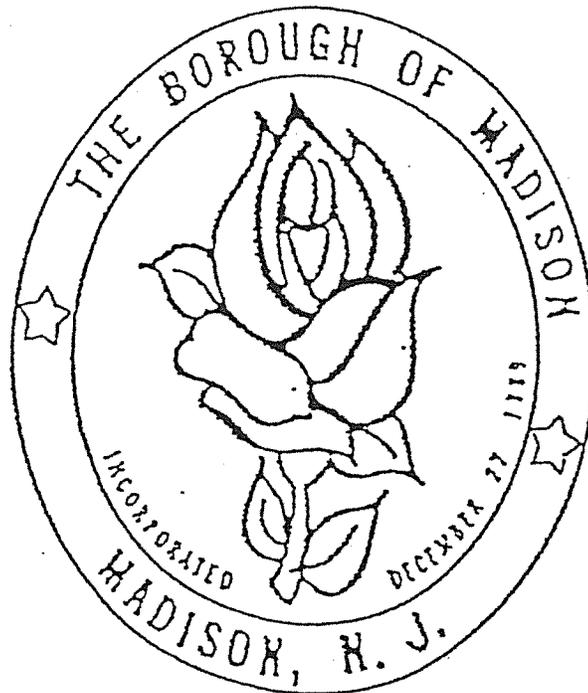


1992 BUDGET IN BRIEF



MAYOR

DONALD R. CAPEN

COUNCIL

GARY E. RUCKELSHAUS,
COUNCIL PRESIDENT

ROBERT E. SYLVERSTEIN III

JOSEPH J. VERBARO, JR.

DENNIS G. MULLINS

DAWN Z. SMITH

ANN T. DALENA

REPORT TO THE TAXPAYERS

I am pleased to report that the 1992 budget requires a zero increase in the municipal rate without a reduction in services. This was accomplished by reductions in several major cost areas and increasing some municipal revenue.

Total appropriations to operate Borough government will increase by only 2.1%. This small increase was accomplished by reductions in Sewer Treatment, solid waste disposal, pension funding and the leveling off of debt service costs.

The Council was able to reduce appropriations for the operation of the Joint Wastewater Treatment Facility by \$135,000 due to lower capital improvement requirements. This is a shared service between Madison and Chatham Borough.

The Borough also saved \$110,000 for solid waste removal due to the recycling of yard waste. The amount we needed for garbage removal this year is essentially equal to that budgeted in 1988.

Madison has realized a further savings of \$75,000 from pension costs. This is entirely due to the State of New Jersey revaluing the pension plan assets to reflect their current market value.

A major component of our total appropriations is debt service. This has risen dramatically over the last four years and was driven upwards due to the mandatory upgrading of our Wastewater Treatment Facilities. Now that this work is complete, our debt service has leveled off at \$2,300,000 per year. There was no increase in 1992.

The largest single component of appropriations is Salaries & Wages. We are budgeting for an increase of 3.8%. However, three union contracts are now being negotiated. Some of the cuts made were in overtime. During 1992, the Mayor and Council intend to review the Borough's policies on overtime and standby pay and their effect on overall spending.

As previously stated, budget appropriations have risen 2.1%; an increase of \$309,062. This increase has been offset with higher municipal revenues.

The Electric Utility will contribute \$3,000,000 to this year's budget. This is an increase of \$100,000. This is the largest amount ever and more importantly, the Borough has planned to continue to generate this revenue level from the utility for the next several years.

We have undertaken a very rigorous review of Health Department Contract Rates and have increased them by an average of 28 percent to cover operating costs. This has contributed about \$100,000 of additional revenue for 1992.

This year's budget also assumes that Madison will receive the same amount as last year for Municipal Property Tax Relief from the State of New Jersey. This amount is \$500,000. The State Director of Local Government Services has instructed the Borough to anticipate this revenue.

As you know the Borough Government does not control the County and School District Budget. There are tax increases expected from both of them. County taxes are expected to increase by 9.0%. It should be noted that this budget has not yet been approved by the Freeholders.

The school budget, if approved at its current level, will increase by 6.6%. This also assumes that there will not be any further decrease in state funding.

The combination of no increase in the municipal rate and the estimated budgets for the county and school would result in an overall increase of 4.4% or \$205.16 for an average home assessed at \$159,000.

The Mayor and Council will continue to look for ways to reduce costs and maintain services. I want to thank you, the taxpayer, for your support in this effort.

Donald R. Capen, Mayor

The following Borough Officials are responsible for preparing and expending their budgets in accordance with the limitations imposed by the Governing Body:

Borough Administrator	James R. Allison
Assistant to Administrator	Brenda G. Cochario ✓
Director of Finance	Robert F. Kalafut
Borough Clerk	Esther Sebesto ✓
Deputy Borough Clerk	Patricia Graham
Chief of Police	John P. Salmon ✓
Fire Chief	Douglas O. Atchison
Health Officer	Robert S. Deasey ✓
Borough Engineer	Daniel P. Biondo ✓
Utility Engineer	David Molendyke ✓
Municipal Court Administrator	Emily Traversi
Recreation Director	Douglas L. Smith
Supervisor, Public Works	Vincent Falcone
Library Director	Nancy Vernon
Borough Attorney	George C. Witte, Jr. ✓
Director of Welfare	Linda B. Durney
Senior Citizen Coordinator	Elizabeth Brownell ✓

✓ agone

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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, the Board of Health and the Local Assistance Board, control lies with an autonomous appointed board which administers their functions within the limitations of the appropriation set by the Mayor and Council. The Madison-Chatham Joint Meeting is an autonomous board comprised of the Mayor and Council members from both communities. This Body 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. This report, therefore, does not contain any details of the school budget.

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 Councilmembers, 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 ex-officio member of each committee. Each Councilmember is the chairperson of one committee and a member of one other. The standing committees for 1992 are as follows:

<u>Standing Committee</u>	<u>Chairperson</u>	<u>Other Member</u>
Utilities	R.E. Sylverstein, III	Gary E. Ruckelshaus
Public Safety	Dennis G. Mullins	R.E. Sylverstein, III
Public Works & Engineering	Joseph J. Verbaro	Dennis G. Mullins
Health & Public Assistance	Gary E. Ruckelshaus	Joseph J. Verbaro
Finance & Borough Clerk	Dawn Z. Smith	Ann T. Dalena
Parks & Recreation	Ann T. Dalena	Dawn Z. Smith

THE 1992 BUDGET PROCESS

The budget process begins early in September of the year preceding the Budget year. Department heads, using expenditure reports, forecast their needs and draft detailed Budget requests. These requests must be justified and supported by specific goals. In addition, they submit estimates of the extent to which they have met their proposals of the preceding year.

Each Budget request is reviewed by the Borough Administrator in conference with each department head. The goals for the year are established. The Administrator then makes necessary changes during December and early January and a recommended budget is submitted to the Mayor and Council by the middle of the month. For the next three weeks Mayor and Council review the budget with Department Heads.

This year the budget was introduced on March 23rd and will be published in the MADISON EAGLE on April 9th. At the introduction of the Budget the Council set April 27th as the date for the public hearing.

