

# 2006 BUDGET IN BRIEF



April 10, 2006

## **MAYOR**

Ellwood R. Kerkeslager

## **COUNCIL MEMBERS**

Mary-Anna Holden

Astri J. Baillie

Donald J. Bowen, Council President

Carmela Vitale

John M. Elias

Robert H. Conley

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## DIRECTORY OF BOROUGH OFFICIALS

The following Borough Officials are responsible for preparing and expending their Year 2006 budgets in accordance with the appropriations approved by the Governing Body:

Borough Administrator	James R. Allison
Chief Financial Officer	Robert F. Kalafut
Tax Collector	Francine DeAngelis
Borough Clerk	Marilyn Schaefer
Deputy Borough Clerk	Patricia Graham
Purchasing/Personnel Officer	Elizabeth Crescibene
Chief of Police	Vincent Chirico
Fire Chief	Douglas O. Atchison
Electric Utility Superintendent	Michael Piano
Health Officer	John Theese
Borough Engineer	Robert Vogel
Superintendent of Public Works	David Maines
Downtown Development Manager	Janice Piccolo
Municipal Court Administrator	Emily Traversi
Recreation Director	Douglas L. Smith
Library Director	Nancy S. Adamczyk
Borough Attorney	Joseph Mezzacca, Jr.
Director of Welfare	Linda B. Durney
Senior Citizen Coordinator	Edna Ierley Byrne

## BUDGET RESPONSIBILITIES

Most municipal functions are under the direct policy making control of the Mayor and Council. In a few cases, such as the Public Library and the Board of Health, control lies with an autonomous appointed board which administers their functions within the limitations of the appropriation approved by the Mayor and Council. The Madison-Chatham Joint Meeting is an autonomous board comprised of the Mayor and Council members from both communities. The Joint Meeting relies on appropriations made by each of the towns in the municipal budgets.

The operation of the public schools is the responsibility of the elected Board of Education and is completely independent of the Mayor and Council. The Board of Education prepares its own budget and submits it directly to the citizens of Madison for approval by popular vote.

The Governing Body of the Borough of Madison consists of the Mayor and Council, elected by the Borough as a whole. The Mayor's term is four years. There are six Council Members, each elected for three years, with the terms arranged so that two are elected each year. The Mayor and Council serve without compensation.

Although the Council is primarily a legislative body, it also exercises some managerial functions through the Borough Administrator who coordinates the operations of the departments of the Borough. The Council has six standing committees appointed by the Mayor, who is an ex-officio member of each committee. Each Council Member is the chairperson of one committee and a member of one other. The standing committees for 2006 are as follows:

<u>Standing Committee</u>	<u>Chairperson</u>	<u>Other Member</u>
Utilities	Mr. Conley	Mrs. Holden
Public Safety	Mrs. Holden	Mr. Bowen
Public Works & Engineering	Mr. Bowen	Mrs. Vitale
Health & Public Assistance	Mrs. Baillie	Mr. Conley
Finance & Borough Clerk	Mrs. Vitale	Mr. Elias
Community Affairs	Mr. Elias	Mrs. Baillie

## THE 2006 BUDGET PROCESS

The budget process begins in October of the year preceding the budget year. Department Heads forecast their needs and submit detailed Budget requests encompassing their department's goals and objectives. In addition, each Department Head reports on the extent to which they have met their proposals of the preceding year.

Each Budget request is reviewed by the Borough Administrator and the Department Head. The goals for the year are established. The Administrator makes adjustments during January and submits a recommended Budget to the Mayor and Council in February. For the next several weeks Mayor and Council review the Budget with the Administrator and Department Heads.

This year the Budget will be introduced on April 10<sup>th</sup> and will be published in the MADISON EAGLE on April 27<sup>th</sup>. At the introduction of the Budget, the Council sets May 8<sup>th</sup> as the date for the public hearing.

