

City of Princeton

2013 Truth in Taxation Information Meeting
December 12, 2013

City of Princeton
2013 Truth in Taxation Meeting
December 12, 2013

Introduction

The City of Princeton is required to conduct a Truth in Taxation Information Meeting prior to setting the budget and levy for 2014. The City must present information about the proposed budget and levy. For the 2014 levy only, the City must present information regarding the estimated savings resulting from the sales tax exemption that begins on January 1, 2014. The public must be given reasonable time to ask questions and comment on the information presented.

City of Princeton
2013 Truth in Taxation Meeting
December 12, 2013

Sales Tax Exemption

Beginning January 1, 2014 a new sales tax exemption takes effect of City purchases of most goods and services. This restores an exemption that cities had up until 1992.

The City of Princeton's estimated savings from the sales tax exemption for the General Fund is approximately \$30,000. Including the other City Funds the savings could be as high \$55,000. These savings have been used to offset inflation and other cost increases and is part of the reason the City has been able to reduce the levy for 2014.

City of Princeton
2013 Truth in Taxation Meeting
December 12, 2013

How the Property Tax System Works

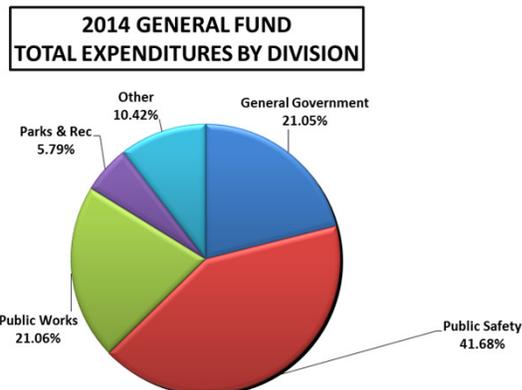
- Assessor sets proposed property values as of January 1 for the following year taxes based on comparable sales.
- The values are sent to the County Auditor who sends out property-specific notices to owners notifying them of the valuation.
- City Council conducts Board of Review meeting in April of each year which is when the residents can question the valuation.
- Values are then finalized and set for calculating the taxes.
- City and other jurisdictions adopt levy and budgets in December. Tax rates are calculated by County based on the levies adopted and the valuations set earlier.

City of Princeton
2013 Truth in Taxation Meeting
December 12, 2013

Factors that influence the Total Tax Levy

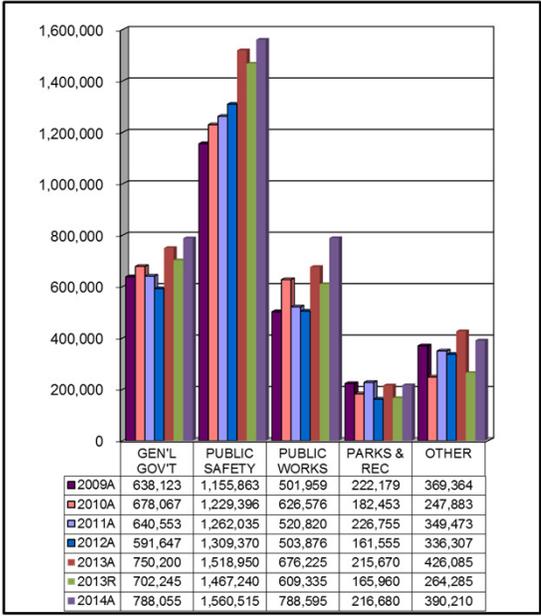
- Property Market Value
- The Total Tax Capacity of the Jurisdictions
- Property Class Rates (Set by the State)
- State Aid (Set by the State)
- County Budget and Tax Levy
- School District Operating and Voter Approved Levies
- City Budget and Tax Levy
- Special State Laws (example the sales tax exemption)
- For Commercial Property State Property Tax Levy