THE BUDGET IN BRIEF

The following pages provide the taxpayer with an overview of the Municipal Budget and what impact it will have on taxes.

Information has also been provided on the County and School levy so that you can determine your total tax bill. The Board of Education held a public hearing on the school budget on March 17th. The School Board election will be held on April 7th.

We have provided a statement of operations for Current, Water and Electric prepared on a fund basis. This reflects an increase in surplus which is being utilized in 1992 to reduce the tax impact. In addition, pie charts and bar graphs have also been prepared as an illustrative tool to assist taxpayers in understanding the budget.

BUDGET AT A GLANCE
18-Mar-92

ITEM	1992	1991	DIFFERENCE	% CHANGE
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				
APPROPRIATIONS-WITHOUT RESERVE	\$14,048,003	\$13,760,738	\$287,265	2.1%
LESS: ANTICIPATED REVENUES	\$6,881,132	\$6,623,458	\$257,674	3.9%
NET APPROPRIATIONS	\$7,166,871	\$7,137,280	\$29,591	0.4%
PLUS: SCHOOL LEVY	\$14,709,843	\$13,801,752	\$908,091	6.6%
COUNTY LEVY	\$4,337,103	\$3,978,994	\$358,109	9.0%
APPROPRIATIONS AND OTHER TAXES	\$26,213,817	\$24,918,026	\$1,295,791	5.2%
COLLECTION RATE	97%	97%		
AMOUNT TO BE RAISED BY TAXATION	\$27,024,554	\$25,706,966	\$1,317,588	5.1%
RESERVE FOR UNCOLLECTED TAXES	\$810,737	\$788,940	\$21,797	2.8%
ASSESSED VALUATION	\$849,655,450	\$848,788,450	\$867,000	0.1%
TOTAL RATABLES	\$890,862,948	\$885,075,075	\$5,787,873	0.7%
TOTAL APPROPRIATIONS- with Reserve	\$14,858,740	\$14,549,678	\$309,062	2.1%
LESS ANTICIPATED REVENUES	\$6,881,132	\$6,623,458	\$257,674	3.9%
LOCAL TAX LEVY	\$7,977,608	\$7,926,220	\$51,388	0.6%
T A X R A T E				
LOCAL TAX RATE	\$0.895	\$0.896	0.000	0.0%
SCHOOL TAX RATE	\$1.651	\$1.559	0.092	5.9%
COUNTY TAX RATE	\$0.487	\$0.450	0.037	8.3%
TOTAL TAX RATE	\$3.034	\$2.904	0.129	4.4%
ONE POINT EQUALS	\$89,086	\$88,508	\$579	0.7%
AVG. RESIDENTIAL ASSESSED VALUE	\$159,000	\$159,000		
T A X E S O N A V E R A G E H O M E				
BOROUGH TAXES	\$1,423.83	\$1,423.91	(\$0.08)	0.0%
SCHOOL TAXES	\$2,625.39	\$2,479.43	\$145.97	5.9%
COUNTY TAXES	\$774.08	\$714.81	\$59.27	8.3%
TOTAL TAXES	\$4,823.31	\$4,618.15	\$205.16	4.4%

CHANGES IN REVENUE AND APPROPRIATIONS
1992 MUNICIPAL BUDGET

REVENUE

ITEM	1992	1991	DIFFERENCE	CHANGE
PRIOR YEAR'S SURPLUS	1,000,000	940,000	60,000	6.4%
MUNICIPAL REVENUE	1,508,648	1,394,607	114,041	8.2%
STATE FUNDING	747,484	759,345	(11,861)	-1.6%
MUNICIPAL TAX RELIEF	500,000	504,506	(4,506)	-0.9%
ELECTRIC UTILITY SURPLUS	3,000,000	2,900,000	100,000	3.4%
DELINQUENT TAXES	125,000	125,000	0	0.0%
PROPERTY TAXES	7,977,608	7,926,220	51,388	0.6%
TOTAL REVENUE	14,858,740	14,549,678	309,062	2.1%

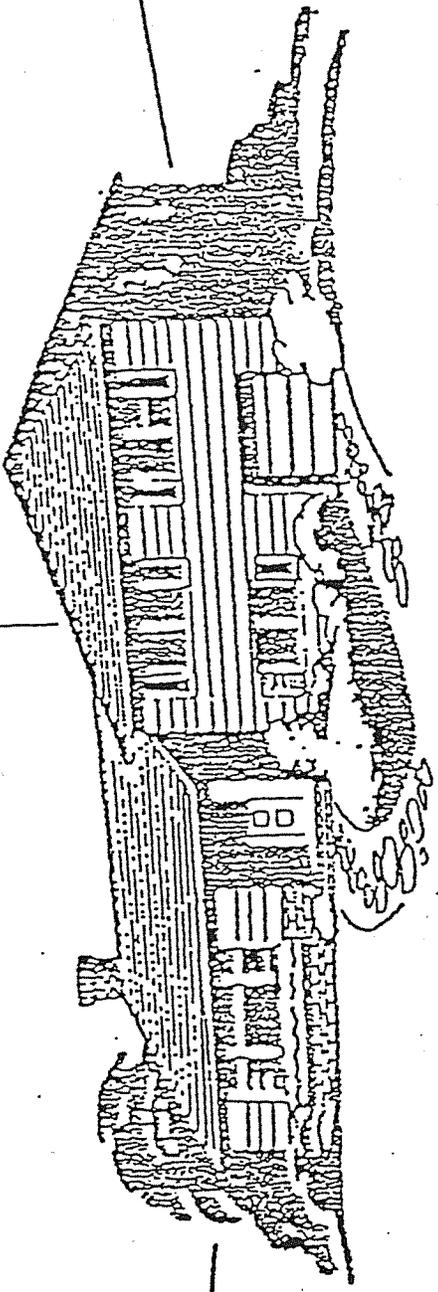
APPROPRIATIONS

ITEM	1992	1991	DIFFERENCE	CHANGE
SALARIES & WAGES	4,896,836	4,719,327	177,509	3.8%
OTHER EXPENSES	1,782,691	1,683,087	99,604	5.9%
WASTE REMOVAL	1,545,452	1,655,869	(110,417)	-6.7%
MADISON-CHATHAM JOINT MTG.	724,709	859,782	(135,073)	-15.7%
HEALTH INSURANCE	612,324	508,200	104,124	20.5%
OTHER INSURANCE COVERAGE	262,447	264,895	(2,448)	-0.9%
PENSION & SOCIAL SECURITY	742,303	809,830	(67,527)	-8.3%
CAPITAL IMPROVEMENT FUND	490,000	347,887	142,113	40.9%
DEFERRED CHARGES	0	4,799	(4,799)	-100.0%
DEBT SERVICE	2,301,955	2,302,687	(732)	0.0%
CONSTRUCTION CODE EXPENSE	83,105	42,925	40,180	93.6%
PUBLIC LIBRARY FUNDING	606,181	561,450	44,731	8.0%
RESERVE FOR UNCOLL. TAXES	810,737	788,940	21,797	2.8%
TOTAL APPROPRIATIONS	14,858,740	14,549,678	309,062	2.1%

BOROUGH
 \$1,423.83
 (29.5%)

SCHOOL
 \$2,625.39
 (54.5%)

COUNTY
 \$774.08
 (16%)



TOTAL COSTS AND TAX RATE

Borough	\$1,423.83	\$.895
School	2,625.39	1.651
County	774.08	.487
	<u>\$4,823.31</u>	<u>\$3.034</u>

The average home in Madison is assessed at \$159,000 this year.
 A home owner, owning property assessed at that amount, will
 pay the annual costs for services expressed above.