BOROUGH OF MADISON  
2006 BUDGET  
TOTAL TAX RATE - ESTIMATE

RFK  
3/22/06

	2006	2005	DIFFERENCE	% CHANGE
<b>R E V E N U E S   A N D   A P P R O P R I A T I O N S</b>				
TOTAL SPENDING APPROPRIATIONS	\$20,938,302	\$19,244,548	\$1,693,754	8.8%
LESS: MUNICIPAL REVENUE	\$12,540,577	\$11,475,845	\$1,064,732	9.3%
NET APPROPRIATIONS FOR TAXATION	\$8,397,725	\$7,768,703	\$629,022	8.1%
ADD: SCHOOL TAXES	\$28,238,283	\$26,122,869	\$2,115,414	8.1%
COUNTY TAXES	\$6,360,814	\$6,205,673	\$155,141	2.5%
COUNTY OPEN SPACE TAX	\$1,404,578	\$1,370,319	\$34,259	2.5%
SUB-TOTAL TAXES	\$44,401,400	\$41,467,564	\$2,933,836	7.1%
RESERVE FOR UNCOLLECTED TAXES	\$1,446,450	\$1,377,570	\$68,880	5.0%
MUNICIPAL OPEN SPACE TAX	\$423,369	\$420,476	\$2,893	0.7%
TOTAL AMOUNT TO BE RAISED BY TAXES	\$46,271,219	\$43,265,610	\$3,005,609	6.9%
ASSESSED VALUATION	\$2,105,477,500	\$2,089,587,600	\$15,889,900	0.8%
PUBLIC UTILITY PERSONAL PROPERTY	\$11,367,289	\$12,793,315	(\$1,426,026)	-11.1%
TOTAL ASSESSED RATABLES	\$2,116,844,789	\$2,102,380,915	\$14,463,874	0.7%
TOTAL APPROPRIATIONS- INCL. RESERVE	\$22,384,752	\$20,622,118	\$1,762,634	8.5%
LESS: MUNICIPAL REVENUE	\$12,540,577	\$11,475,845	\$1,064,732	9.3%
MUNICIPAL TAX LEVY	\$9,844,175	\$9,146,273	\$697,902	7.6%
MUNICIPAL OPEN SPACE TAX	\$423,369	\$420,476	\$2,893	0.7%
<b>E S T I M A T E D   T A X   R A T E</b>				
MUNICIPAL TAX RATE	\$0.465	\$0.435	0.030	6.9%
MUNICIPAL OPEN SPACE TAX RATE	\$0.020	\$0.020	0.000	0.0%
SCHOOL TAX RATE	\$1.334	\$1.243	0.091	7.4%
COUNTY TAX RATE INCL. OPEN SPACE	\$0.367	\$0.360	0.006	1.8%
TOTAL ESTIMATED TAX RATE	\$2.186	\$2.058	0.128	6.2%
AVG. RESIDENTIAL ASSESSED VALUE	\$401,200	\$399,500	\$1,700	0.4%
<b>T A X E S   O N   A V E R A G E   R E S I D E N T I A</b>				
MUNICIPAL TAXES	\$1,865.74	\$1,738.00	\$127.74	7.3%
MUNICIPAL OPEN SPACE TAXES	\$80.24	\$79.90	\$0.34	0.4%
SCHOOL TAXES	\$5,351.93	\$4,963.94	\$387.99	7.8%
COUNTY TAXES INCL. OPEN SPACE	\$1,471.75	\$1,439.61	\$32.14	2.2%
TOTAL ESTIMATED TAXES	\$8,769.66	\$8,221.45	\$548.22	6.7%

