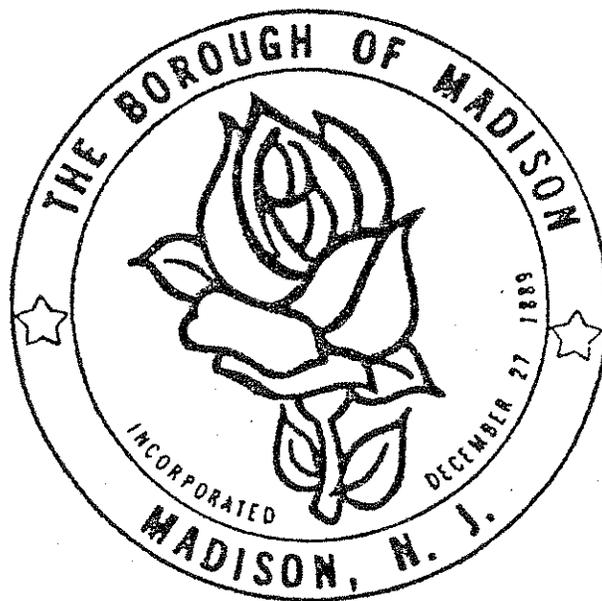


1987 BUDGET IN BRIEF



MAYOR

ELIZABETH G. BAUMGARTNER

COUNCIL

JOHN L. REID

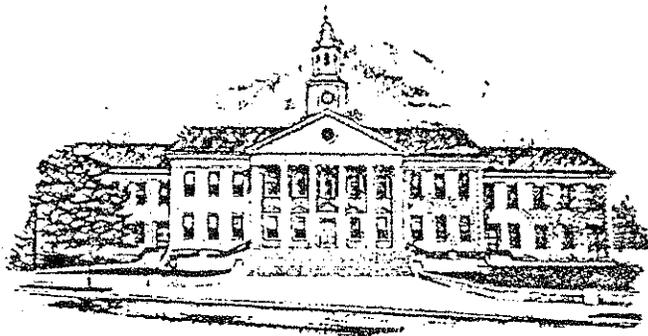
RALPH A. MAIONE

HAROLD J. DODDS

JOHN R. MORRIS

GARY E. RUCKELSHAUS

JO RENEE FORMICOLA



HARTLEY DODGE MEMORIAL
BOROUGH OF MADISON
MADISON, NEW JERSEY 07940
(201) 377-8000

March 9, 1987

REPORT TO THE TAXPAYERS

The "Budget in Brief" has been prepared for Madison residents to better understand the 1987 Budget. It summarizes accomplishments in 1986 and describes plans for 1987.

This year's Municipal Budget totals \$9,710,454.00. The tax rate, including the cost for services provided by the County, Board of Education and the Borough will increase by 5.2% from \$1.93 to \$2.03 per \$100 of assessed valuation. This means that an average residential property in Madison (assessed at \$159,000) will experience a tax increase of \$159 from \$3,069 to \$3,228.

The Borough's portion of this increase (\$24) is broken down on page 5 of this report under the title "Analysis of 1987 Changes in Revenues and Appropriations". The list shows a 6.3% increase in salaries, 9.7% in other expenses, 11.4% in sewerage treatment costs and a 28% increase in health insurance. Despite this, the Borough was able to hold over all costs to a 4.8% increase and the tax rate for municipal services to a 2.5% increase.

I am sure you will find the report informative; I hope it will answer your questions concerning the budget. Should you have any concerns about the budget, a public hearing will be held on April 13th at 8:00 p.m. in the Council Chamber.

Your Mayor,

Elizabeth G. Baumgartner
Elizabeth G. Baumgartner

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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 1987 are as follows:

<u>Standing Committee</u>	<u>Chairperson</u>	<u>Other Member</u>
Utilities & Engineering	John L. Reid	Gary E. Ruckelshaus
Public Safety	Harold J. Dodds	JoRenee Formicola
Public Works	Ralph A. Maione	John R. Morris
Health & Public Assistance	John R. Morris	Ralph A. Maione
Finance & Borough Clerk	Gary E. Ruckelshaus	John L. Reid
Parks & Recreation	JoRenee Formicola	Harold J. Dodds

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	James R. Fletcher
Director of Finance	Abraham Antun
Deputy Borough Clerk	Fannie Stinson
Chief of Police	Donald R. Capen
Fire Chief	William G. Prentiss
Health Officer	Robert S. Deasey
Engineering Administrator	William C. Sweeney
Court Clerk	Rosalie Amico
Recreation Director	Douglas L. Smith
Supervisor, Public Works & Water Utility	Vincent Falcone
Supervisor, Electric Utility	Frank A. Tromonda
Library Director	Nancy Singleton Vernon
Borough Attorney	George C. Witte, Jr.
Director of Welfare	Linda B. Durney
Senior Citizen Coordinator	Elizabeth Brownell

THE 1987 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 transmitted to the Mayor and Councilmembers by the end of that month.

Throughout February, the Mayor and Council met to review, revise and approve the Budgets. The Council has the authority to revise any Budget; but in the case of the autonomous boards, it cannot mandate how the revisions are to be accommodated in their planned spending.

This year the budget will be introduced on March 9th and published in the Madison Eagle on March 19th. At the introduction of the Budget the Council will set April 13th as the date for the public hearing.