SUMMARY OF 1991

During 1991 many projects were completed. These projects required many hours of design, construction and public input in order to assure that they will best serve the community's interest.

Some of the major projects completed were:

A) SIDEWALK PROGRAM

Madison again offered a homeowner cost sharing sidewalk repair program. The Borough reimbursed property owners up to 25% of the cost for repairing sidewalks around their homes. Sixty-two (62) homeowners took part and were reimbursed approximately \$17,000.

B) REMOVAL OF UNDERGROUND STORAGE TANKS

In accordance with the New Jersey Department of Environmental Protection Regulations, the Borough removed fifteen (15) underground storage tanks which contained gasoline and heating oil. Contaminated ground water and sludge were removed and properly disposed of.

C) SPRING GARDEN BROOK

The channelization of Spring Garden Brook from Greenwood to Cross Street began. The project is 75% complete.

D) 911 EMERGENCY TELEPHONE OPERATING SYSTEM

The 911 system has been installed in the Madison Police Department; however, it is not yet operational due to delays involved with the county system and independent telephone companies. We anticipate activation of the system in the fall of 1992.

E) SENIOR CITIZEN PROGRAMS

Received a \$15,000 Dodge Foundation grant which was spent to

Expand the Community Van Service to a third day.

Expand the Intergenerational Programming with sessions at the elementary, junior and high school. Books and discussion materials were provided.

Begin a new Current Issues Forums Discussion Group.

Continue the publishing of the Senior Prime Times Newsletter distributed to approximately 1200 persons each month.

Provide photography and public relations materials for the newspaper and to show slides to groups within the community.

Expand Painting Classes to the spring and fall.
Materials were provided and an Art Exhibit was held at
the Madison Library in June.

F) ELMER STREET PARKING LOT

The Elmer Street parking lot project was 90% completed.
This project included new pavement, islands, trees and
shrubs. The project will be completed in 1992.

G) RECREATION

A Dodge Foundation Grant for \$2,500 was received to assist
in the funding of the Summer Musical Program. It was the
25th Anniversary Production and "Kiss Me Kate" was
performed. Approximately 115 youngsters grades 9 and up
participated in this five week program which ran from late
June to late July.

H) COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The Housing Authority was awarded a grant of \$90,000 by
the Housing Subcommittee of the Morris County Community
Development Revenue Sharing Committee to purchase property
located at 44 Cook Avenue for the development of
affordable housing.

I) FIRE PREVENTION

The Fire Department installed a diesel filtration device
on three of the four diesel engines presently in service
thereby helping to alleviate the harmful effects of
exposure to diesel exhaust emissions.

J) DEBT SERVICE

During July, the Borough conducted a bond sale which
permanently financed \$4,279,000 of general municipal
improvements and \$482,000 of water utility capital. We
sold these bonds at an effective interest rate of 6.29%.
Also, we received a bond rating of AA which is an
excellent rate given the current economic conditions of
most municipal, county and state governments.

K) WORD PROCESSING CONVERSION

The Administrative Offices were successfully converted
from Wang Word Processing to a personal computer based
system.

L) KINGS ROAD SUBSTATION UPGRADE

During late 1991 and early 1992 the Kings Road Sub-
station Control Building was renovated and expanded to
accommodate new switchgear equipment.

1992 PLANS

Projects anticipated to be undertaken in 1992 are:

A. SPRING GARDEN BROOK PHASE III

Completion of the Spring Garden Brook Channelization Project will occur in 1992.

B. KINGS ROAD SUBSTATION UPGRADE

In preparation for the December 1992 conversion date, final modifications and installations will occur during early 1992.

C. 1992 SIDEWALK PROGRAM

Madison will again offer a cost-sharing sidewalk repair program during 1992, reimbursing property owners up to 25% of the cost for repairing sidewalks.

D. DODGE FOUNDATION GRANTS

1. Senior Citizen Programs: A \$23,300 grant was requested for public relations, intergenerational programs, training and transportation costs.
2. Recreation: A \$4,000 grant was requested to help fund theater and nature programs.
3. Fire Department: A \$13,484 grant was requested to help initiate a voice amplification system and a video training program.
4. Police: An \$18,500 grant was requested to fund costs associated with DWI training, cultural diversity and encounter situation training, a quick-call telephone system, and a bicycle safety program.
5. Parks Advisory Committee: A matching grant of \$15,000 was requested to set up a new park on Green Avenue and Kings Road.
6. Community Pool: A \$2,000 grant was requested to fund the 25th anniversary program.
7. Borough Government: A \$13,000 grant was requested for public relations activities designed to provide better public service and information, and for the hiring of a grant consultant who would help Madison identify and secure additional grant funds.

E. 1992 COMMUNITY DEVELOPMENT GRANTS

1. Low-Income Public Housing Site Acquisition: It is likely that we will receive \$90,000 for this project.
2. Mini-Bus for Senior Citizen Shuttle Service: It is likely that we will receive \$25,000 for this purchase.
3. Municipal Building Accessibility: It is unlikely that the Borough will receive funding for this project; however, funds have been allocated to hire an architect to design improvements needed to make the Hartley Dodge Memorial accessible to handicapped individuals.

F. CLEAN COMMUNITIES PROGRAM

The Borough has received 1992 Clean Communities funding to be used for litter abatement programs. With these funds a new sidewalk sweeper, a streamlined model, will be purchased as well as miscellaneous cleanup tools such as rakes and shovels.

G. RECORDING EQUIPMENT FOR COUNCIL CHAMBER

In order to keep more accurate records of Council meetings, a new recording system will be installed in the Council Chamber in 1992.

H. INSTALLATION OF ABOVE GROUND STORAGE TANKS

In accordance with NJDEPE regulations, two above ground gasoline storage tanks will be installed at the DPW yard to replace the underground storage tanks which have been removed.

I. REPLACEMENT OF STREET SWEEPER

Capital improvement funds have been allocated to purchase a new street sweeper to replace the current machine which is over five years old.

J. UTILITY BILLING SYSTEM

In order to centralize the water and electric billing functions, a proposed project for 1992 is the conversion to a utility billing system which would allow for in-house billing as well as the use of hand held meter reading units, which will interface directly with a PC.

K. ELECTRIC UTILITY ADMINISTRATION

Due to a 14.5% increase in the cost of wholesale purchased power, electric rates will increase by 6.1% in 1992.

