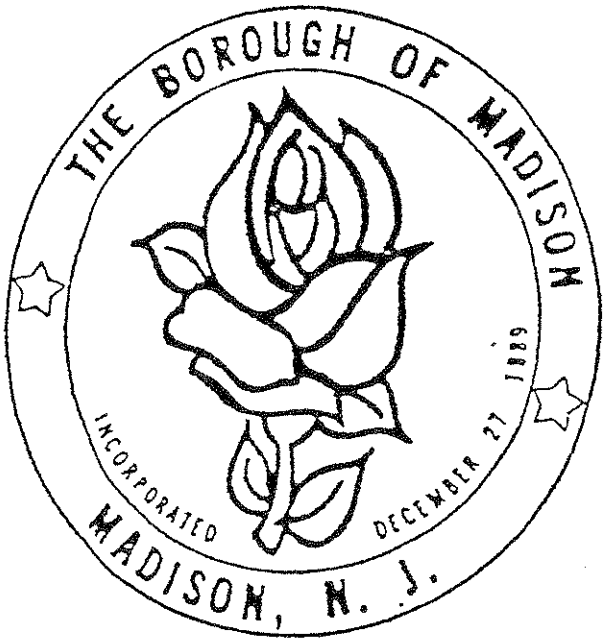
1988 BUDGET IN BRIEF



MAYOR

RALPH G. ENGELSMAN

COUNCIL

RALPH A. MAIONE

HAROLD J. DODDS

ARY E. RUCKELSHAUS

JO RENEE FORMICOLA

JOSEPH J. VERBARO, JR.

DAWN Z. SMITH

HARTLEY DODGE MEMORIAL
BOROUGH OF MADISON
MADISON, NEW JERSEY 07940

March 14, 1988

REPORT TO THE TAXPAYERS

The "Budget in Brief" has been prepared for Madison Residents to help them better understand the 1988 Budget. It summarizes accomplishments in 1987 and describes plans for 1988.

This year's municipal budget totals $11,943,477. The budget has increased $1,955,208 over last year. Eighty percent of this increase is attributable to garbage and sewer costs. Your tax levy for municipal purposes will rise by 22% because of these two services. Had these services been billed separately through user fees as they are in many surrounding communities, your municipal tax levy would have decreased by 7%.

The Council and I have carefully reviewed every line of this budget. We made several significant adjustments to reduce taxes without affecting the level of service this year.

These efforts reduced the overall tax burden by 11 1/2 tax points, which results in a reduction of $187.85 for the average homeowner. This still doesn't make the increase a pleasant experience but it does indicate the careful scrutiny we are making on your behalf - and will continue to make. There is some hope that the county and state will help financially with the garbage crisis and thereby reduce the tremendous burden that has been placed upon the local property owner. Please help us by communicating your concerns to our county and state legislators. They must be made to understand and accept responsibility in this area.

These are difficult times. The costs of municipal services are increasing. We must constantly strive to examine our priorities and recognize that we will have to make some sacrifices in order to continue to provide the level of service presently enjoyed by the people of Madison. In many ways, we have been spoiled and take much for granted. The Council and I will be wrestling with the difficult problems in 1988, trying to hold our costs in line. We need your input, support and interest. We must work together to manage the forces of change.

Sincerely,

Ralph G. Engelsman
Mayor

RGE:al

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, Jr.
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	Emily Traversi
Recreation Director	Douglas L. Smith
Supervisor, Public Works & Water Utility	Vincent Falcone
Supervisor, Electric Utility	Frank A. Tromonda
Library Director	Nancy Vernon
Borough Attorney	George C. Witte, Jr.
Director of Welfare	Linda B. Durney
Senior Citizen Coordinator	Elizabeth Brownell

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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 relys 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 1988 are as follows:

Standing Committee	Chairperson	Other Member
Utilities	Gary E. Ruckelshaus	Joseph J. Verbaro, Jr.
Public Safety	JoRenee Formicola	Harold J. Dodds
Public Works & Engineering	Ralph A. Maione	Dawn Z. Smith
Health & Public Assistance	Harold J. Dodds	Ralph A. Maione
Finance & Borough Clerk	Joseph J. Verbaro,Jr.	Gary E. Ruckelshaus
Parks & Recreation	Dawn Z. Smith	JoRenee Formicola

THE 1988 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 7th and published in the MADISON EAGLE on March 24th. At the introduction of the Budget the Council will set April 11th 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 will hold their public hearing on the school budget on March 15th at 8:00 p.m. at the Torey J. Sabatini School.