City of Princeton
2013 Truth in Taxation Meeting
December 12, 2013



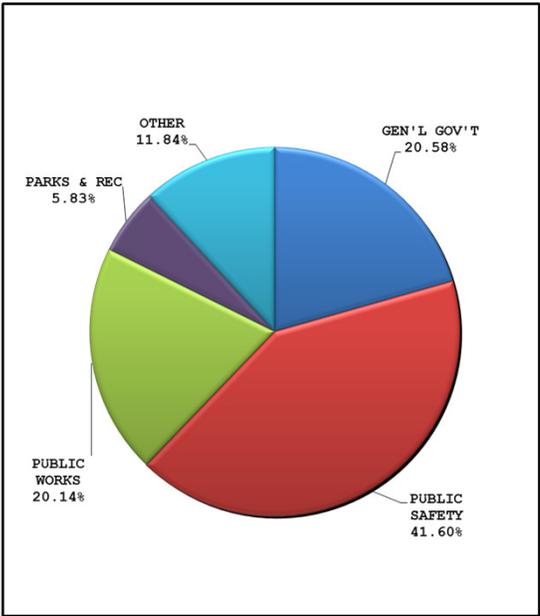
City of Princeton
 2013 Truth in Taxation Meeting
 December 12, 2013

**GENERAL FUND
 TOTAL
 EXPENDITURES BY
 DIVISION**



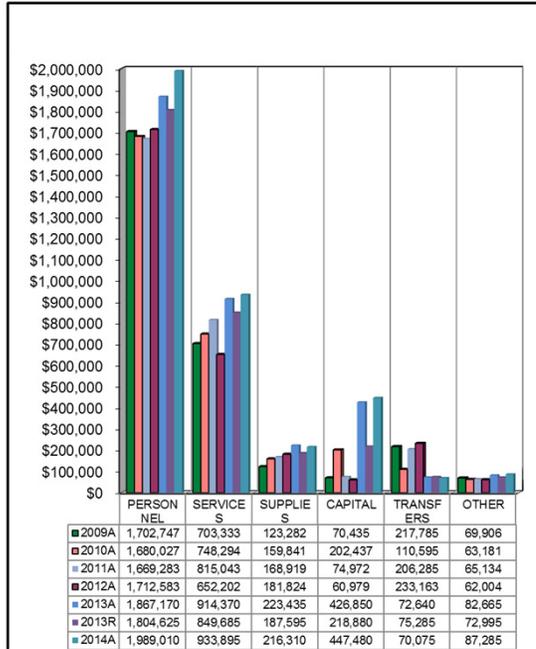
City of Princeton
 2013 Truth in Taxation Meeting
 December 12, 2013