STATEMENT OF OPERATIONS
CURRENT, WATER & ELECTRIC
DECEMBER 31, 1991

	CURRENT	WATER	ELECTRIC	TOTAL-MEMO ONLY
SURPLUS, JANUARY 1, 1991	3,333,084	494,400	2,545,418	\$6,372,902
PROPERTY TAXES	25,346,744			25,346,744
WATER RENTS		1,169,617		1,169,617
METERED SERVICES			12,486,645	12,486,645
DELINQUENT TAXES	308,921			308,921
MISCELLANEOUS REVENUE				
AND OTHER CREDITS TO INCOME	6,490,387	452,869	1,424,992	8,368,248
TOTAL FUNDS	35,479,136	2,116,886	16,457,055	54,053,077

	CURRENT	WATER	ELECTRIC	TOTAL-MEMO ONLY
SALARIES AND WAGES	4,719,327	266,427	629,307	5,615,061
OTHER EXPENSES	5,576,208	436,250	8,292,650	14,305,108
STATUTORY EXPENDITURES	809,830	57,000	120,000	986,830
DEFERRED CHARGES	4,799	0	0	4,799
CAPITAL IMPROVEMENT FUND	347,887	495,000	650,000	1,492,887
DEBT SERVICE	2,302,987	134,875	124,630	2,562,492
SCHOOL TAXES	13,801,751	0	0	13,801,751
COUNTY TAXES	3,989,635	0	0	3,989,635
OTHER EXPENDITURES AND OTHER DEDUCTIONS FROM INCOME	0	126,552	1,200,000	1,326,552
TOTAL EXPENDITURES	31,552,424	1,516,104	11,016,587	44,085,115

LESS: EXPENDITURES TO BE RAISED BY FUTURE REVENUES	0	0	0	0
TOTAL ADJUSTED EXPENDITURES AND REVENUE REQUIREMENTS	31,552,424	1,516,104	11,016,587	44,085,115
LESS: AMOUNT TRANSFERRED TO CURRENT FUND	0	0	1,700,000	1,700,000
SURPLUS BALANCE, DECEMBER 31, 1991	\$3,926,712	\$600,782	\$3,740,468	\$8,267,962

BOROUGH OF MADISON
1992 BUDGET
CAP CALCULATION

Given below are the calculations for the 1992 Cap appropriation limit utilizing the index rate ordinance of 4.5%

Total adopted appropriations for 1991..... 14,389,158

Modifications		
Deductions:		
Reserve for Uncollected Taxes	788,940	
Other Operations	1,898,228	
Capital Improvement Fund	202,500	
Deferred Charges	0	
Debt Service	2,302,687	
Municipal Court	113,694	5,306,049

Amount on which 4.5% Cap is Applied 9,083,109

4.5% "Cap" Authorized by Ordinance 408,740

Additions to "Cap" Assessed Value of
New Construction \$4,896,400 at the
Local Purpose Tax Rate of \$0.895 per \$100 43,823

Other Adjustments to "Cap" 0

Total General Appropriations "Cap"
Limitation for 1992 9,535,671

Less 1992 Appropriations Within "Cap" 9,302,804

Unused "Cap" Amount 232,867

	Inside Cap	Outside Cap
Salaries & Wages	4,229,118	667,718
Other Expenses	4,331,383	1,521,122
Statutory Expenditures	742,303	0
Deferred Charges	0	0
Capital Improvement Fund	0	254,404
Debt Service	0	2,301,955
Reserve For Uncollected Taxes	0	810,737

Total Appropriations- 14,858,740 9,302,804 5,555,936

COMPARATIVE DISTRIBUTION OF REVENUE
AND APPROPRIATIONS FOR 1992 AND 1991

MUNICIPAL BUDGET

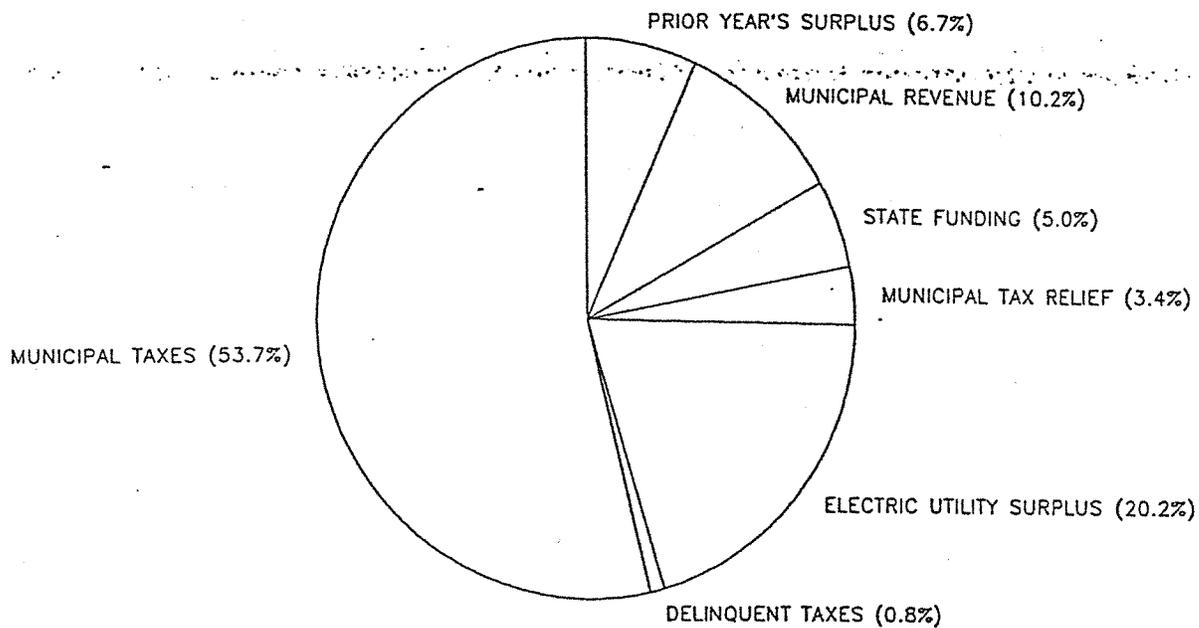
REVENUE

	1992	%	1991	%
PRIOR YEAR'S SURPLUS	1,000,000	6.7%	940,000	6.5%
MUNICIPAL REVENUE	1,508,648	10.2%	1,406,330	9.7%
STATE FUNDING	747,484	5.0%	747,622	5.1%
MUNICIPAL TAX RELIEF	500,000	3.4%	504,506	3.5%
ELECTRIC UTILITY SURPLUS	3,000,000	20.2%	2,900,000	19.9%
DELINQUENT TAXES	125,000	0.8%	125,000	0.9%
MUNICIPAL PROPERTY TAXES	7,977,608	53.7%	7,926,220	54.5%
TOTAL REVENUE	\$14,858,740	100%	\$14,549,678	100%

