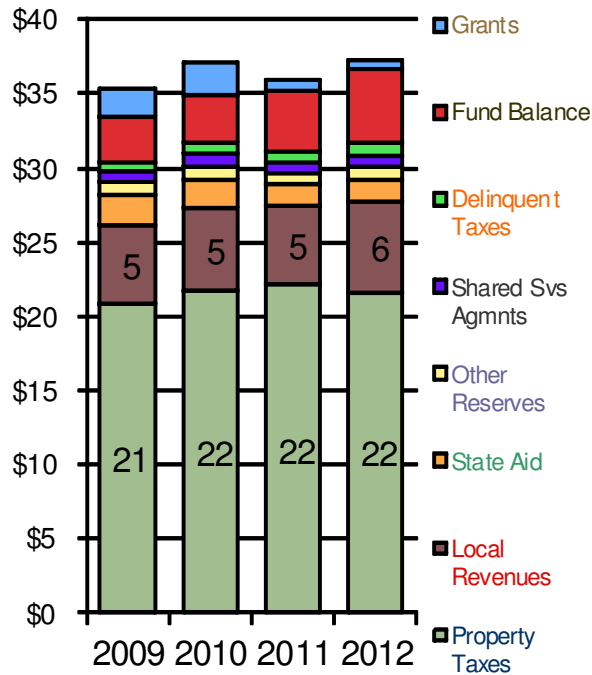
**PRINCETON TOWNSHIP-2012 BUDGET EXPENDITURES**

Category	Department	2012 Budget	2011 Budget	% Change
Public Safety	Police / Police Dispatchers	4,193,213	4,325,315	-3.1%
	Fire Safety */ Emergency Management	2,000	56,323	-96.4%
	Hazardous Route Busing	132,000	132,000	0.0%
	First Aid**/Fire**/Fire Facilities**/ Hydrants	763,384	760,258	0.4%
Health and Human Svcs	Corner House**	251,847	251,167	0.3%
	Human Services **	141,966	140,460	1.1%
	Regional Health** / Joint Environmental**	301,221	295,196	2.0%
	Animal Control**/Deer Management	103,967	101,470	2.5%
	Contribution to Affordable Housing	200,000	200,000	0.0%
	Utilities/Community Services Act	666,000	666,000	0.0%
Public Works/Utilities	Roads / Vehicle Maintenance	1,621,286	1,659,726	-2.3%
	Buildings and Grounds	284,950	284,950	0.0%
	Recycling/Shade Tree	142,600	140,600	1.4%
	Regional Planning Board**	343,859	341,600	0.7%
Planning / Land Use	Zoning /Historic Preservation/Sustainable Princeton**	252,128	246,637	2.2%
	Engineering	839,468	815,960	2.9%
	General Government	Administration/Finance/Court/Tax/Consolidation	1,563,952	1,573,707
Legal / Prosecutor / Public Defender		461,500	461,500	0.0%
Information Technology		373,228	371,071	0.6%
Parks/Recreation/Seniors	Parks and Playgrounds/Joint Recreation Board**	1,192,404	1,162,435	2.6%
	Senior Resource Center**	97,162	97,162	0.0%
Library	Princeton Public Library**	2,675,000	2,555,581	4.7%
Debt Service for	Bonds and Notes	7,298,592	6,446,355	13.2%
Capital Investment	Down payments	300,000	300,000	0.0%
Statutory / Empl Benefits	Insurance (Medical, Liability, WC, FICA)	2,660,000	2,808,308	-5.3%
	Pensions	1,452,300	1,615,641	-10.1%
Grants	Grants (directly offset by revenues)	699,100	717,946	-2.6%
Sewer	Sewer**	3,052,712	3,186,903	-4.2%
Reserve	Reserve for Uncollected Taxes and Unanticipated budget appropriations	5,191,626	4,809,000	8.0%
	Revaluation and storm emergency pay down	232,390	110,000	111.3%
	<b>Total Expenditures</b>	<b>37,489,856</b>	<b>36,633,271</b>	<b>2.3%</b>

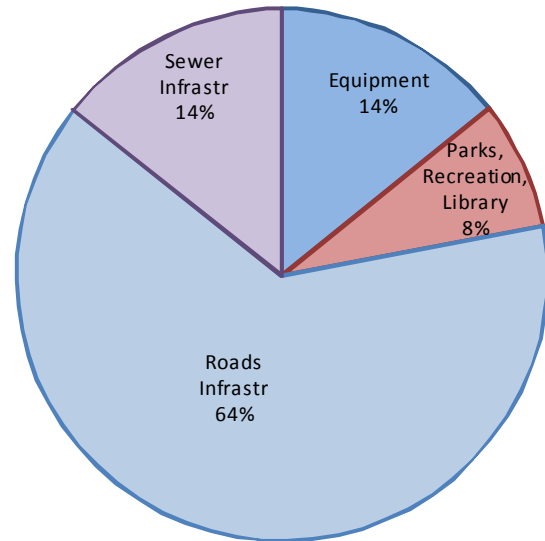
\* Decrease due to moving Fire Safety to Borough as a shared service

\*\* Represents a Joint Agency or Interlocal Agreement

Sources of Revenue (in millions)