B U D G E T A T A G L A N C E

	1987	1986
APPROPRIATIONS (EXCLUDING RESERVE FOR UNCOLLECTED TAXES)	9,190,520.83	8,777,378.03
LESS: ANTICIPATED REVENUES	4,384,425.41	4,129,665.17
NET APPROPRIATIONS	4,806,095.42	4,647,712.86
PLUS: SCHOOL LEVY	8,947,079.00	8,116,991.00
COUNTY LEVY	3,058,000.00	3,035,793.14
APPROPRIATIONS AND OTHER TAXES	16,811,174.42	15,800,497.00
COLLECTION RATE	97.00%	97.00%
AMOUNT TO BE RAISED BY TAXATION	17,331,107.65	16,287,176.19
DIFFERENCE-RESERVE FOR UNCOLLECTED TAXES	519,933.23	486,679.19
ASSESSED VALUATION	810,763,850.00	799,785,200.00
TOTAL RATABLES	854,294,423.00	844,862,948.00
TOTAL APPROPRIATIONS (INCLUDING RESERVE FOR UNCOLLECTED TAXES)	9,710,454.06	9,264,057.22
LESS ANTICIPATED REVENUES	4,384,425.41	4,129,665.17
LOCAL TAX LEVY	5,326,028.65	5,134,392.05
LOCAL TAX RATE	0.623	0.608
SCHOOL TAX RATE	1.047	0.961
COUNTY TAX RATE	0.360	0.361
TOTAL TAX RATE	2.03	1.93
ONE POINT EQUALS	85,429.44	84,486.29
AVG. RESIDENTIAL ASSESSED VALUE	159,000.00	159,000.00
BOROUGH TAXES	990.57	966.72
SCHOOL TAXES	1,664.73	1,527.99
COUNTY TAXES	572.40	573.99
TOTAL TAXES	3,227.70	3,068.70

ANALYSIS OF THE 1987 CHANGES IN REVENUES AND APPROPRIATIONS

MUNICIPAL BUDGET

REVENUES

	1987	1986	INCREASE (DECREASE)	PERCENTAGE CHANGE
SURPLUS	855,000	600,000	255,000	42.5%
MUNICIPAL REVENUES	740,914	712,128	28,786	4.0%
STATE REVENUES	914,232	989,390	(75,158)	-7.6%
FEDERAL REVENUES	4,279	83,147	(78,868)	-94.9%
UTILITY REVENUES	1,770,000	1,600,000	170,000	10.6%
DELINQUENT TAXES	100,000	145,000	(45,000)	-31.0%
PROPERTY TAXES	5,326,029	5,134,392	191,637	3.7%
TOTAL REVENUES	\$9,710,454	\$9,264,057	446,397	4.8%

APPROPRIATIONS

SALARIES & WAGES	3,418,180	3,215,910	202,270	6.3%
OTHER EXPENSES	1,863,482	1,698,936	164,546	9.7%
GARBAGE & TRASH REMOVAL	626,950	633,101	(6,151)	-1.0%
JOINT MEETING	602,182	540,769	61,413	11.4%
HEALTH INSURANCE	249,024	194,700	54,324	27.9%
OTHER INSURANCE	298,891	339,335	(40,444)	-11.9%
STATUTORY EXPENDITURES	616,053	582,068	33,985	5.8%
CAPITAL IMPROVEMENT FUND	220,000	220,000	0	0.0%
DEFERRED CHARGES	54,800	111,600	(56,800)	-50.9%
DEBT SERVICE	1,240,959	1,240,959	0	0.0%
RESERVE FOR UNCOLL. TAXES	519,933	486,679	33,254	6.8%
TOTAL APPROPRIATIONS	\$9,710,454	\$9,264,057	446,397	4.8%

COUNTY GOVERNMENT

\$572.40
(17.74%)

SCHOOLS
\$1,664.73
(51.58%)

PUBLIC WORKS &
LAND USE SERVICES
\$271.40
(8.41%)

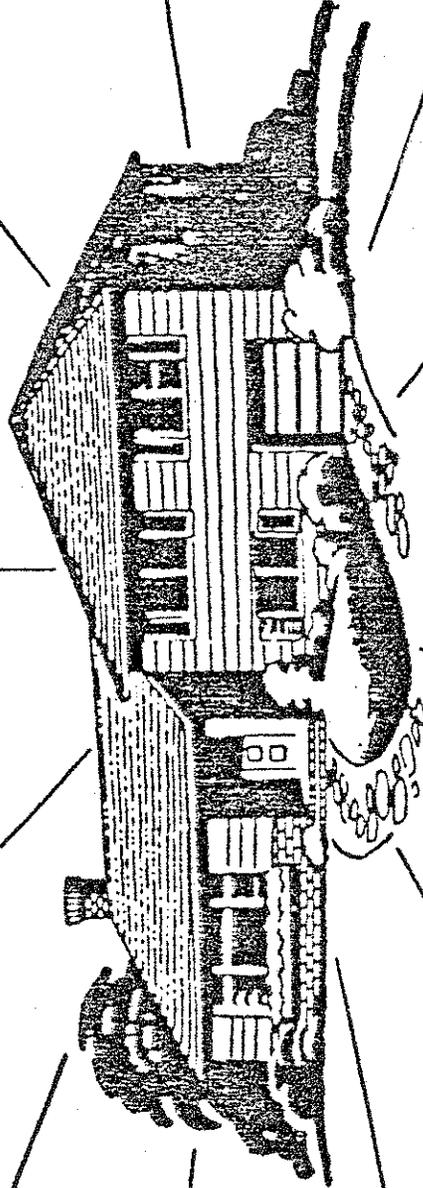
RESERVE FOR
UNCOLLECTED
TAXES & LIAB. INS.
\$92.80
(2.87%)

LOCAL
ADMINISTRATION
\$77.58
(2.40%)

PUBLIC SAFETY
\$286.15
(8.86%)

SOCIAL
SERVICES
\$122.00
(3.78%)

CAPITAL IMPROVE-
MENT & DEBT SERVICE
\$140.67
(4.36%)



TOTAL COSTS AND TAX RATE

Local	990.57	.62
School	1,664.73	1.05
County	572.40	.36
	<u>\$3,227.70</u>	<u>2.03</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 1986

Many special projects were completed this past year:

A) KINGS ROAD RECONSTRUCTION

Reconstruction which took place between Cross Street and Prospect Street on Kings Road included curbing, sidewalks, storm sewer improvements and new pavement. The roadway from Prospect to Route 24 was overlaid. This completed a three phase project in which the entire length of Kings Road in Madison has been refurbished. The cost for 1986 work was \$182,000.