**MUNICIPAL BUDGET  
SUMMARY OF REVENUE AND APPROPRIATIONS  
2006 VS. 2005**

RFK  
3/10/2006

REVENUE	2006	2005	INCREASE (DECREASE)	PERCENTAGE CHANGE
PRIOR YR. SURPLUS-OPERAT.	4,150,000	3,650,000	500,000	13.70%
MUNICIPAL SOURCES	2,194,350	2,133,500	60,850	2.85%
STATE AID & GRANTS	1,331,227	1,402,345	(71,118)	-5.07%
SALE OF PROPERTY	505,000	0	505,000	NA
ELECTRIC SURPLUS - OPER.	3,360,000	3,290,000	70,000	2.13%
ELECTRIC SURPLUS - CAPITAL	1,000,000	1,000,000	0	0.00%
TOTAL MUNICIPAL REVENUES	12,540,577	11,475,845	1,064,732	9.28%
PROPERTY TAXES	9,844,175	9,146,273	697,902	7.63%
<b>TOTAL REVENUES</b>	<b>22,384,752</b>	<b>20,622,118</b>	<b>1,762,634</b>	<b>8.55%</b>
<b>APPROPRIATIONS</b>				
SALARIES & WAGES	8,871,180	8,462,350	408,830	4.83%
HEALTH INSURANCE	1,510,000	1,416,000	94,000	6.64%
PENSION & SOCIAL SECURITY	820,000	615,000	205,000	33.33%
SUB-TOTAL	11,201,180	10,493,350	707,830	6.75%
REVALUATION	0	0	0	NA
LEGAL	287,742	261,000	26,742	10.25%
DEPARTMENT OPERATING EXP.	1,925,516	1,863,817	61,699	3.31%
UTILITIES	487,000	390,000	97,000	24.87%
WASTE REMOVAL	1,467,240	1,421,476	45,764	3.22%
LIABILITY INSURANCE	374,500	374,500	0	0.00%
SUB-TOTAL	4,541,998	4,310,793	231,205	5.36%
CAPITAL - ELEC. SURPLUS	1,000,000	1,000,000	0	0.00%
CAPITAL IMPROVEMENT FUND	505,000	0	505,000	NA
DEBT SERVICE	1,334,694	1,195,429	139,265	11.65%
SUB-TOTAL	2,839,694	2,195,429	644,265	29.35%
MADISON-CHATHAM JOINT MTG.	1,156,702	1,089,057	67,645	6.21%
PUBLIC LIBRARY	1,198,728	1,155,919	42,809	3.70%
TOTAL SPENDING	20,938,302	19,244,548	1,693,754	8.80%
RESERVE FOR UNCOLL. TAXES	1,446,450	1,377,570	68,880	5.00%
<b>TOTAL APPROPRIATIONS</b>	<b>22,384,752</b>	<b>20,622,118</b>	<b>1,762,634</b>	<b>8.55%</b>

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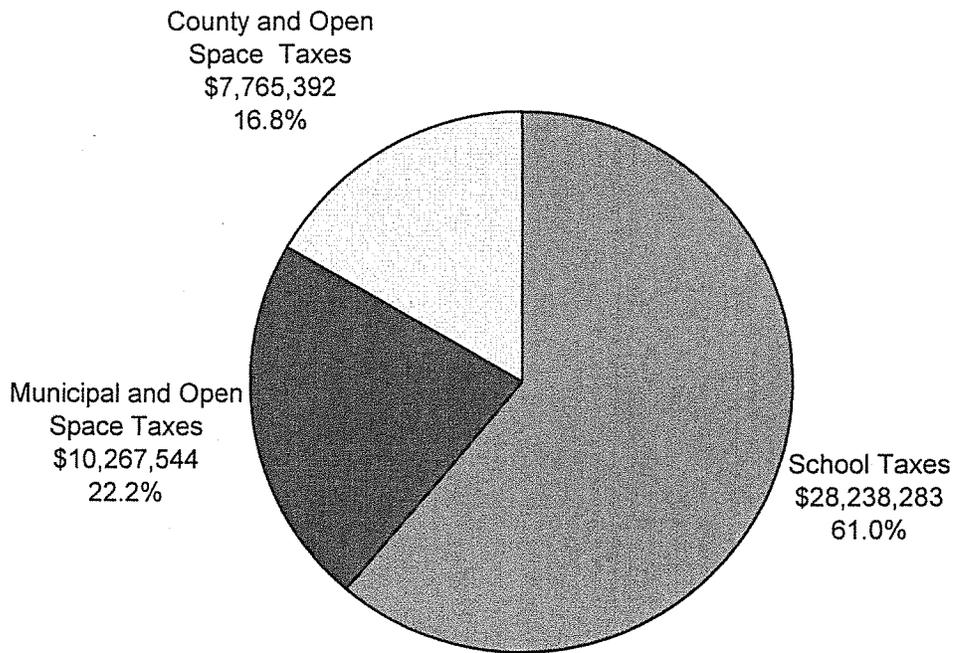
REVENUE AND APPROPRIATIONS  
BY MAJOR CATEGORY  
2006 vs. 2005