2012 Capital Budget Plan  
\$3,927,850



**PRINCETON TOWNSHIP - BUDGET REVENUES**

Category	Revenue Source	2012 Budget	2011 Budget	% Change
	<b>Fund Balance Appropriated</b>	<b>5,000,000</b>	<b>4,125,000</b>	21%
Local Revenues	Licenses, Fees, Permits	94,475	101,800	-7%
	Municipal Court Fines	304,000	347,600	-13%
	PILOTS / Fair Share Payment	1,810,693	1,515,000	20%
	Sewer Revenue	3,500,000	3,500,000	0%
	Interest	386,200	333,600	16%
	<b>Total Local Revenues</b>	<b>6,095,368</b>	<b>5,798,000</b>	5%
State Aid	Municipal Property Tax Aid/Other	27,627	27,627	0%
	Energy Receipts Tax	1,440,694	1,440,694	0%
	<b>Total State Aid</b>	<b>1,468,321</b>	<b>1,468,321</b>	0%
Shared Svcs	Interlocal: Joint Agencies w/Boro	749,058	782,276	-4%
	<b>Total Shared Svcs Agreement</b>	<b>749,058</b>	<b>782,276</b>	-4%
Grants	State / Local Grants	365,290	394,136	-7%
	Corner House Foundation	313,810	313,810	0%
	<b>Total Grants</b>	<b>679,100</b>	<b>707,946</b>	-4%
Other Reserves	Reserve for debt service / Other	978,510	723,662	35%
	Bond Premium reserved	-	350,000	100%
	<b>Total Reserves</b>	<b>978,510</b>	<b>1,073,662</b>	-9%
Taxes	Delinquent Taxes	801,400	961,000	-17%
	Property Tax (Municipal portion)	21,568,099	21,717,067	-1%
	<b>TOTAL REVENUES</b>	<b>37,489,856</b>	<b>36,633,271</b>	2%

### The Citizens Finance Advisory Committee:

Scott Sillars, Chairman  
Zvi Eiref, Vice Chairman  
John Wynne, Jr.  
Brian McDonald  
Deputy Mayor Liz Lempert—Liaison  
Committeewoman Sue Nemeth—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. 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 2011, CFAC:

- Completed its review of the Township's Open Space tax and concluded that future open space spending plans supported a continuation of the 2¢ rate.
- Reviewed Township public works labor costs and concluded that they were comparable to those incurred by other area municipalities.
- Analyzed the impact of a change in state law regarding public employee cost sharing in public health plans. The CFAC recognized that employees are now required to pay a larger share of the cost with the town paying less. In light of this change, the recent history of salary freezes and other factors, a 2% wage increase was recommended for non-union employees.
- Assisted in negotiating an increase and extension to the Fair Share agreement with Princeton University.
- In early 2012 the CFAC reviewed the 2012 Budget and agrees that a flat tax rate for 2012 is reasonable and the Township's general reserve fund should remain stable.

## Open Space Referendum to appear on ballot November 6, 2012

Consolidation necessitates that the new Princeton adopt its own Open Space tax; the current Open Space tax will lapse. Presently, the Open Space tax in the Township is 2¢ and 1¢ in the Borough. The new municipality can only have one rate. The joint governing bodies have endorsed a new Open Space tax of 1.7¢, which will result in the same overall level of Open Space tax revenue as the two municipalities now receive. Open Space taxes can be used to acquire, maintain, and develop lands for recreation and conservation purposes, for farmland acquisition and preservation, for historic preservation, and to pay debt service incurred for authorized purposes.

The Township has maintained a very active Open Space acquisition and development effort. The referendum this November will permit a continuation of this effort.

## Information Concerning Consolidation

In November 2011 the citizens of Princeton Township and Princeton Borough each voted to consolidate into one municipality, effective January 1, 2013, to be named Princeton. To implement the consolidation, a task force of approximately thirty-six citizens and elected officials from both municipalities has been working with the two staffs since January to analyze issues presented by consolidation and make recommendations to the governing bodies.

The Task Force is using the reports and recommendations of the Joint Consolidation and Shared Services Study Commission as its blueprint for implementation. These reports also formed the information base for last November's referendum approving consolidation. As noted by the JCS SSC, the Princetons had already consolidated many municipal functions, such as their recreation and health departments and senior and human services. Additionally, the municipal tax rates were almost identical, as were relative debt levels and debt ratings. Consequently, the public should perceive only modest change from consolidation.

Areas where Township citizens should expect to see change include:

- Combined Police Departments into one Department (including one Police Dispatch center).
- Household waste collection will be offered as a free municipal service.
- Brush collection schedules may change.
- Neither Borough nor Township halls will be closed, but the location of some services may change.

It is expected that consolidation savings will help the new Princeton to continue to hold taxes down while offering the high level of services for which Princeton is known. The state has committed to pay 20% of the one-time transition costs.

**All Task Force meetings are open to the public.**

## Stay Connected

Please visit the Princeton Township website at [www.princetontwp.org](http://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 Transition Task Force information can be found:

[www.cgr.org/Princeton/Transition/](http://www.cgr.org/Princeton/Transition/) which includes ways for citizens to provide input.