B) WOODLAND ROAD RECONSTRUCTION

A \$90,780.00 grant received from the N.J.D.O.T. was used to offset costs of improvements to Woodland Road between Green Avenue and Green Village Road. Reconstruction included new water mains, curbs, sidewalk and pavement. The total project cost was \$242,217.

C) RECONSTRUCTION OF FAIRWOOD ROAD

This was phase I of a program that will improve the roads in the entire neighborhood. The project included new water mains, curbing, sidewalks and an improved drainage system. The cost for this work was \$345,000.

D) ROAD RESURFACING

The Borough resurfaced the following roads in 1986:

1. Walnut Street, entire length.
2. Park Avenue, Ridgedale Avenue to Main Street.
3. Concurso Way, entire length.
4. Community Place, Park Avenue to Cook Avenue.
5. Burnet Road, North Street to Ridgedale Avenue.
6. Kings Road, Prospect Street to Madison Avenue.
7. Carteret Court, entire length.
8. Elmer Street, entire length.

9. Prospect Street, Kings Road to Main Street.
 10. Fox Chase Road, entire length.
 11. Candlewood Drive, entire length.
 12. Glenwild Road, 650 feet from Green Village Road.
 13. Howard Street, entire length.
 14. Brittin Street, Rosedale Avenue to Highland Avenue.
- The cost for this work was \$179,000.

E)

SIDEWALK PROGRAM

In addition to the resurfacing of streets, the Borough took over the maintenance of primary sidewalks. New sidewalks were installed along Kings Road and Union Hill (1,300 feet). There were also sidewalks replaced. These were:

1. 200 linear feet along Madison Avenue in front of James Park.
2. 100 linear feet along Park Avenue and Concurso Way in front of James Park.
3. 650+ linear feet along Main Street from Green Village Road to the railroad bridge, in front of the Museum and the Park.
4. Dodge Field 550 linear feet along Central Avne, Brittin Street, Greenwood Avenue and Chapel Street.
5. Howard Street 200 linear feet from Myrtle Avenue to East Street.
6. At pumping station on Loveland Street and East Street 350 linear feet.
7. At intersection of Kings Road and Green Avenue 2,050 linear feet.

The sidewalk program cost approximately \$60,000.

F)

SPRING GARDEN BROOK II

This project has been completed at a cost of \$1,093,000. The State Department of Environmental Protection contributed \$450,000 to the project. This work runs from Trail Place to just west of Cross Street. Borough residents are now protected against flooding as a result of this work.

G) PCB REMOVAL

PCB contaminated materials were removed in compliance with a consent order filed by the Federal Environmental Protection Agency. This project has cost electric utility customers \$348,00 in 1986 bringing the total cost to date to \$515,000.

H) BRITTIN STREET STORM DRAINAGE

Storm water drainage improvements were completed from Alexander Avenue to 300 feet easterly on Brittin Street. This eliminates icing conditions in this area.

I) ASSET ACCOUNTING

The State of New Jersey required the Borough to complete an asset accounting system listing all property of \$300 in value or more. This is now in place and will be kept up to date.

J) BOARD ROOM RECORDING SYSTEM

A new recording system was installed in the Board Room. This area desperately needed to properly record events during Planning and Zoning meetings.

K) SALE OF PROPERTY

The Borough sold a 1.2 acre piece of land on Union Hill Road at a cost of \$302,000. Two homes have been built there increasing ratables.

L) WORD PROCESSING EQUIPMENT

Equipment was added to the Police, Finance and Administration offices.

M) INSURANCE POOLING & SELF-INSURANCE

The Borough joined a pool with sixteen (16) other Morris County communities for liability, workers' compensation and auto insurance. Substantial saving is expected. Madison also established a self-insurance fund (\$83,000) to be available when and if regular coverage is not. The plan is for this fund to grow over the next few years so that the Borough can reduce the cost of excess insurance.

N) UNDERGROUND CABLE

The Electric Utility installed new underground cable in the commercial and Drew circuits replacing 12,000 feet of cable which was thirty (30) years old and beginning to cause problems.

O) TRANSMISSION RATE INCREASE

Niagara Mohawk, a New York State investor owned utility which transmits PASNY power to Madison, filed with the Federal Energy Regulatory Commission an application increasing the transmission rate from \$1.38 KW to \$2.55 KW. Through the Public Power Association of New Jersey we were successful in reducing the increase from \$2.55 KW to \$1.96 KW.

P) ALLOTMENT OF HYDRO POWER FROM ST. LAWRENCE

The Borough began to receive an allotment of hydro electric power from the St. Lawrence Project. This is in addition to the current allotment of Niagara power. Although the initial allotment is small (2.4 KW per month), it is expected to grow and when added to the Niagara power of 1,014 KW, we are currently receiving a substantial amount of power which displaces the high cost of power from Jersey Central.

