



TOWN OF PRINCETON

Office of the Selectboard

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March 26, 2018

Dear Princeton Residents/Property Owners:

It is increasingly difficult for Princeton to provide the level of service that residents can reasonably expect without raising taxes. This is largely, but not entirely, due to external forces. Major cost components have risen and continue to rise above the inflation rate. These include education, road maintenance and construction costs. Some cost increases are mandated by government regulation including environmental regulations, construction regulations and special education requirements. Rising interest rates could affect the cost of future borrowing. Princeton's primary source of revenue is the real estate tax. The total revenue Princeton can expect is limited by several factors: a state-imposed tax levy limit, a trend of reduced state aid, and the willingness and ability of residents to bear an increased tax burden.

Princeton has been forced, and will continue to be forced, to make choices when allocating resources. Today we see the need to simultaneously:

- a) replace old fire trucks and provide for water around town at an estimated cost of \$3 million, renovate/construct Bagg Hall, a community center and a public safety building in the town center at an estimated cost of \$12,400,000; and
- b) complete the Route 140 project, replace a bridge, repair several culverts, repave two road segments and convert Calamint Hill Road North from gravel to asphalt at a total combined cost of \$3 million.

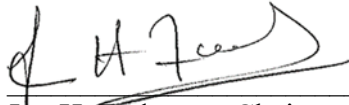
The total of the above is \$18.4 million. Looking to the future, Princeton can expect increased costs relative to pensions and retiree health insurance. This is in addition to the increasing cost of annual operating expenses.

Possible effects of the above include higher taxes, reductions in the level of services provided and less than optimum infrastructure. Ramifications of insufficient revenue could include the postponement of some road resurfacing, the loss of Fire Station #1 in the town center and the town's inability to provide a suitable community center. The Center School which was built shortly after 1900 was closed due to condemnation in 2017. The central portion of the town center Fire Station was built before that and faces the same fate. Without proximity to a fire station, home insurance rates would increase substantially for a significant portion of residents. Princeton lacks a proper community center. The town as a whole would benefit from one, but it is especially important for seniors.

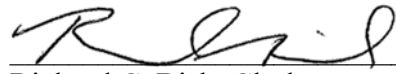
There is no easy solution. Princeton has filed and continues to file grant applications. We have requested the assistance of our representatives in seeking state funding. We continue to look for ways to cut costs and increase efficiencies. The contribution and involvement of residents in addressing these issues are important. The Town can only spend what residents approve at a town meeting. The Selectboard, Town Administrator, Advisory Committee and department heads are currently preparing for the May annual town meeting. The Selectboard will ask residents to approve the FY 19 budget and to approve financing for substantial facilities work. We will continue to inform residents as preparations for the town meeting progress.

Sincerely,


The Princeton Selectboard



Jon H. Fudeman, Chair



Richard C. Bisk, Clerk



Edith M. Morgan, Member