

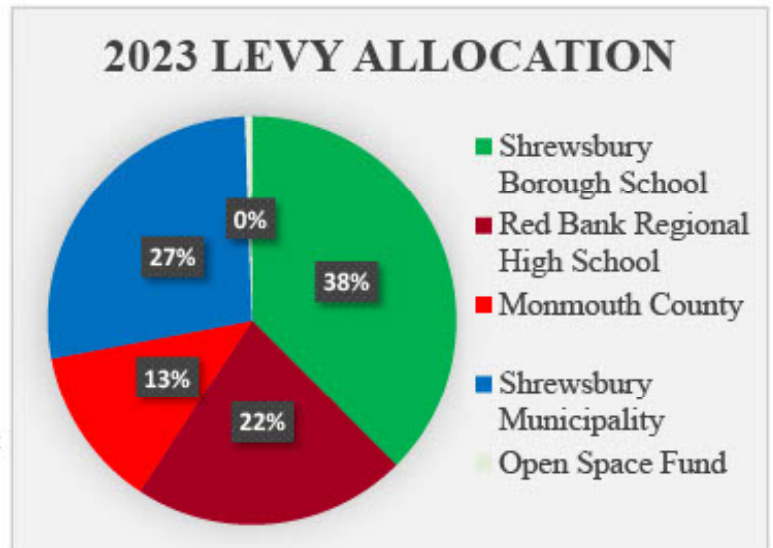


Dear Shrewsbury Taxpayer:

This letter addresses the 2023 property tax bill that you recently received.

Property taxes in Shrewsbury are determined by four separate budgets set by four different taxing authorities:

- 1) **Shrewsbury Borough School (“SBS”)** budget, set by the SBS school board;
- 2) **Red Bank Regional (“RBR”)** school budget, set by the RBR school board;
- 3) **Monmouth County (“County”)** budget, set by the Monmouth County Board of County Commissioners; and
- 4) **The Shrewsbury Municipal Budget**, set by the Shrewsbury Borough Council



The above pie chart depicts the allocation of the 2023 tax levy between each of these four taxing authorities. For every dollar paid in property taxes, approximately **59.26 cents** are sent to our schools (RBR (21.72); SBS (37.54), 12.78 cents are sent to **Monmouth County**, and 27.44 cents cover the cost of all Shrewsbury municipal operations. The remaining less than 1 cent goes to the open space fund to support our town parks. The Borough Council only has control over the Shrewsbury Municipal Budget but is legally responsible for collecting the taxes for SBS, RBR and Monmouth County, which is why you receive one tax bill from the Borough as opposed to four different bills from each taxing authority. Enclosed with this letter is a table containing historic information for each taxing authority listing the amount raised by taxation over the past five years, which all taxpayers are encouraged to review. The largest budgetary increase of any taxing authority this year was SBS, which increased its budget by \$1,459,266.00, or 16.04%, from the prior budget year (which includes the debt service for the referendum passed in October 2022).

This year, despite significant fiscal headwinds, the Council adopted a budget that contained a minimal increase in the amount being raised by taxation (1.16%). Additionally, the Council reduced discretionary spending by over \$100,000 from the prior budget year and successfully decreased the municipal tax rate for the fifth year in a row - the Borough's tax rate is now 1.884%. Due to a combination of decreased revenues and the steep increases in its fixed costs (pension obligations, unilateral state mandated health benefits plan cost increase of 25%, utilities, fuel, etc.), the Borough's overall budget increased a small amount. Every Borough budget in the past five years has either been a reduction, flat or had an increase of less than 1.9% from the prior year. Recently, the Council entered into a shared service agreement with the County that is expected to save the Borough hundreds of thousands of dollars in future budget years and is currently exploring alternative benefit options to further reduce fixed costs.

It is also important to note changes in property valuation do not change the overall amount collected in taxes; it changes how the tax burden of each of the four taxing authorities is distributed amongst property owners in town. Residential property values in Shrewsbury have increased over the past five years. In 2018, the *average* assessed value of a residential property in Shrewsbury was \$552,125. In 2023, the *average* assessed value of a residential property is \$720,613. Pursuant to state law, property values are set in November of each year and residents have until late January to file an appeal if they feel that the valuation is not correct. Any taxpayer with questions about their valuation can contact Tax Assessor John Gillooly (assessor@shrewsburyboro.com).

Additional information on the Shrewsbury Borough budget can be found at www.shrewsburyboro.com or by contacting Borough Hall using the information on this letterhead. For questions regarding the SBS, Monmouth County or RBR budgets, please contact the representatives from those taxing authorities directly.



Shrewsbury Boro 2023 Tax Levy vs. 2022

Taxing Authority	2023 Levy	2022 Levy	Change (\$)	Change (%)	Per \$ Spent
Shrewsbury Borough School	\$10,559,382	\$9,100,116	\$1,459,266	16.04%	\$0.3754
Shrewsbury Municipality	\$7,718,699	\$7,630,228	\$88,471	1.16%	\$0.2744
Red Bank Regional High School	\$6,109,235	\$6,319,418	-\$210,183	-3.33%	\$0.2172
County of Monmouth	\$3,593,939	\$3,603,287	-\$9,348	-0.26%	\$0.1278
Open Space Fund	\$149,340	\$137,237	\$12,103	8.82%	\$0.0052
TOTALS	\$28,130,595	\$26,790,286	\$1,340,310		

Shrewsbury Borough Tax Levy Per Year (2017 – 2023)

Taxing Authority	Total Tax Levy Per Year						
	2017	2018	2019	2020	2021	2022	2023
Open Space Fund	\$115,818	\$117,951	\$118,750	\$123,631	\$127,174	\$137,237	\$149,340
County of Monmouth	\$3,400,051	\$3,464,386	\$3,402,677	\$3,483,684	\$3,640,281	\$3,603,307	\$3,593,939
Red Bank Regional High	\$5,586,850	\$5,808,823	\$5,839,768	\$6,415,670	\$6,645,311	\$6,319,418	\$6,109,235
Shrewsbury Municipality	\$7,280,244	\$7,392,918	\$7,390,147	\$7,490,787	\$7,630,230	\$7,630,228	\$7,718,699
Shrewsbury Borough School	\$8,160,392	\$8,371,801	\$8,589,770	\$8,756,727	\$8,924,323	\$9,100,116	\$10,559,382
TOTALS	\$24,543,354	\$25,155,879	\$25,341,112	\$26,270,498	\$26,967,319	\$26,790,306	\$28,130,595