Q) POLICE COMPUTER

The Police Department now has a direct link to the County Sheriff and Prosecutor's offices via the County computer. This arrangement allows 22 of the 39 municipalities in Morris County to communicate with one another and obtain information from the County on criminals and suspects during an investigation.

R) BOND SALE

The Borough issued \$5,691,000 in bonds to permanently finance the cost of various improvements. The bonds were sold to Merrill Lynch Capital Markets at an interest rate of 7.125%. The Borough received a double Aa rating from Moody's and a double AA minus from Standard & Poor's.

1987 PLANS

Projects and plans which will occupy the attention of the Governing Body and the Borough staff during 1987 are:

1. WOODLAND ROAD PHASE II

The reconstruction of Woodland Road between Green Village Road and Loantaka Way. This will be partially financed by a \$100,000 grant received from N.J.D.O.T.

2. FAIRWOODS PHASE II

Phase II of the "Fairwoods Area" project will be completed this year. The second year of this program will include the reconstruction of Glendale and Woodside Road at a cost of \$192,265.

3. COOK AVENUE

A portion of Cook Avenue will be reconstructed in 1987. \$75,000 was received from County Community Development funds to offset project costs of \$499,000.

4. CHATEAU THIERRY

New sanitary and sewer mains will be constructed at Chateau Thierry.

5. DOWNTOWN IMPROVEMENTS

The Downtown Improvement project may begin in 1987. This project will include Waverly Place, Central Avenue from Main Street to Elmer and Main Street. From Central to Greenwood Avenue. The project will include reconstruction of the roadway on Waverly Place, new sidewalks, lighting and landscaping, as well as new water service lines.

6. DODGE FIELD PLAYGROUND

The Dodge Field playground renovation is now underway and will be completed later this year. This project will provide a new playground and tot lot for Madison children.

7. JAMES LIBRARY

The James Library Museum will be renovated. Improvements will include a new handicapped access, upgraded electrical wiring and a new emergency exit design.

8. HEALTH CENTER

The Borough Health Center will also be renovated to take care of necessary repairs. Plans have been prepared to reconstruct the front staircase, replace inadequate windows and expand the air conditioning system to include the second floor. This project will not alleviate the space problems in the laboratory and nursing sections. These issues will be addressed after a health services evaluation is completed by the Board of Health.

9. COURT COMPUTER

The Court Room will be renovated and a new computer system will be installed. This will improve security and efficiency and record keeping.

10. COGENERATION

The Electric Utility Study Committee is examining the possible effects should the large users develop their own source of power through cogeneration. Recommendations will be reviewed by Council in late March.

11. COUNTY COMPUTER FOR UTILITY BILLING

The Borough has been meeting with the County Computer Department and the Borough of Butler in an effort to have the County develop programs and provide monthly billing system. Should this be feasible implementation will be planned during the year.

12. UNDERGROUND CABLE

The Electric Utility will install new underground cable in the southwest, south and east circuits druing 1987. This will complete the replacement of existing underground cable. The cable to be replaced is over thirty (30) years old.

STATEMENT OF OPERATIONS

CURRENT, WATER & ELECTRIC

DECEMBER 31, 1986

	CURRENT	WATER	ELECTRIC	TOTAL (MEMO ONLY)
SURPLUS, JANUARY 1, 1986	1,053,199.21	118,358.54	965,533.80	2,137,091.55
PROPERTY TAXES	16,206,005.77			16,206,005.77
WATER RENTS		812,913.48		812,913.48
METERED SERVICES			8,981,379.43	8,981,379.43
DELINQUENT TAXES	205,348.22			205,348.22
MISCELLANEOUS REVENUE AND OTHER CREDITS TO INCOME	4,195,918.69	159,004.55	699,959.98	5,054,883.22
TOTAL FUNDS	21,660,471.89	1,090,276.57	10,646,873.21	33,397,621.67
SALARIES AND WAGES	3,341,100.50	194,758.00	472,870.00	4,008,728.50
OTHER EXPENSES	3,514,468.77	389,445.00	6,919,370.00	10,823,283.77
STATUTORY EXPENDITURES	575,568.19	31,113.69	96,400.00	703,081.88
DEFERRED CHARGES	111,600.00			111,600.00
CAPITAL IMPROVEMENT FUND	220,000.00	60,000.00	200,000.00	480,000.00
DEBT SERVICE	1,239,681.33	164,440.47	442,981.72	1,847,103.52
SCHOOL TAXES	8,116,991.00			8,116,991.00
COUNTY TAXES	3,057,347.96			3,057,347.96
OTHER EXPENDITURES AND OTHER DEDUCTIONS FROM INCOME	65,507.58		1,163.21	66,670.79
TOTAL EXPENDITURES	20,242,265.33	839,757.16	8,132,784.93	29,214,807.42
LESS: EXPENDITURES TO BE RAISED BY FUTURE REVENUES				0.00
TOTAL ADJUSTED EXPENDITURES AND REVENUE REQUIREMENTS	20,242,265.33	839,757.16	8,132,784.93	29,214,807.42
LESS: AMOUNT TRANSFERRED TO CURRENT FUND			1,600,000.00	1,600,000.00
SURPLUS BALANCE, DECEMBER 31, 1986	1,418,206.56	250,519.41	914,088.28	2,582,814.25