**2014 GENERAL
 FUND OPERATING
 EXPENDITURES BY
 DIVISION**

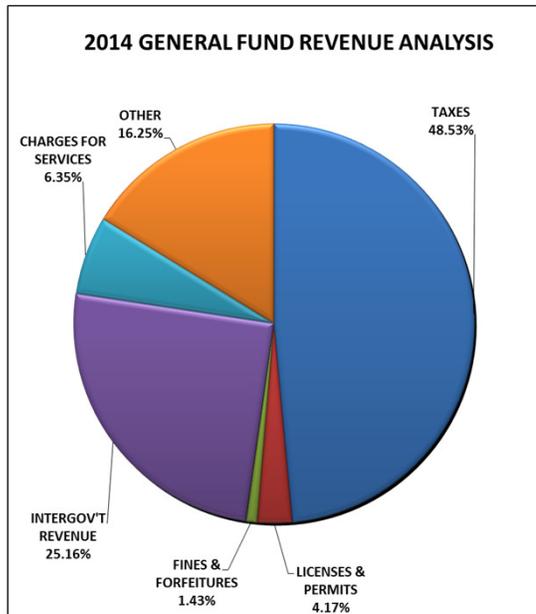


City of Princeton
 2013 Truth in Taxation Meeting
 December 12, 2013

**GENERAL FUND
 TOTAL
 EXPENDITURES BY
 TYPE**

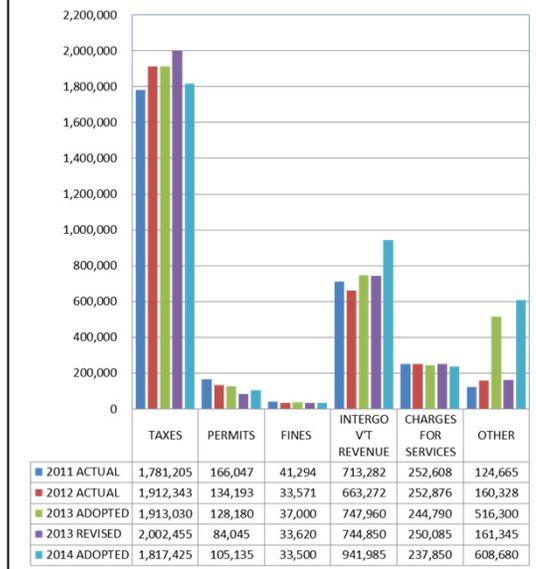


City of Princeton
 2013 Truth in Taxation Meeting
 December 12, 2013



City of Princeton
 2013 Truth in Taxation Meeting
 December 12, 2013

Annual General Fund Revenues by Source



City of Princeton
 2013 Truth in Taxation Meeting
 December 12, 2013

Breakdown of Proposed 2014 Property Tax Levy

	2014	2013
General Fund Levy	\$1,822,925	\$1,954,925
Tax Abatement	35,000	35,000
Capital Improvement Fund	175,600	75,600
Debt Service Levy	<u>112,500</u>	<u>112,500</u>
Total City Activity Levy	\$2,146,025	\$2,178,025
EDA Levy	<u>17,895</u>	<u>17,895</u>
Total Levy	\$2,163,920	\$2,195,920

City of Princeton
2013 Truth in Taxation Meeting
December 12, 2013

LEVY ANALYSIS

	2008	2009	2010	2011	2012	2013	PRELIM 2014
GENERAL FUND	883,546	906,249	906,249	986,500	1,126,099	1,194,919	1,822,925
STATE AID REDUCTION LEVY	--	--	80,100	80,849	0	0	0
FIRE RELIEF	--	--	--	--	--	--	0
POLICE WAGE & BENEFIT SPECIAL LEVY	686,170	721,441	721,441	721,441	721,441	721,441	0
CAPITAL IMPROVEMENT	175,600	175,600	175,600	175,600	175,600	75,600	175,600
EDA	17,895	17,895	17,895	17,895	17,895	17,895	17,895
PEPA RATE INCREASES	8,715	17,065	17,065	17,065	17,065	17,065	0
COPS GRANT REDUCTION LEVY	21,500	21,500	21,500	21,500	21,500	21,500	0
SMITH SYSTEM ROAD ASSESS	12,450	12,450	0	0	0	0	0
LIBRARY BONDS	5,725	0	0	0	0	0	0
RUM RIVER DRIVE LEVY	0	0	0	0	0	0	0
SCHOOL & INDUSTRIAL PARK	15,000	15,000	0	0	0	0	0
FIRST STREET PROJECT	10,100	10,000	10,000	0	0	0	0
2nd & 7th STREET PROJECT	15,500	15,500	10,000	0	0	0	0
WEST SIDE PROJECT - 2003	90,000	90,000	90,000	90,000	90,000	90,000	90,000
21st AVENUE PROJECT	93,000	96,000	96,000	25,000	20,000	20,000	20,000
2nd & 10th Street Project	2,500	2,500	2,500	2,500	2,500	2,500	2,500
TAX ABATEMENT LEVY	18,500	18,500	35,000	35,000	35,000	35,000	35,000
TOTAL CERTIFIED LEVY	2,053,701	2,119,700	2,183,350	2,183,350	2,227,100	2,195,920	2,163,920
AMOUNT OF PROPERTY TAXES	2,053,701	2,119,700	2,183,350	2,183,350	2,227,100	2,195,920	2,163,920
INC (DEC) FROM PRIOR YEAR	6.97%	3.21%	3.00%	0.00%	2.00%	-1.40%	-1.46%
AMOUNT OF LGA	741,676	673,226	535,932	723,241	535,932	535,933	813,075
TOTAL LGA & GENERAL FUND AND CIP LEVY	2,553,602	2,551,476	2,510,782	2,789,091	2,650,532	2,619,353	2,864,495
ESTIMATED NET TAX CAPACITY	3,234,709	3,402,640	3,352,680	3,009,781	2,589,938	2,553,758	2,761,779
ESTIMATED TAX CAPACITY RATE	63.49	62.30	65.12	72.54	85.99	85.99	78.35
PERCENTAGE CHANGE	3.65%	-1.88%	4.54%	11.39%	18.54%	0.00%	-8.88%
% TAX CAPACITY INCREASE/(DECREASE)	3.20%	5.19%	-1.47%	-10.23%	-13.95%	-1.40%	8.15%

Revised 12/12/2013