We have provided a statement of operations for Current, Water and Electric prepared on a fund basis. This reflects an increase in surplus and is being utilized in 1988 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.

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

	1988	1987	INCREASE (DECREASE)	PERCENTAGE CHANGE
APPROPRIATIONS (EXCLUDING RESERVE FOR UNCOLLECTED TAXES)	11,344,736.91	9,468,335.71	1,876,401.20	19.8%
LESS: ANTICIPATED REVENUES	5,422,903.62	4,662,240.29	760,663.33	16.3%
NET APPROPRIATIONS	5,921,833.29	4,806,095.42	1,115,737.87	23.2%
PLUS: SCHOOL LEVY	10,200,923.00	8,947,079.00	1,253,844.00	14.0%
COUNTY LEVY	3,236,504.22	2,976,936.48	259,567.74	8.7%
APPROPRIATIONS AND OTHER TAXES	19,359,260.51	16,730,110.90	2,629,149.61	15.7%
COLLECTION RATE	97.00%	97.00%		
AMOUNT TO BE RAISED BY TAXATION	19,958,000.53	17,250,044.13	2,707,956.40	15.7%
DIFFERENCE-RESERVE FOR UNCOLLECTED TAXES	598,740.02	519,933.23	78,806.79	15.2%
ASSESSED VALUATION	830,155,150.00	810,763,850.00	19,391,300.00	2.4%
TOTAL RATABLES	864,837,480.00	854,294,423.00	10,543,057.00	1.2%
TOTAL APPROPRIATIONS(INCLUDING RESERVE FOR UNCOLLECTED TAXES)	11,943,476.93	9,988,268.94	1,955,207.99	19.6%
LESS ANTICIPATED REVENUES	5,422,903.62	4,662,240.29	760,663.33	16.3%
LOCAL TAX LEVY	6,520,573.31	5,326,028.65	1,194,544.66	22.4%
LOCAL TAX RATE	0.754	0.623	0.13	21.0%
SCHOOL TAX RATE	1.180	1.047	0.13	12.7%
COUNTY TAX RATE	0.374	0.348	0.03	7.5%
TOTAL TAX RATE	2.31	2.02	0.29	14.4%
ONE POINT EQUALS	86,483.75	85,429.44	1,054.31	1.2%
AVG. RESIDENTIAL ASSESSED VALUE	159,000.00	159,000.00		
BOROUGH TAXES	1,198.86	990.57	208.29	21.0%
SCHOOL TAXES	1,876.20	1,664.73	211.47	12.7%
COUNTY TAXES	594.66	553.32	41.34	7.5%
TOTAL TAXES	3,672.90	3,211.80	461.10	14.4%