COMPARATIVE DISTRIBUTION OF REVENUES
AND APPROPRIATIONS FOR 1987 AND 1986

MUNICIPAL BUDGET

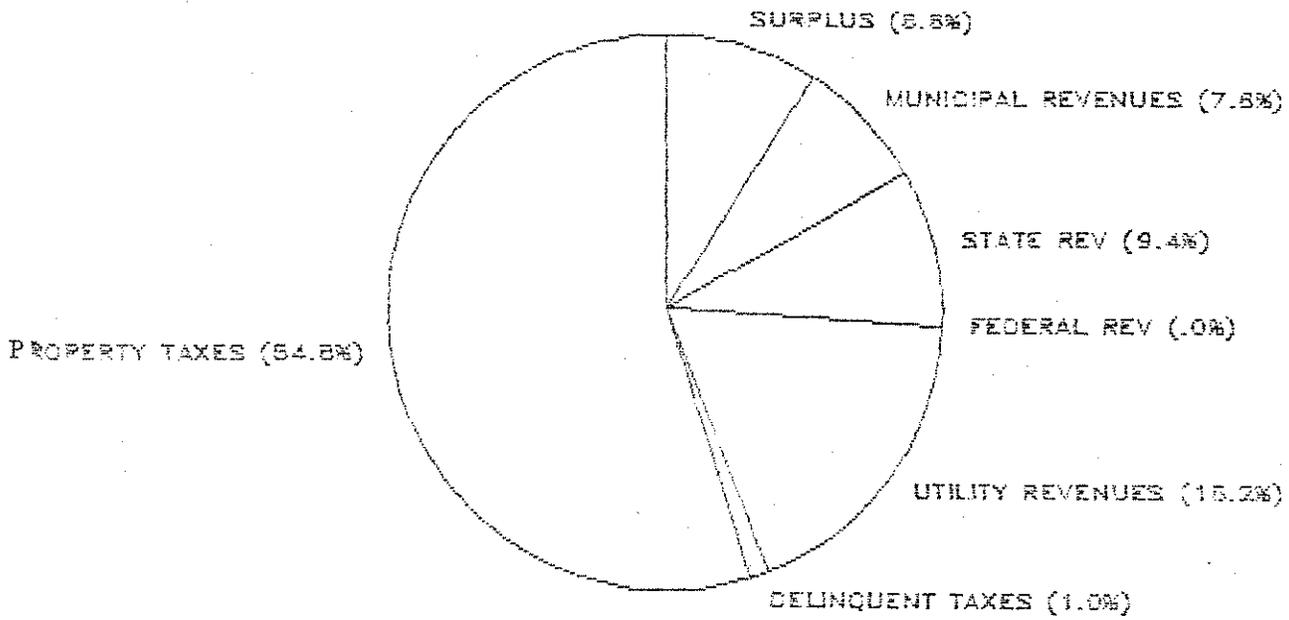
REVENUES

	1987	%	1986	%
SURPLUS	855,000	8.8%	600,000	6.5%
MUNICIPAL REVENUES	740,914	7.6%	712,128	7.7%
STATE REVENUES	914,232	9.4%	989,390	10.7%
FEDERAL REVENUES	4,279	.0%	83,147	0.9%
UTILITY REVENUES	1,770,000	18.2%	1,600,000	17.3%
DELINQUENT TAXES	100,000	1.0%	145,000	1.6%
PROPERTY TAXES	5,326,029	54.8%	5,134,392	55.4%
TOTAL REVENUES	\$9,710,454	100%	\$9,264,057	100%