RFK  
3/22/06

REVENUE	2006	%	2005	%
PRIOR YEAR'S SURPLUS	\$4,150,000	18.5%	\$3,650,000	17.7%
MUNICIPAL REVENUE	\$2,194,350	9.8%	\$2,133,500	10.3%
STATE AID & GRANTS	\$1,331,227	5.9%	\$1,402,345	6.8%
SALE OF PROPERTY	\$505,000	2.3%		
ELECTRIC SURPLUS - OPER.	\$3,360,000	15.0%	\$3,290,000	16.0%
ELECTRIC SURPLUS - CAPITAL	\$1,000,000	4.5%	\$1,000,000	4.8%
MUNICIPAL PROPERTY TAXES	\$9,844,175	44.0%	\$9,146,273	44.4%
<b>TOTAL REVENUE</b>	<b>\$22,384,752</b>	<b>100.0%</b>	<b>\$20,622,118</b>	<b>100.0%</b>

APPROPRIATIONS	2006	%	2005	%
SALARIES & WAGES	\$8,871,180	39.6%	\$8,462,350	41.0%
HEALTH & LIAB. INSURANCE	\$1,884,500	8.4%	\$1,790,500	8.7%
PENSION & SOCIAL SECURITY	\$820,000	3.7%	\$615,000	3.0%
EMERGENCY APPROPRIATION	0	0.0%	\$0	0.0%
LEGAL EXPENSES	\$287,742	1.3%	\$261,000	1.3%
DEPARTMENT OPERATING EXP.	\$1,925,516	8.6%	\$1,863,817	9.0%
UTILITIES	\$487,000	2.2%	\$390,000	1.9%
WASTE REMOVAL	\$1,467,240	6.6%	\$1,421,476	6.9%
MADISON-CHATHAM JOINT MIG.	\$1,156,702	5.2%	\$1,089,057	5.3%
CAPITAL IMPROVEMENTS	\$1,505,000	6.7%	\$1,000,000	4.8%
DEBT SERVICE	\$1,334,694	6.0%	\$1,195,429	5.8%
PUBLIC LIBRARY	\$1,198,728	5.4%	\$1,155,919	5.6%
<b>TOTAL SPENDING</b>	<b>\$20,938,302</b>	<b>93.5%</b>	<b>\$19,244,548</b>	<b>93.3%</b>
RESERVE FOR UNCOLL. TAXES	\$1,446,450	6.5%	\$1,377,570	6.7%
<b>TOTAL APPROPRIATIONS</b>	<b>\$22,384,752</b>	<b>100.0%</b>	<b>\$20,622,118</b>	<b>100.0%</b>