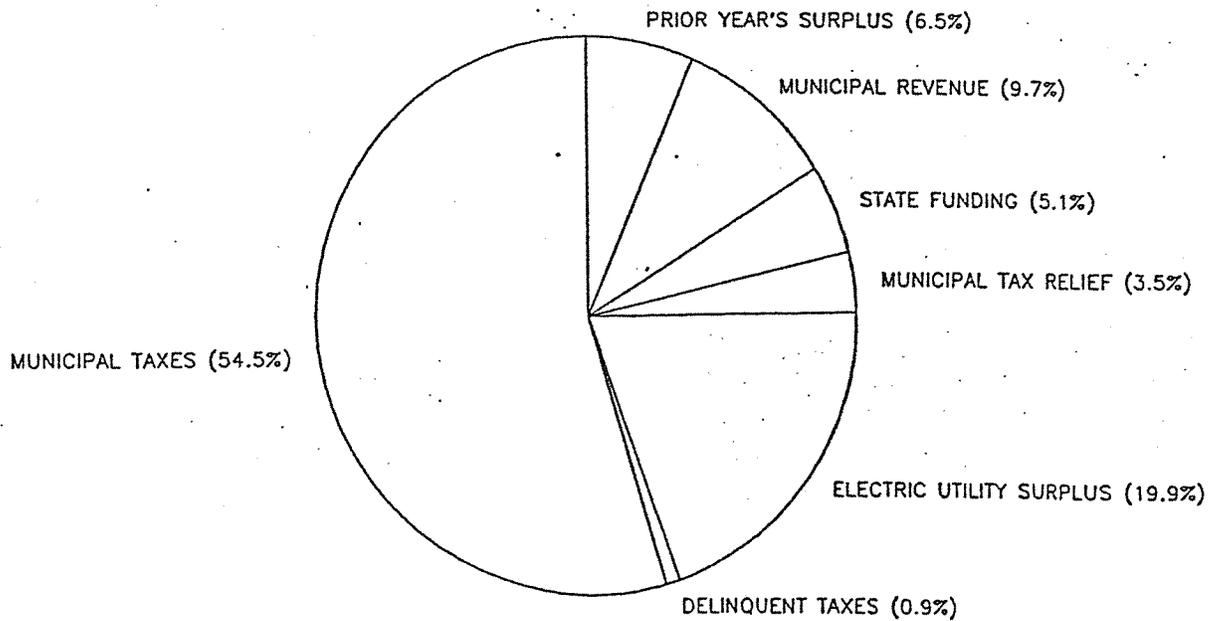
APPROPRIATIONS

	1992	%	1991	%
SALARIES & WAGES	4,896,836	33.0%	4,719,327	32.4%
OTHER EXPENSES	1,782,691	12.0%	1,683,087	11.6%
GARBAGE REMOVAL	1,545,452	10.4%	1,655,869	11.4%
MADISON-CHATHAM JOINT MTG.	724,709	4.9%	859,782	5.9%
HEALTH & LIAB. INSURANCE	874,771	5.9%	773,095	5.3%
PENSION & SOCIAL SECURITY	742,303	5.0%	809,830	5.6%
CAPITAL IMPROVEMENTS	490,000	3.3%	347,887	2.4%
DEFERRED CHARGES	0	0.0%	4,799	0.0%
DEBT SERVICE	2,301,955	15.5%	2,302,687	15.8%
CONSTRUCTION CODE O.E.	83,105	0.6%	42,925	0.3%
PUBLIC LIBRARY	606,181	4.1%	561,450	3.9%
RESERVE FOR UNCOLLECTED TAX	\$810,737	5.5%	\$788,940	5.4%
TOTAL APPROPRIATIONS	14,858,740	100.0%	14,549,678	100.0%