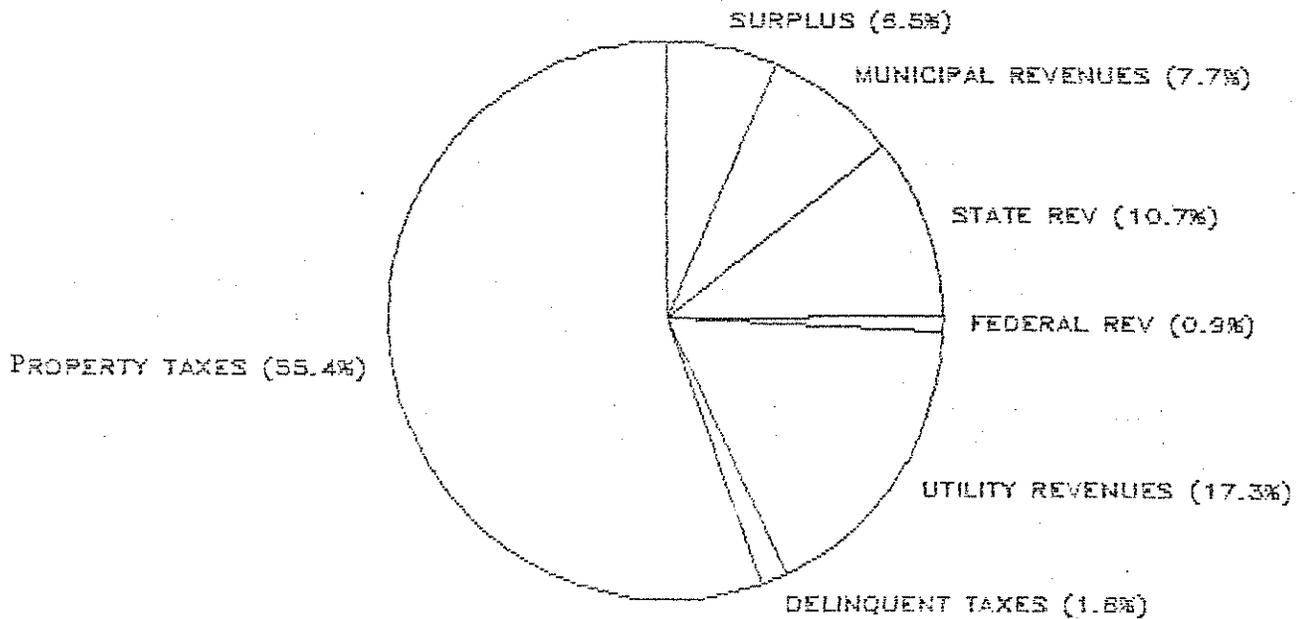
APPROPRIATIONS

SALARIES & WAGES	3,418,180	35.2%	3,215,910	34.7%
OTHER EXPENSES	1,863,482	19.2%	1,698,936	18.3%
GARBAGE REMOVAL	626,950	6.5%	633,101	6.8%
JOINT MEETING	602,182	6.2%	540,769	5.8%
INSURANCE	547,915	5.6%	534,035	5.8%
STATUTORY EXPENDITURES	616,053	6.3%	582,068	6.3%
CAPITAL IMPROVEMENT FUND	220,000	2.3%	220,000	2.4%
DEFERRED CHARGES	54,800	0.6%	111,600	1.2%
DEBT SERVICE	1,240,959	12.8%	1,240,959	13.4%
RESERVE FOR UNCOLL. TAXES	519,933	5.4%	486,679	5.3%
TOTAL APPROPRIATIONS	\$9,710,454	100%	\$9,264,057	100%