ANALYSIS OF THE 1988 CHANGES IN REVENUES AND APPROPRIATIONS

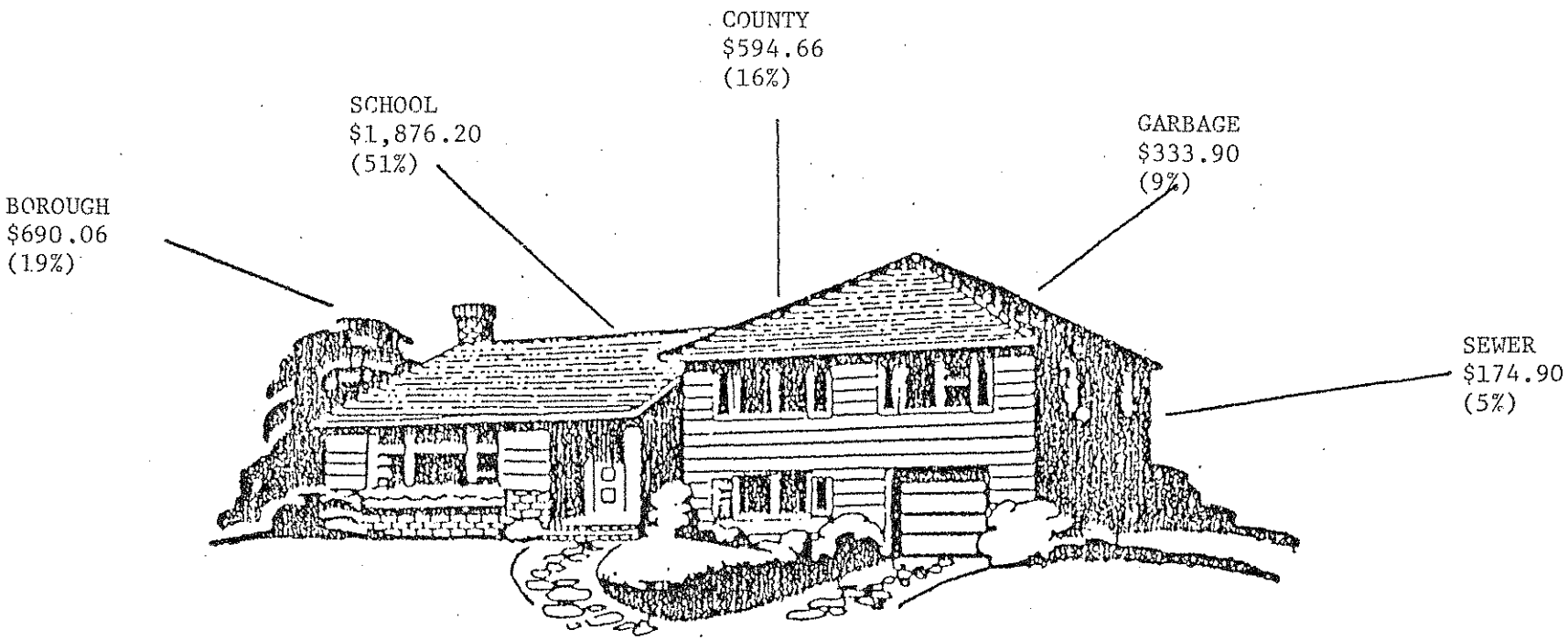
MUNICIPAL BUDGET

REVENUES

	1988	1987	INCREASE (DECREASE)	PERCENTAGE CHANGE
SURPLUS	1,113,000	855,000	258,000	30.2%
MUNICIPAL REVENUES	910,469	975,658	(65,189)	-6.7%
STATE REVENUES	1,013,435	957,303	56,132	5.9%
FEDERAL REVENUES		4,279	(4,279)	-100.0%
UTILITY REVENUES	2,286,000	1,770,000	516,000	29.2%
DELINQUENT TAXES	100,000	100,000	0	0.0%
PROPERTY TAXES	6,520,573	5,326,029	1,194,544	22.4%
TOTAL REVENUES	$11,943,477	$9,988,269	1,955,208	19.6%

APPROPRIATIONS

SALARIES & WAGES	3,850,963	3,602,510	248,453	6.9%
OTHER EXPENSES	1,978,092	1,956,967	21,125	1.1%
GARBAGE & TRASH REMOVAL	1,551,104	626,950	924,154	147.4%
JOINT MEETING	951,756	602,182	349,574	58.1%
HEALTH INSURANCE	266,837	249,024	17,813	7.2%
OTHER INSURANCE	271,149	298,891	(27,742)	-9.3%
STATUTORY EXPENDITURES	671,558	616,053	55,505	9.0%
CAPITAL IMPROVEMENT FUND	257,319	220,000	37,319	17.0%
DEFERRED CHARGES	305,000	54,800	250,200	456.6%
DEBT SERVICE	1,240,959	1,240,959	0	0.0%
RESERVE FOR UNCOLL. TAXES	598,740	519,933	78,807	15.2%
TOTAL APPROPRIATIONS	$11,943,477	$9,988,269	1,955,208	19.6%



