

# 2021 Princeton Budget Newsletter



## Municipal Tax Rate Rises Fraction of a Percent Total Tax Rate Increases by Less Than 1%

### Estimated and Final Tax Bills

In June, the municipality sent out estimated tax bills for the third quarter of 2021. Estimated bills were necessitated by the continued disruption caused by the coronavirus pandemic and by a switch to new software for processing taxes. Payments for third-quarter taxes were due August 1. The final, reconciled tax bill accompanies this newsletter. This reconciled bill includes sewer fees for the third and fourth quarters, fees that were not included in the earlier, estimated third-quarter bill.

### Municipal Tax

Despite the economic uncertainties of the coronavirus pandemic, the municipal portion of Princeton's 2021 property tax bill increased very slightly from last year. Residents whose homes are assessed at the 2021 municipal average of \$840,477, will pay \$4,155 in municipal taxes, \$8 more than last year, or an increase of 0.2%. The municipal tax rate rose \$0.001, to 49.4 cents per \$100 of assessed property value. This minimal tax rise is tied to a mandatory increase in the library tax that rises as the value of the total property in the town goes up.

The municipality was able to minimize the tax increase for residents, despite an increase in total budget for 2021. This budgetary increase was driven, on the one hand, by the growth in nondiscretionary expenditures for employees (e.g., pension payments, Social Security contributions and insurance costs) and, on the other, by making prudent investments to save money in the long run. Additionally, at the end of 2020, municipal staff recommended cancelling approximately \$2.1 million in budgeted expenditures tied to a number of capital projects that were put on hold. These funds were carried forward to support budgeting for 2021.

As the pie chart below indicates, 21% of your total property tax supports Princeton's municipal government and its open space fund. The remainder of your tax dollars, or 79%, goes to the Princeton Public Schools (49%) and to Mercer County government and open space preservation efforts (30%). The municipality serves merely as the billing and receiving agent for the school and county portion of the tax bill.

### Total Property Tax

- Princeton residents' total property tax rate increased 0.8% from last year, as a result of the combined increases in municipal, school and county taxes.
- Residents whose homes are assessed at the 2021 municipal average of \$840,477 will pay \$20,514 in total taxes. The total average tax bill increased by \$160 from last year.

## Frequently Asked Questions

### Did my 2021 property taxes go up or down?

Your taxes went up. All three components of your property taxes (municipal, school and county taxes) rose for 2021, resulting in an increase of 0.8% to your total property tax rate.

- As noted, the municipal tax rate increased by 0.2%. For a home valued at the municipality's average assessment (\$840,477), the municipal portion of the tax bill increased about \$8 to \$4,155.
- The school tax rate increased 1.4%. For a home valued at the town's average assessment, the school portion of the tax bill increased about \$143 to \$10,093.
- The county tax increased 0.1%. For a home valued at the municipality's average assessment, the county portion of the tax bill is \$6,123, an increase of \$8 from 2020.

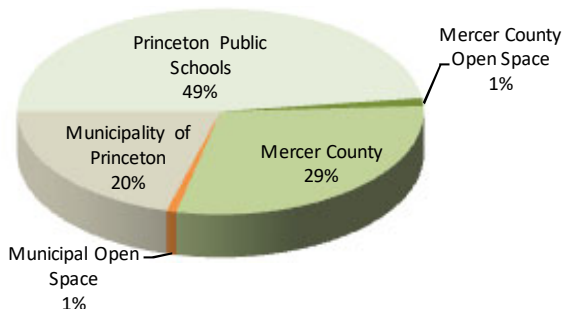
### How much did Princeton's municipal budget change from last year?

The municipality's 2021 total budget of \$67,213,266 increased by \$3,029,295, or 4.7%, from 2020. Almost one third of this increase was necessitated by fixed costs: payments for employee pensions, Social Security and insurance, as well as for debt service. The town also added funding to support the Planning Board's revisions to the municipal master plan and its work on major redevelopment projects. Also, in response to the demands of COVID-19, staffing for the Health Department was increased; and staffing for the Sewer Department was increased to save money previously spent on outside vendors and contractors.

### How is Princeton's debt being managed?

At the beginning of 2021, outstanding debt was \$91.7 million. Our debt arises entirely from borrowing to fund capital spending that maintains town roads, buildings and equipment. The municipality continues to manage its capital spending closely and, as a result, continues to maintain its top-ranked AAA bond rating from the major credit-rating agencies. This ranking underscores the agencies' highest confidence in our ability to meet our financial obligations. Princeton remains one of only 6 of New Jersey's 565 municipalities that has earned the AAA rating from both major bond rating agencies.