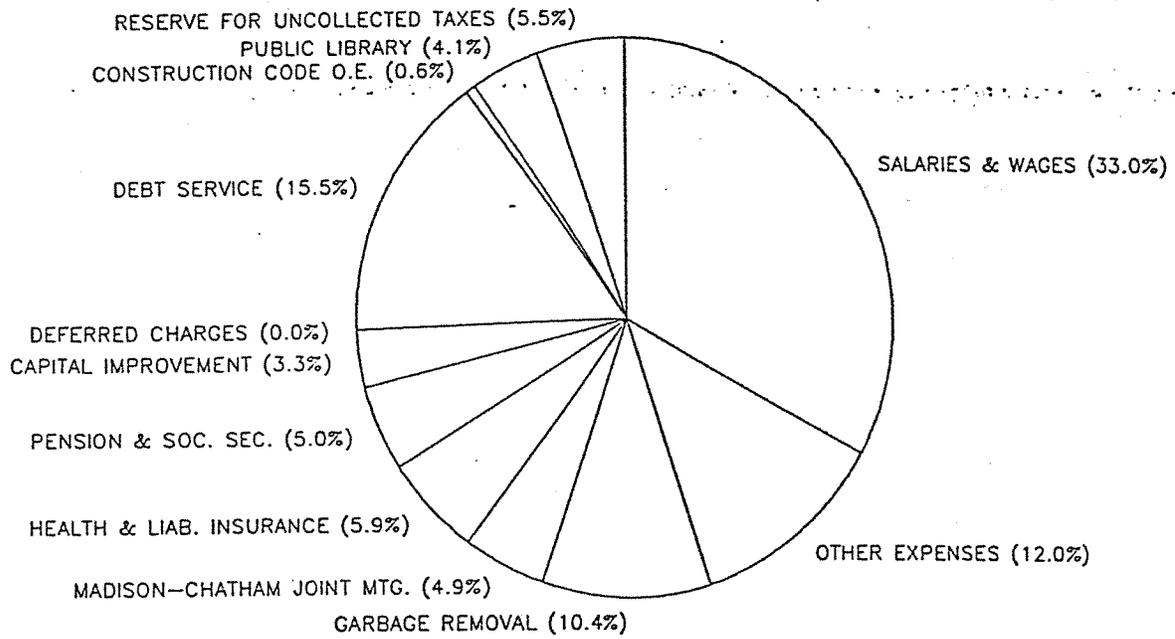
1992 REVENUE



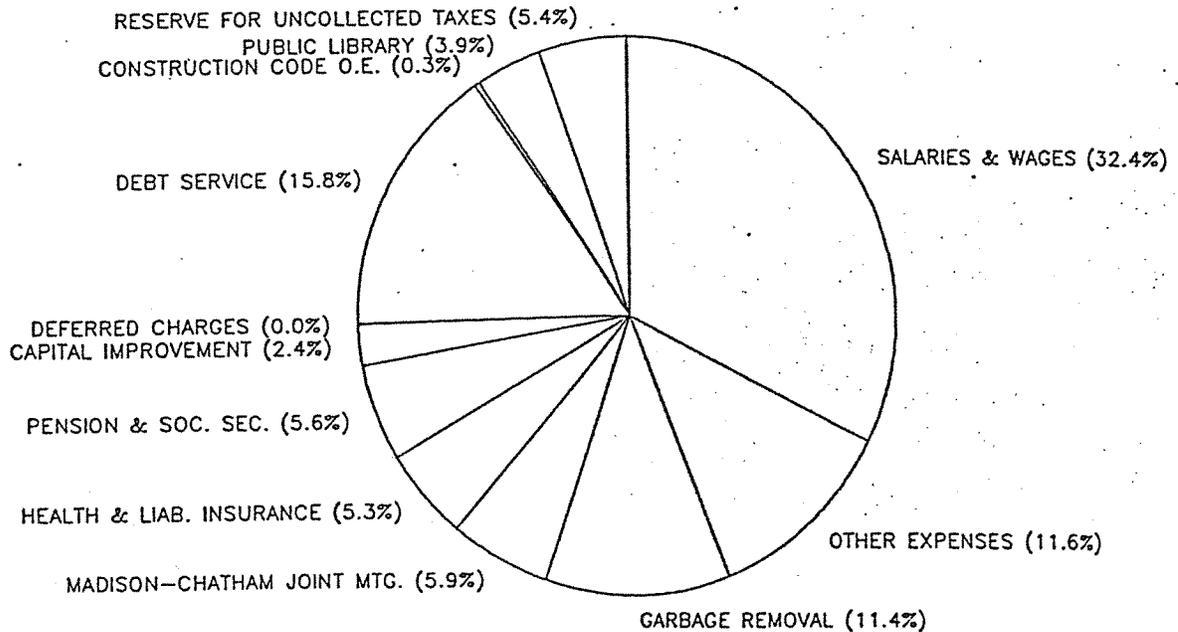
1991 REVENUE



1992 APPROPRIATIONS



1991 APPROPRIATIONS

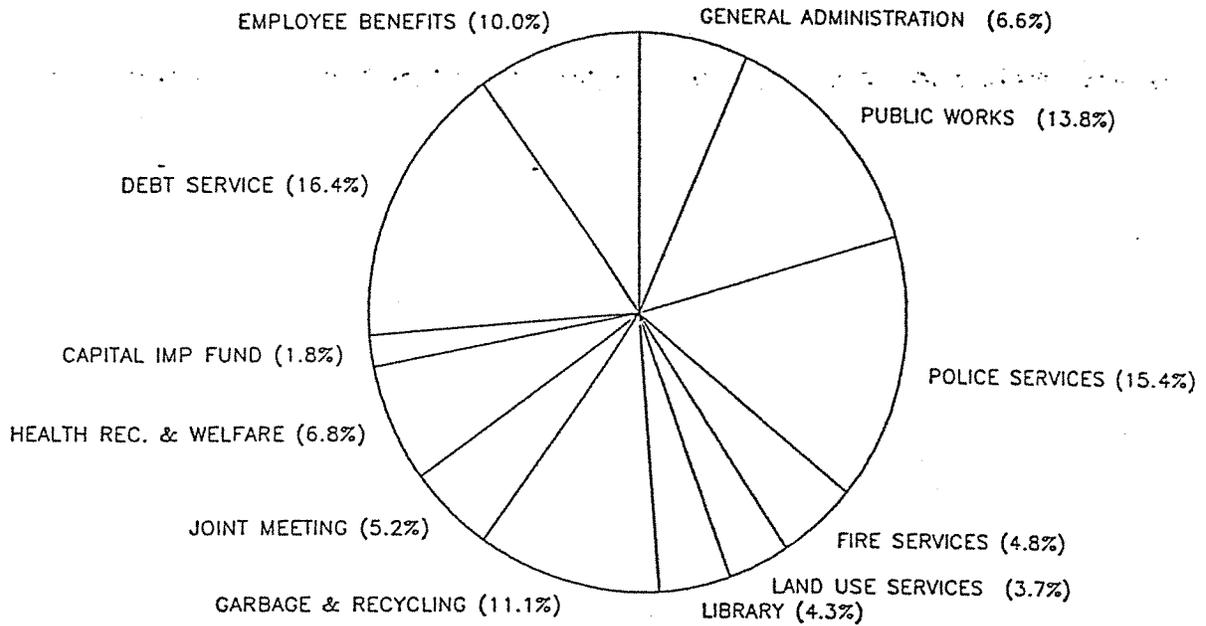


MADISON 1992 BUDGET
 APPROPRIATIONS BY SERVICE

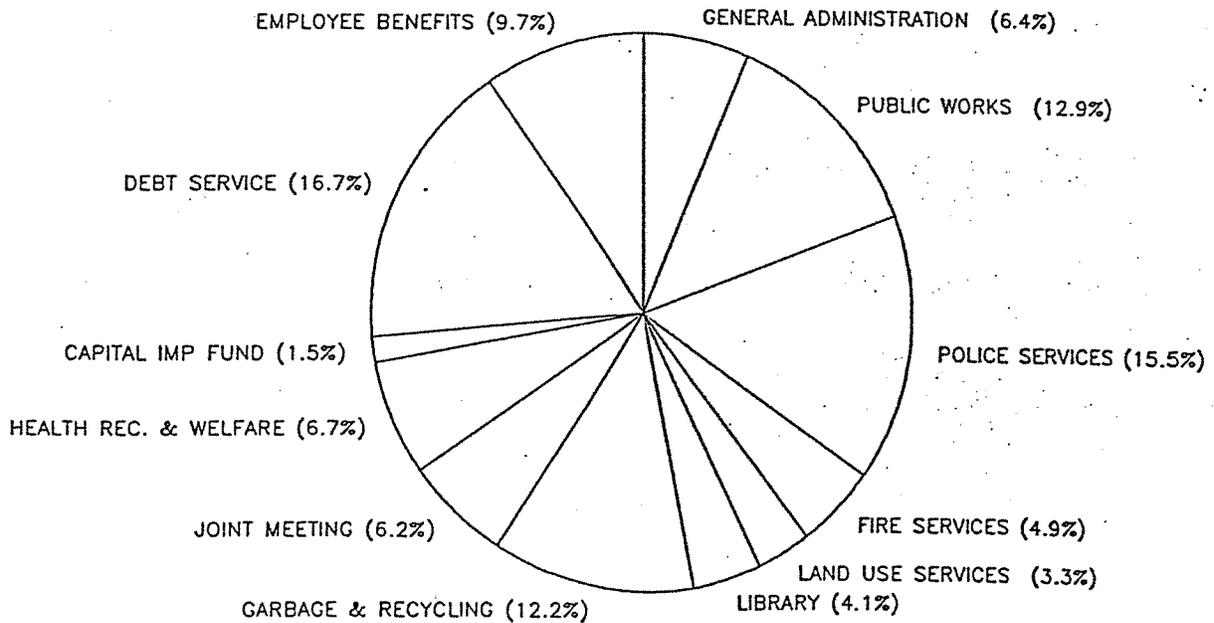
20-Mar-92

	1992	1991	DIFFERENC	PERCENT
GENERAL ADMINISTRATION	\$930,559	\$878,532	\$52,027	5.92%
PUBLIC WORKS	\$1,937,290	\$1,769,149	\$168,141	9.50%
POLICE SERVICES	\$2,168,159	\$2,128,405	\$39,754	1.87%
FIRE SERVICES	\$679,674	\$670,834	\$8,840	1.32%
LAND USE SERVICES	\$526,396	\$451,795	\$74,601	16.51%
LIBRARY	606,181	561,450	\$44,731	7.97%
GARBAGE & RECYCLING	1,563,545	1,672,947	(\$109,402)	-6.54%
JOINT MEETING	724,709	859,782	(\$135,073)	-15.71%
HEALTH REC. & WELFARE	\$955,504	\$924,627	\$30,877	3.34%
CAPITAL IMP FUND	254,404	202,500	\$51,904	25.63%
DEBT SERVICE	\$2,301,955	\$2,302,687	(\$732)	-0.03%
EMPLOYEE BENEFITS	\$1,399,627	\$1,338,030	\$61,597	4.60%
T O T A L	\$14,048,003	\$13,760,738	\$287,265	2.09%