TOTAL COSTS AND TAX RATE

Borough	1,198.86	.754
School	1,876.20	1.180
County	594.66	.374
	$3,672.90	2.31

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 1987

The year 1987 saw many changes within the Borough as a result of completed special projects. These projects required many hours of design, construction and public input to assure quality projects that will serve the community's best interest.

Some of the major projects completed last year are:

A) RENOVATION OF CENTRAL AND MAIN STREET

As part of the downtown improvements, sidewalks along Central Avenue and Main Street were reconstructed. These sidewalks were designed to retain the integrity of the historic nature of the area. Additionally, facilities were created to begin the conversion of utilities underground. Once completed, this will provide improved service to utility customers, as well as creating an aesthetically pleasing appearance. The cost of this phase for 1987 was approximately $850,000.

B) COOK AVENUE RECONSTRUCTION

The reconstruction of Cook Avenue was completed in 1987 at a cost of $499,000. Community Development funding will provide $75,000 for this project. The scope of this project included construction of new water mains, storm sewers, curbs, sidewalks and reconstruction of the road. Additionally resurfacing of the Cook Avenue parking lot was completed.

C) CHATEAU THIERRY

Funding was approved to construct new water mains and sewer lines in 1987. This project will begin in January, 1988 and is estimated to cost $169,000.

D) ROAD RESURFACING

As part of the 1987 road resurfacing program, twenty individual projects were completed. These projects include:

1. Knollwood Avenue
2. Pomeroy Road (Samson to Dogwood)
3. Drew Place
4. Brittin Street (Highland to Central)
5. Kinney Street
6. West Street (East)
7. Academy Road
8. Belmont Avenue
9. Library Parking Lot
10. Bruns Street
11. Samson Avenue (Kings to Woodland)
12. Dellwood Drive
13. John Avenue

14. Dwyer Street
15. Parking Lot (Borough Garage)
16. Station Road
17. Seaman Street
18. Dean Street (John to Dwyer)
19. Carteret Court
20. Stafford Drive

E) HEALTH CENTER

A successful Community Development Grant application provided $69,000 to begin improvements to the Madison Health Center located on Central Avenue. These improvements included renovation of the entry stairway, replacement of second floor windows, creation of additional office space and replacement of ceilings and lights. The existing ventilation system was also upgraded to provide centralized air conditioning to the second floor.

F) MID-DAY FRIENDSHIP CENTER

In 1987, the Mid-Day Friendship Center lunch program was continued. The project provides meals to needy senior citizens twice a week. While most meals are served at the Community Center, some are delivered in cooperation with the Red Cross. Funding for this program was obtained from the Department of Community Development.

G) FIRE DEPARTMENT IMPROVEMENTS

In 1987 many improvements were seen within the Madison Fire Department. These improvements include:

A. Thanks to the Dodge Foundation funding, the Fire Department renovated their office to provide a more efficient work environment. Additionally, this grant enabled the department to purchase a computer to automate records. These records will enable the department to maintain vital records which will assist in providing the service so many residents depend on.

B. In 1987, $70,000 was approved for the purchase of a mini-pumper. This vehicle is expected to be delivered in February and will provide essential support at fire scenes. In addition, this unit will be equipped with life-saving equipment for accidents, such as the Jaws of Life.

H) ACQUISITION OF SHUTTLE VAN

The existing van owned by the Borough was becoming obsolete. Therefore, funding was approved for the acquisition of a shuttle van. This van provides transportation for senior citizen programs, as well as recreational programs.