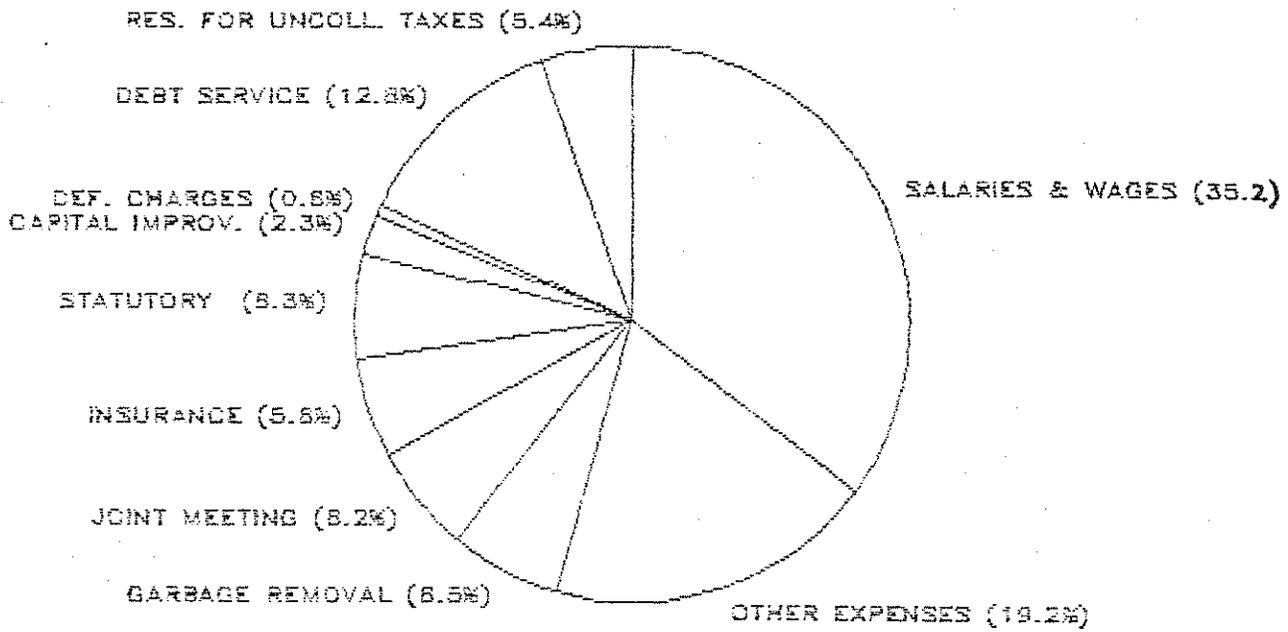
DISTRIBUTION OF 1987 REVENUES



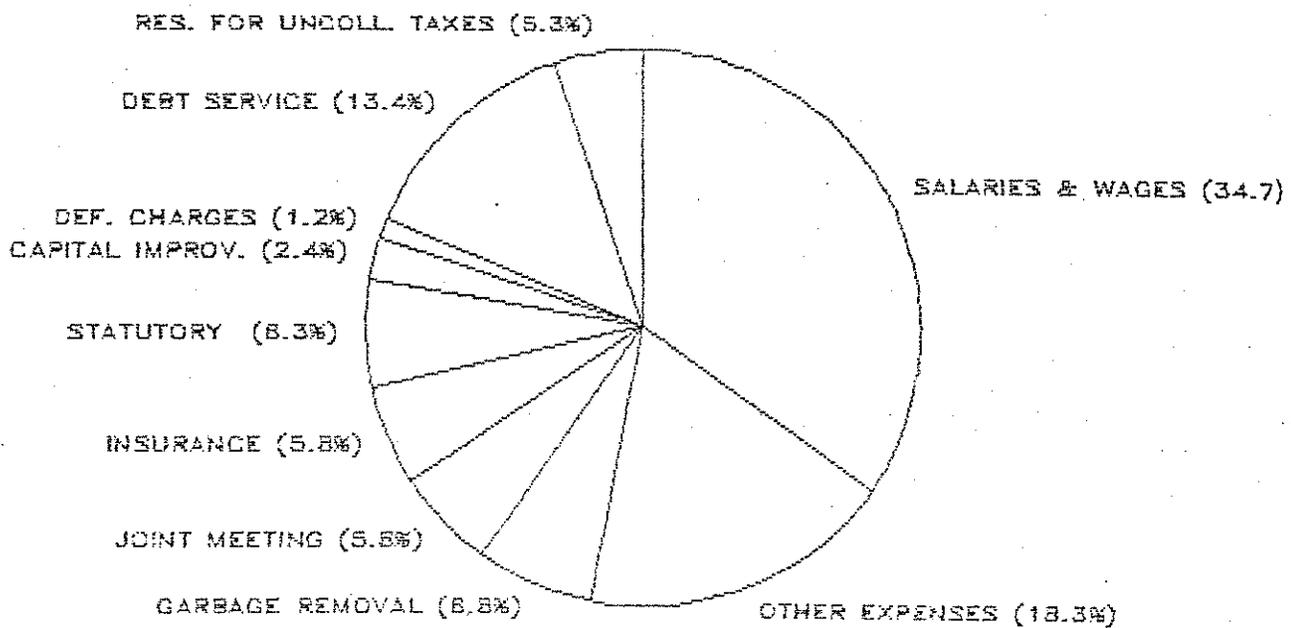
DISTRIBUTION OF 1986 REVENUES



1987 APPROPRIATIONS



1986 APPROPRIATIONS



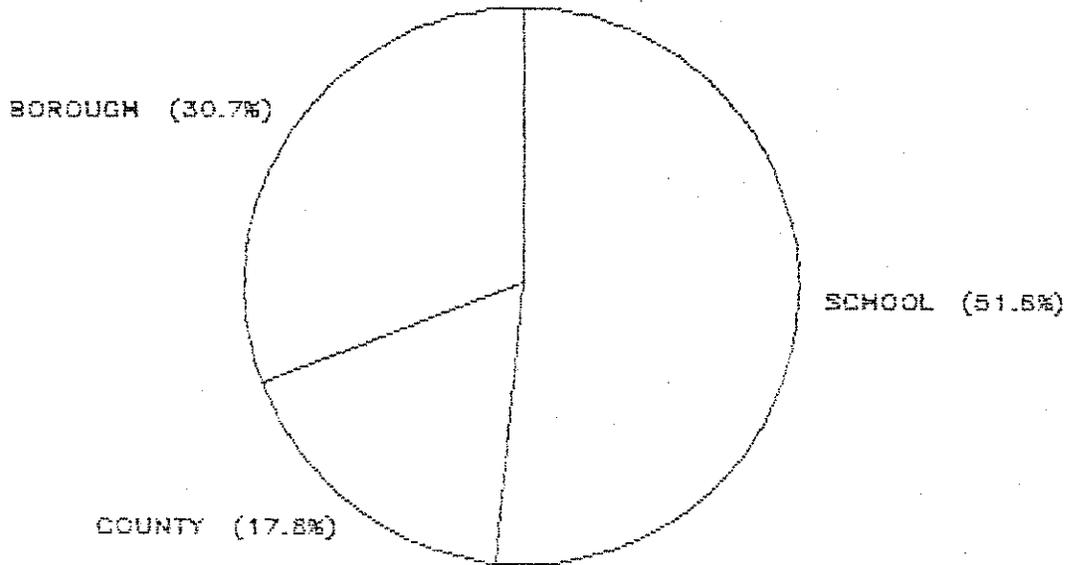
SUMMARY OF LEVIES AND TAX RATES

	1987 ESTIMATED			1986 ACTUAL			INCREASE (DOLLARS)
	TAX LEVY	TAX RATE	TAX DOLLAR	TAX LEVY	TAX RATE	TAX DOLLAR	
SCHOOL PURPOSE	9,947,079.00	1.047	0.51	8,116,991.00	0.961	0.49	820,088.00
COUNTY PURPOSE	3,058,000.00	0.360	0.12	3,035,793.14	0.361	0.19	22,206.86
BOROUGH PURPOSE	5,325,023.65	0.623	0.31	5,134,392.05	0.608	0.32	191,636.60
TOTAL LEVY	17,531,107.65	2.03	1.00	16,287,176.19	1.93	1.00	1,043,931.46

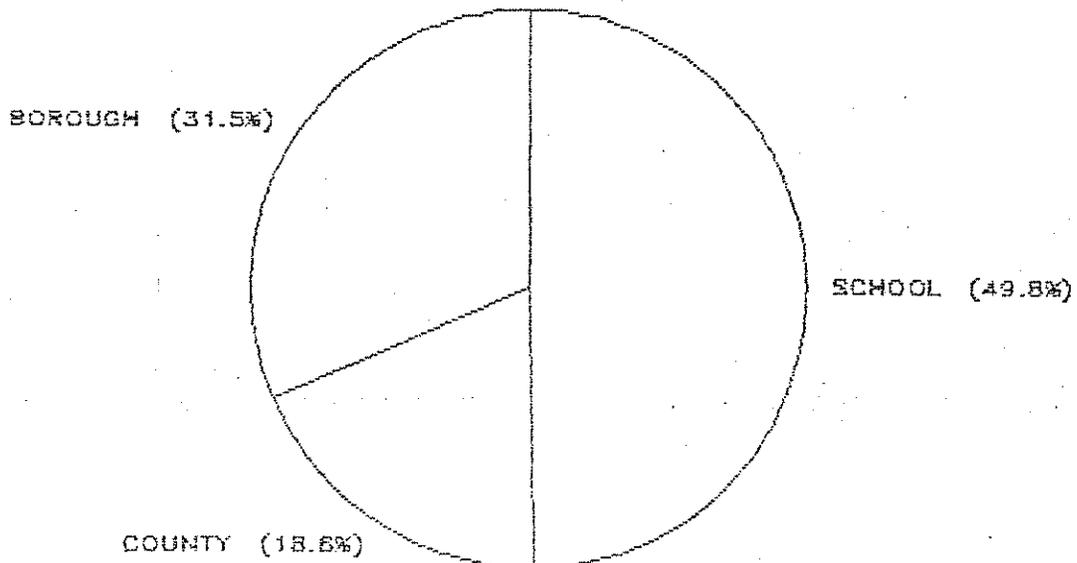
	1986 ACTUAL			1985 ACTUAL			INCREASE (DOLLARS)
	TAX LEVY	TAX RATE	TAX DOLLAR	TAX LEVY	TAX RATE	TAX DOLLAR	
SCHOOL PURPOSE	8,116,991.00	0.961	0.49	7,795,599.50	0.942	0.52	321,391.50
COUNTY PURPOSE	3,035,793.14	0.361	0.19	2,824,367.62	0.342	0.19	211,425.52
BOROUGH PURPOSE	5,134,392.05	0.608	0.32	4,351,636.72	0.526	0.29	782,755.33
TOTAL LEVY	16,287,176.19	1.93	1.00	14,971,603.84	1.81	1.00	1,315,572.35