1992 APPROPRIATIONS BY SERVICE



1991 APPROPRIATIONS BY SERVICE



ANNUAL REPORT OF THE TAX COLLECTOR

	1991	1990
TAX LEVY	\$25,755,685	\$24,489,864
ADDED TAXES	67,567	152,718

TOTAL TAX LEVY	25,823,252	24,642,582

CURRENT YEAR TAX COLLECTIONS	25,353,869	24,075,092
SR. CITIZENS & VETERAN DEDUCT	87,059	89,434
TRANSFERS & CANCELLATIONS	30,189	179,451

TOTAL COLLECTIONS	25,471,117	24,343,977
=====		
OUTSTANDING BALANCE	\$352,135	\$298,605

PERCENTAGE OF COLLECTIONS	98.52%	98.06%
=====		

BALANCE OF DELINQUENT TAXES & TAX TITLE LIENS-JAN. 1	\$309,667	\$267,546
ADDED TAXES	907	6,352
INTEREST, COSTS, & TRANSFERS	192	3,959

TOTAL OUTSTANDING	310,766	277,857

DELINQUENT COLLECTIONS	308,979	266,795
CANCELLATIONS	630	0

TOTAL COLLECTIONS	309,609	266,795
=====		
OUTSTANDING BALANCE	\$1,157	\$11,062

PERCENTAGE OF COLLECTIONS	99.42%	96.02%
=====		

ANALYSIS OF CURRENT AND DELINQUENT TAXES RECEIVABLE

CURRENT YEAR	\$352,135	\$298,605
DELINQUENT TAXES & TAX TITLE LIENS	1,157	11,062

TOTAL	\$353,292	\$309,667
=====		

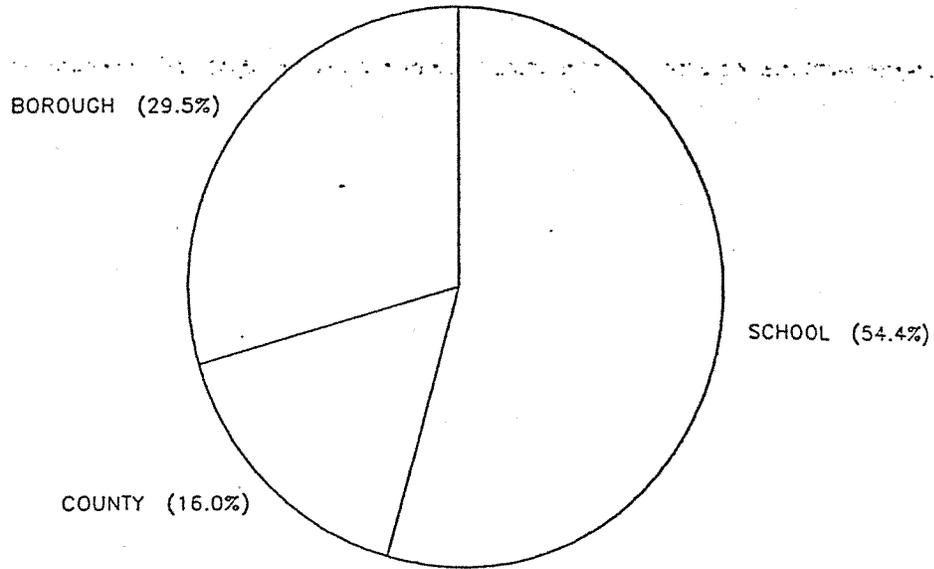
SUMMARY OF LEVIES AND TAX RATES

	1992 ESTIMATED			1991 ACTUAL			
	TAX LEVY	TAX RATE	TAX DOLLAR	TAX LEVY	TAX RATE	TAX DOLLAR	INCREASE
SCHOOL	14,709,843	1.651	\$0.54	13,801,752	1.559	\$0.54	\$908,091
COUNTY	4,337,103	0.487	\$0.16	3,978,994	0.450	\$0.15	\$358,109
BOROUGH	7,977,608	0.895	\$0.30	7,926,220	0.896	\$0.31	\$51,388
TOTAL LEVY	27,024,554	3.03	\$1.00	25,706,966	2.91	\$1.00	\$1,317,588

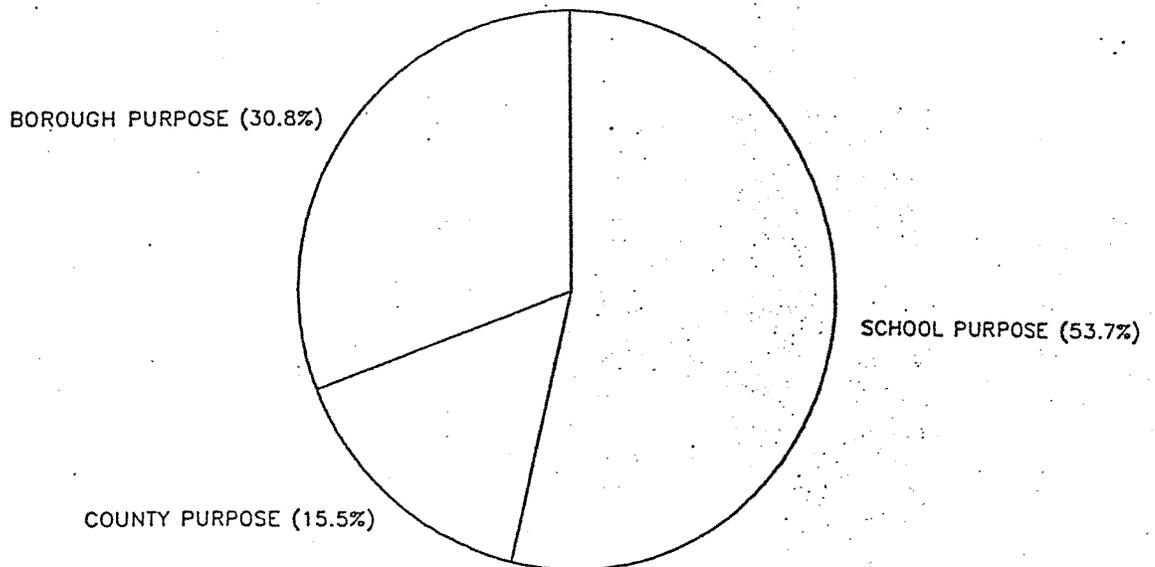
	1991 ACTUAL			1990 ACTUAL			
	TAX LEVY	TAX RATE	TAX DOLLAR	TAX LEVY	TAX RATE	TAX DOLLAR	INCREASE
SCHOOL PURPOSE	13,801,752	1.559	\$0.54	12,603,992	1.410	\$0.52	\$1,197,760
COUNTY PURPOSE	3,978,994	0.450	\$0.15	3,947,165	0.441	\$0.16	\$31,829
BOROUGH PURPOSE	7,926,220	0.896	\$0.31	7,913,375	0.885	\$0.32	\$12,845
TOTAL LEVY	25,706,966	2.91	\$1.00	24,464,532	2.74	\$1.00	\$1,242,434