**Borough of Madison  
2006 Estimated Tax Levy Distribution**



Total Estimated Tax Levy  
\$46,271,219  
100%

BOROUGH OF MADISON TAX COLLECTION RESULTS  
FOR THE YEARS ENDED 12/31/05 AND 12/31/04

	2005	2004
TAX LEVY	\$43,310,547	\$43,117,486
ADDED TAXES	268,593	183,745
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TOTAL TAX LEVY	43,579,140	43,301,231
CURRENT YEAR COLLECTIONS	42,898,593	42,665,882
PRIOR YEAR COLLECTIONS	467,037	288,525
TRANSFERS & CANCELLATIONS	19,310	82,511
<hr/>		
TOTAL COLLECTIONS	43,384,940	43,036,918
OUTSTANDING BALANCE	\$194,200	\$264,313
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PERCENTAGE OF COLLECTIONS	99.51%	99.20%
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BALANCE OF DELINQUENT TAXES & TAX TITLE LIENS-JAN. 1	\$279,781	\$320,528
ADDED TAXES	45,858	45,167
INTEREST, COSTS, & TRANSFERS	1,491	1,441
<hr/>		
TOTAL OUTSTANDING	327,130	367,136
DELINQUENT COLLECTIONS	316,016	270,570
CANCELLATIONS	0	81,098
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TOTAL COLLECTIONS	316,016	351,668
OUTSTANDING BALANCE	\$11,114	\$15,468
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PERCENTAGE OF COLLECTIONS	96.60%	73.70%

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SUMMARY OF CURRENT AND DELINQUENT TAXES RECEIVABLE  
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CURRENT YEAR	\$194,200	\$264,313
DELINQUENT TAXES & TAX TITLE LIENS	11,114	15,468
<hr/>		
TOTAL	\$205,314	\$279,781
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**Summary of Tax Levy and Rates  
2006 - 2005 - 2004**

	2006 Estimated		2005 Actual		2004 Actual	
	Tax Levy	Tax Rate	Tax Dollar	Tax Levy	Tax Rate	Tax Dollar
School Tax	\$28,238,283	\$ 1.334	\$0.61	\$26,122,869	1.243	\$0.60
County Tax	\$ 7,765,392	\$ 0.367	\$0.17	\$ 7,575,992	0.360	\$0.18
Borough Tax	\$10,267,544	\$ 0.485	\$0.22	\$9,566,749	0.455	\$0.22
<b>Total Tax Levy</b>	<b>\$46,271,219</b>	<b>\$ 2.186</b>	<b>\$1.00</b>	<b>\$43,265,610</b>	<b>2.058</b>	<b>\$1.00</b>
						<b>Increase</b>
						\$2,115,414
						\$ 189,400
						\$700,795
						<b>\$3,005,609</b>

	2005 Actual		2004 Actual		2004 Actual	
	Tax Levy	Tax Rate	Tax Dollar	Tax Levy	Tax Rate	Tax Dollar
School Tax	\$ 26,122,869	\$ 1.243	\$0.60	\$25,725,910	1.187	\$0.60
County Tax	\$ 7,575,992	\$ 0.360	\$0.18	\$7,810,190	0.360	\$0.18
Borough Tax	\$9,566,749	\$ 0.455	\$0.22	\$9,418,540	0.435	\$0.22
<b>Total Tax Levy</b>	<b>\$43,265,610</b>	<b>\$ 2.058</b>	<b>\$1.00</b>	<b>\$42,954,640</b>	<b>1.982</b>	<b>\$1.00</b>
						<b>Increase</b>
						\$396,959
						(\$234,198)
						\$148,209
						\$310,970

	2004 Actual		2005 Actual		2004 Actual	
	Tax Levy	Tax Rate	Tax Dollar	Tax Levy	Tax Rate	Tax Dollar
Real Property (Land and Improvements)	\$2,105,477,500		\$2,089,587,600	\$2,153,631,000		
Verizon (Business Personal Property)	\$11,367,289		\$12,793,315	\$13,106,354		
<b>Total Assessed Valuation</b>	<b>\$2,116,844,789</b>		<b>\$2,102,380,915</b>	<b>\$2,166,737,354</b>		

WATER UTILITY BUDGET  
REVENUE AND APPROPRIATIONS  
FOR 2006 AND 2005

3/22/06  
RFK

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REVENUES	2006	%	2005	%
	<u>-----</u>	<u>---</u>	<u>-----</u>	<u>---</u>
PRIOR YEAR'S SURPLUS	207,526	12.4%	230,002	15.4%
WATER RENTS	1,400,000	84.0%	1,200,000	80.5%
FIRE HYDRANT SERVICE	0	0.0%	0	0.0%
INTEREST INCOME	60,000	3.6%	60,000	4.0%
 TOTAL	 <u>-----</u> <u>1,667,526</u>	 <u>-----</u> <u>100.0%</u>	 <u>-----</u> <u>1,490,002</u>	 <u>-----</u> <u>100.0%</u>