## Your 2021 Tax Bill



## 2021 Average Tax Bill

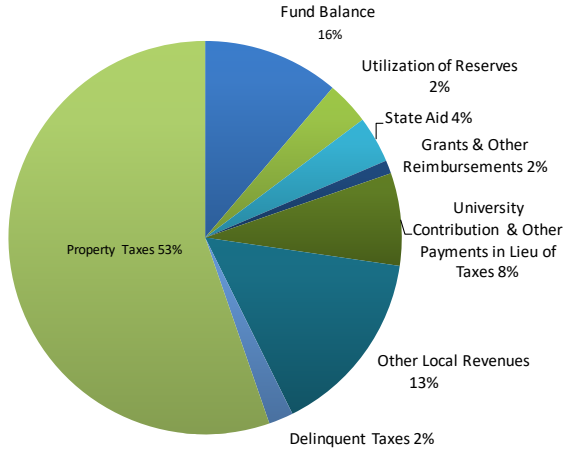
(based on residential value of \$840,477)

	2021		Change vs 2020	
	Avg. Tax Bill	Tax Rate	Tax Rate	Tax Bill
<b>Princeton Municipal Tax*</b>	\$ 4,155	0.494	0.2%	\$ 8
<b>Municipal Open Space</b>	\$ 143	0.017	0.0%	\$ -
<b>Princeton Public Schools</b>	\$10,093	1.200	1.4%	\$ 143
<b>Mercer County Govt &amp; Open Space</b>	\$ 6,123	0.728	0.1%	\$ 8
<b>Total</b>	<b>\$20,514</b>	<b>2.439</b>	<b>0.8%</b>	<b>\$ 160</b>

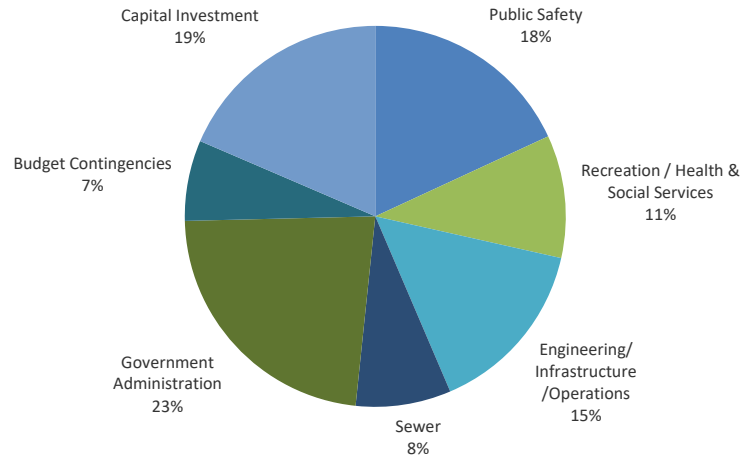
\*Includes library tax

# Princeton Municipal Budget

## 2021 Sources of Revenue



## 2021 Appropriations \$67,213,266



## Appropriations

	2019	2020	2021
<b>Public Safety</b>			
Police & Dispatch	8,923,348	8,660,715	8,515,707
Fire Safety & Emergency Management	2,702,458	2,582,072	2,651,537
	<b>11,625,806</b>	<b>11,242,787</b>	<b>11,167,244</b>
<b>Recreation / Health and Social Services</b>			
Parks / Recreation / Senior Resource Center	1,259,896	1,279,174	1,315,820
Health Department / Animal Control	456,148	464,004	671,710
Library / Human Services / Corner House Counseling	4,973,260	5,085,959	5,140,705
	<b>6,689,304</b>	<b>6,829,137</b>	<b>7,128,235</b>
<b>Engineering / Infrastructure / Operations</b>			
Engineering / Utilities / Liability Insurance	3,525,526	3,567,008	3,548,108
Roads / Buildings & Grounds / Vehicle Maintenance	4,166,045	4,114,575	4,167,198
Trash Collection / Recycling	1,969,500	1,999,500	1,999,500
	<b>9,661,071</b>	<b>9,681,083</b>	<b>9,714,806</b>
<b>Sewer</b>			
Sewer & Solid Waste	1,132,333	1,107,105	1,414,343
Stony Brook Regional Sewer Authority	4,058,000	4,175,000	4,220,000
	<b>5,190,333</b>	<b>5,282,105</b>	<b>5,634,343</b>
<b>Government Administration</b>			
Admin / Finance / Tax / Legal / Clerk / Planning / Zoning / Land Use	3,595,454	3,511,041	3,989,005
Courts / Prosecutor / Public Defender	505,462	536,740	554,653
Information Technology	766,229	798,932	862,565
Pension / Social Security Contributions & Employee Insurance	8,425,295	8,718,230	9,688,500
Other Salary Expense (Salary Adj. & Retirement Sick Payout)	100,000	100,000	100,000
All other (Grants, Busing, Environmental, Deer Management & etc.)	1,358,107	1,203,674	2,011,928
	<b>14,750,547</b>	<b>14,868,617</b>	<b>17,206,651</b>
<b>Budget Contingencies</b>			
Spending contingency	1,457,953	1,781,052	1,504,913
Reserve for Uncollected Taxes (Revenue Contingency)	2,938,975	2,994,190	3,007,074
	<b>4,396,928</b>	<b>4,775,242</b>	<b>4,511,987</b>
<b>Capital Investment</b>			
Bond Principal / Interest on Bonds / Notes	10,195,000	8,270,000	10,040,000
Sewer & Green Trust Debt Svc	1,110,000	1,110,000	1,110,000
Capital Improvement Fund	400,000	500,000	500,000
Cash Capital	200,000	1,625,000	200,000
	<b>11,905,000</b>	<b>11,505,000</b>	<b>11,850,000</b>
<b>Total Budget</b>	<b>64,218,989</b>	<b>64,183,971</b>	<b>67,213,266</b>