SUMMARY OF NET VALUATION TAXABLE	1987 ESTIMATED	1986 ACTUAL	1985 ACTUAL	1984 actual
TAX RATABLES:				
REAL PROPERTY (LAND AND IMPROVEMENTS)	810,763,850	799,785,200	790,689,900	4.7 times 168,263,355
TELEPHONE & TELEGRAPH (BUSINESS PERSONAL PROPERTY)	43,530,573	45,077,748	38,335,518	10,297,011
TOTAL VALUATION TAXABLE	854,294,423	844,862,948	829,025,418	178,560,366

DISTRIBUTION OF THE 1987 TAX LEVY



DISTRIBUTION OF THE 1986 TAX LEVY



COMPARATIVE DISTRIBUTION OF REVENUES
AND APPROPRIATIONS FOR 1987 AND 1986

WATER UTILITY

REVENUES

	1987	%	1986	%
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SURPLUS	30,975	3.3%	68,192	8.1%
WATER RENTS	812,000	87.4%	694,002	82.6%
FIRE HYDRANT SERVICE	56,350	6.1%	47,564	5.7%
MISCELLANEOUS	30,000	3.2%	30,000	3.6%
TOTAL	<u>929,325</u>	<u>100.0%</u>	<u>839,758</u>	<u>100.0%</u>

APPROPRIATIONS

SALARIES & WAGES	203,072	21.9%	190,758	22.7%
OTHER EXPENSES	406,664	43.8%	389,445	46.4%
CAPITAL IMPROVEMENT FUND	80,000	8.6%	60,000	7.1%
DEBT SERVICE	137,989	14.8%	158,755	18.9%
DEFERRED CHARGES	60,000	6.5%		0.0%
STATUTORY EXPENDITURES	41,600	4.5%	40,800	4.9%
TOTAL	<u>929,325</u>	<u>100.0%</u>	<u>839,758</u>	<u>100.0%</u>

COMPARATIVE DISTRIBUTION OF REVENUES
AND APPROPRIATIONS FOR 1987 AND 1986

ELECTRIC UTILITY

	REVENUES			
	1987	%	1986	%
METERED SERVICE	8,744,576	98.9%	9,550,219	99.1%
MISCELLANEOUS	100,000	1.1%	85,000	0.9%
TOTAL	8,844,576	100.0%	9,635,219	100.0%

APPROPRIATIONS				
SALARIES & WAGES	500,495	5.7%	482,870	5.0%
OTHER EXPENSES	582,010	6.6%	650,867	6.8%
PURCHASED POWER	5,843,292	66.1%	6,558,503	68.1%
CAPITAL IMPROVEMENT FUND	300,000	3.4%	200,000	2.1%
DEBT SERVICE	158,779	1.8%	446,579	4.6%
DEFERRED CHARGES	162,000	1.8%		0.0%
STATUTORY EXPENDITURES	98,000	1.1%	96,400	1.0%
SURPLUS (GENERAL BUDGET)	1,200,000	13.6%	1,200,000	12.5%
TOTAL	8,844,576	100.0%	9,635,219	100.0%

THE CAPITAL BUDGET AND PROGRAM

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

Every year each department head, board and authority of the Borough prepares and submits to the Borough Administrator their proposed Capital Budget and Program. After careful review, to make sure they meet the definition of a capital project, the Capital Budget is made part of the Municipal Budget and adopted by the Council.

However, there are vast differences between the Operating and Capital Budget. Unlike the Operating Budget, the Capital Budget does not give the authority to spend nor does it raise taxes or incur debt. It is only a plan for proposed expenditures. The Mayor and Council can only authorize these projects by the adoption of a bond or capital ordinance. Once the ordinance is adopted the means of financing will eventually be raised by taxes or user fees in order to retire the debt created by the adoption of said ordinance.

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 is a summary by category of the capital expenditures and the debt to be authorized.

	<u>TOTAL</u>	<u>DEBT AUTHORIZED</u>
Municipal	\$1,812,290.00	\$1,675,787.00
Water Utility	499,500.00	490,000.00
Electric Utility	<u>908,000.00</u>	<u>870,000.00</u>
	\$3,219,790.00	\$3,035,787.00

Projects that will be reviewed by the Mayor and Council in 1987 are:

Reconstruction of Cook Avenue and Fairwood and Woodland Road; Installation of new water mains at Woodland, Cook, Fairwood and Chateau Thierry; installation of 4th transformer at James Park; Conversion of Kings Road Substation, Resurfacing of Tennis Courts and Parking Lots, Replacing Sidewalks, Mini-Pumper for the Fire Department, purchase of office equipment for various offices and purchase of Public Works equipment.