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APPROPRIATIONS	2006	%	2005	%
	<u>-----</u>	<u>---</u>	<u>-----</u>	<u>---</u>
SALARIES & WAGES	485,200	29.1%	465,050	31.2%
OTHER EXPENSES	595,680	35.7%	517,300	34.7%
CAPITAL IMPROVEMENT FUND	400,000	24.0%	400,000	26.8%
DEBT SERVICE	45,646	2.7%	41,852	2.8%
EMERGENCY APPROPRIATION	75,000	4.5%	0	0.0%
PENSION & SOCIAL SECURITY	66,000	4.0%	65,800	4.4%
 TOTAL	 <u>-----</u> <u>1,667,526</u>	 <u>-----</u> <u>100.0%</u>	 <u>-----</u> <u>1,490,002</u>	 <u>-----</u> <u>100.0%</u>

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ELECTRIC UTILITY BUDGET  
REVENUES & APPROPRIATIONS  
2006 AND 2005

3/22/06  
RFK

REVENUES	2006	%	2005	%
ELECTRIC TARIFFS	10,809,035	98.6%	10,068,298	98.5%
STREET LIGHTING	0	0.0%	0	0.0%
INTEREST INCOME AND OTHER	150,000	1.4%	150,000	1.5%
<b>TOTAL REVENUES</b>	<b>10,959,035</b>	<b>100.0%</b>	<b>10,218,298</b>	<b>100.0%</b>

APPROPRIATIONS	2006	%	2005	%
SALARIES & WAGES	1,287,285	11.7%	1,228,448	12.0%
OTHER EXPENSES	1,086,750	9.9%	1,008,850	9.9%
PURCHASED POWER	8,200,000	74.8%	7,850,000	76.8%
EMERGENCY APPROPRIATION	250,000	2.3%	0	0.0%
PENSION & SOCIAL SECURITY	135,000	1.2%	131,000	1.3%
<b>TOTAL APPROPRIATIONS</b>	<b>10,959,035</b>	<b>100.0%</b>	<b>10,218,298</b>	<b>100.0%</b>

## THE 2006 CAPITAL BUDGET PROGRAM

A Capital Budget for the Borough of Madison is prepared in accordance with regulations promulgated by the Division of Local Government Services and the Local Finance Board.

Every year department heads and boards submit proposed Capital Budgets to the Borough Administrator with their Operating Budget. After review, the Capital Budget is submitted to the Council separately to determine the priorities for the year.

There is one important difference between the Operating and Capital Budget. Unlike the Operating Budget, the Capital Budget does not give the authority to spend. The Capital Budget is a plan, not the actual appropriation of funds. Each project listed must be reviewed again, introduced by ordinance and a public hearing held before any spending can take place. Once the ordinance is adopted, the project can be started.

The Housing Authority and Board of Education are the only two local agencies that have separate bonding authority and can adopt their own bonding ordinances without the approval of the Mayor and Council.

The following projects will be reviewed by the Mayor and Council for 2006 and considered for approval.

<u>MUNICIPAL CAPITAL PROJECTS</u>	<u>AMOUNT</u>
Road and Engineering Projects	\$1,805,000
Public Works Equipment and Projects	299,000
Police & Fire Equipment	332,000
Library Projects and Improvements	102,000
Administration and Executive Projects	177,000
Borough Clerk Project	9,000
 <u>WATER UTILITY CAPITAL PROJECTS</u>	
Water Main Replacements	\$345,000
Other Water Utility Projects	49,000
 <u>ELECTRIC UTILITY CAPITAL PROJECTS</u>	
Replace Two Bucket Trucks	\$330,000
New Pickup Truck	35,000
Underground Conduit	60,000