	1992 ESTIMATED	1991 ACTUAL	1990 ACTUAL
SUMMARY OF NET VALUATION TAXABLE			
TAX RATABLES:			
REAL PROPERTY			
(LAND AND IMPROVEMENTS)	849,655,450	\$848,788,450	\$857,047,450
TELEPHONE & TELEGRAPH			
(BUSINESS PERSONAL PROPERTY)	41,207,498	\$36,286,625	\$36,743,029
TOTAL VALUATION TAXABLE	890,862,948	\$885,075,075	\$893,790,479

DISTRIBUTION OF THE 1992 TAX LEVY



DISTRIBUTION OF 1991 TAX LEVY

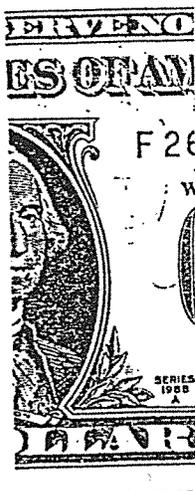


WHERE YOUR TAX DOLLAR GOES:



MADISON
SCHOOLS

54.4%



MORRIS
COUNTY

16.0%



BOROUGH OF
MADISON

29.5%

COMPARATIVE STATEMENT OF OPERATIONS
WATER UTILITY
DECEMBER 31, 1991

REVENUE

	1991	1990
WATER RENTS & SURPLUS	\$1,178,028	\$1,119,186
FIRE HYDRANT SERVICE	58,600	59,859
MISCELLANEOUS REVENUES	159,289	119,744
TOTAL REVENUE	1,395,917	1,298,789

EXPENDITURES

	1991	1990
SALARIES & WAGES	266,064	247,370
SERVICES	79,018	38,663
EQUIPMENT	35,359	38,232
SUPPLIES	40,005	38,613
OVERHEAD	259,018	298,136
SOCIAL SECURITY	20,149	21,400
PENSIONS	27,509	35,500
CAPITAL IMPROVEMENT FUND	495,000	300,000
DEBT SERVICE	132,294	105,946
TOTAL EXPENDITURES	1,354,416	1,123,860
TOTAL OPERATING PROFIT	\$41,501	\$174,929

COMPARATIVE DISTRIBUTION OF REVENUE
AND APPROPRIATIONS FOR 1992 AND 1991

WATER UTILITY

REVENUE

	1992	%	1991	%
PRIOR YEAR'S SURPLUS	226,526	15.5%	126,552	9.1%
WATER RENTS	1,100,000	75.1%	1,097,000	78.9%
FIRE HYDRANT SERVICE	58,600	4.0%	56,000	4.0%
INTEREST INCOME	80,000	5.5%	110,000	7.9%
TOTAL REVENUE	1,465,126	100.0%	1,389,552	100.0%

=====

APPROPRIATIONS

	1992	%	1991	%
SALARIES & WAGES	276,191	18.9%	266,427	19.2%
OTHER EXPENSES	420,744	28.7%	436,250	31.4%
CAPITAL IMPROVEMENT FUND	573,000	39.1%	495,000	35.6%
DEBT SERVICE	135,056	9.2%	134,875	9.7%
DEFERRED CHARGES	0	0.0%	0	0.0%
STATUTORY EXPENDITURES	60,135	4.1%	57,000	4.1%
TOTAL APPROPRIATIONS	1,465,126	100.0%	1,389,552	100.0%

=====

COMPARATIVE STATEMENT OF OPERATIONS
ELECTRIC UTILITY
DECEMBER 31, 1991

REVENUE

	1991	1990
RESIDENTIAL	4,192,000	3,973,000
SMALL COMMERCIAL	505,000	493,000
COMMERCIAL-DEMAND	2,641,000	2,357,000
LARGE COMMERCIAL	5,249,000	4,959,000
STREET LIGHTING	125,000	125,000
TOTAL TARIFF REVENUE	12,712,000	11,907,000
MISC. REVENUE & INTEREST INCOME	370,408	402,695
TOTAL REVENUE	13,082,408	12,309,695

EXPENDITURES

	1991	1990
SALARIES & WAGES	603,795	625,205
SERVICES	233,440	177,006
EQUIPMENT	15,205	20,284
SUPPLIES	174,893	149,418
OVERHEAD	219,490	284,641
PURCHASED POWER	6,974,162	6,579,472
SOCIAL SECURITY	46,028	49,932
PENSIONS	51,961	49,282
CAPITAL IMPROVEMENT FUND	650,000	500,000
DEBT SERVICE	124,630	129,756
INCREASE IN ENERGY ADJUSTMENT RESERVE	146,557	105,815
TOTAL EXPENDITURES	9,240,161	8,670,811
TOTAL OPERATING PROFIT	\$3,842,247	\$3,638,884

COMPARATIVE DISTRIBUTION OF REVENUE
AND APPROPRIATIONS FOR 1991 AND 1992

ELECTRIC UTILITY

REVENUE

	1992	%	1991	%
METERED SERVICE	12,111,572	98.1%	10,656,587	96.7%
STREET LIGHTING	132,500	1.1%	125,000	1.1%
INTEREST INCOME	100,000	0.8%	235,000	2.1%
TOTAL REVENUE	12,344,072	100.0%	11,016,587	100.0%

APPROPRIATIONS

	1992	%	1991	%
SALARIES & WAGES	653,981	5.3%	629,307	5.7%
OTHER EXPENSES	650,751	5.3%	690,650	6.3%
PURCHASED POWER	8,890,000	72.0%	7,602,000	69.0%
CAPITAL IMPROVEMENT FUND	792,000	6.4%	650,000	5.9%
DEBT SERVICE	30,740	0.2%	124,630	1.1%
DEFERRED CHARGES	0	0.0%	0	0.0%
PENSION & SOCIAL SECURITY	126,600	1.0%	120,000	1.1%
SURPLUS (MUNICIPAL)	1,200,000	9.7%	1,200,000	10.9%
TOTAL APPROPRIATIONS	12,344,072	100.0%	11,016,587	100.0%

THE CAPITAL BUDGET AND PROGRAM

A Capital Budget for the Borough 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 careful 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 means of financing will be determined. During the year Council does not plan to bond anything, but pay as you go by appropriating funds from the Capital Improvement Fund.

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 will be reviewed by the Mayor and Council in 1992.

MUNICIPAL

Hartley Dodge Memorial Study	
For Americans With Disabilities	\$ 25,000
Street Sweeper Replacement	75,000
Spring Garden Brook	145,000
Topographic Maps	27,000
Underground Storage Tanks	140,000
Inflow & Infiltration Program	150,000
Road Overlay Program	125,000
Improvement of Parking Lot #1	30,000
Oak Loop Project	27,000
Council Chamber Improvements	5,800
Resurfacing of Basketball Court	5,500
Construction of Snack Bar	15,000
Senior Citizens Van	10,000
Renovation of Police Locker Squad	10,000

WATER UTILITY

Filtration System	\$400,000
Paint Madison Avenue Tank	33,000
Replace Water Mains	90,000

ELECTRIC UTILITY

Bucket Truck Replacement	\$ 50,000
Kings Road Substation Conversion	662,000
Utility Billing System	80,000