I) DODGE FIELD PLAYGROUND

The Dodge Field playground renovation was completed in 1987. This project, sponsored by Community Development funding included a tot lot and restroom facility upgrade.

J) COURT COMPUTER

The Municipal Court completed its' automation of records. The new system installed will enhance recordkeeping and structure mandated processes.

K) SOLID WASTE REMOVAL

Due to the passing of the recycling law, many solid waste collection practices have changed. These changes effect everyone in the Borough, including residential and commercial property owners. In order to achieve compliance with the state mandate the Borough implemented its newsprint program with a curbside glass and aluminum program.

The curbside programs for newsprint and glass provide a reasonable way for residents to recycle and for the Borough to comply with its legal obligations. The current cost for these programs is $72,000.

Additionally, the Borough has entered into an agreement with the County to compost leaves. Although the Borough provides labor for these collections of materials, transportation and disposal costs are expected to cost $50,000.

L) ELECTRIC UTILITY

During 1987, the Public Power Association of New Jersey represented the interests of its members in a variety of matters before various state and federal agencies and courts. Some of the more significant events from 1987 are discussed below.

Transmission Rate Cases: The Association was able to negotiate settlements in two transmission rate cases, Niagara Mohawk Power Corp., ER86-384 and ER87-418, both of which moderated or decreased transmission rate changes sought by Niagara Mohawk. In the first case, ER86-354, the settlement reduced transmission costs from $2.55/kW/month (the rate that Niagara Mohawk had requested in its application) to settlement rates of $1.96/kW/month, and included an agreement providing for interruptible transmission service. Shortly after the refunds were issued, Niagara Mohawk filed a Tax Reform Act adjustment case, ER87-418, which asked for an increase in the firm transmission rate to

$2.06/kW/month. After a long summer of motions to reject Niagara Mohawk's filing for being deficient and not in compliance with the regulations, the Commissionrefused to grant Niagara Mohawk's request for a retroactive increase to June 1st, and then refused to allow Niagara Mohawk to collect the proposed rates on an interim basis. A settlement was achieved that will lower the rate to $1.90/kW/month, effective November 1, 1987.

PASNY Rate Increase: During the first half of 1987, the Association fought an attempt by PASNY to increase energy rates by 188%, reduced the increase by half, and incorporated a five year phase-in. Other aspects of PASNY's ratemaking methodology were successfully challenged.

Complaint Against PASNY: The PASNY Complaint Case, EL86-24, -29, went to trial during February and March, 1987. Individual members of the Association provided in-depth information about their operations for inclusion in direct testimony that was filed in the case. Jim Jablonski testified on behalf of the PPANJ, and the Association jointly sponsored expert testimony by Dr. Gordon Taylor. The trial, which lasted four weeks, included more than 25 witnesses and a trial transcript exceeding 3,200 pages. The administrative law judge has not issued a decision.

Interpretation of the Niagara Redevelopment Act: The Preference Boroughs, subgroup of the Association, filed a brief in the United States Supreme Court opposing the requests of the States of New Jersey and Rhode Island, Allegheny Power Cooperative, and the Metropolitan Transportation Authority, to rehear and reverse the Second Circuit decision, MTA, v. FERC. The Supreme Court denied all requests to review the order in February, 1987, precisely the action the Preference Boroughs had sought.

Long-term Contracts for PASNY Power The Association participated in the preparation of comments concerning proposed contracts and the negotiation of contract terms in connection with the sale of Niagara and St. Lawrence power to the State of New Jersey. The Association worked closely with the New Jersey Board of Public Utilities, the State Bargaining Agent, to prevent any change in the allocation to the State.

PSE&G's Allocation Methodology: The Association successfully opposed Public Service Electric & Gas Company's attempt to obtain FERC approval of the allocation methodology that it uses to distribute the "benefits" of the St. Lawrence Power.

1988 PLANS

Although 1988 will be a year remembered for increased costs for services, such as garbage collection, many projects are still scheduled for completion. Projects anticipated to be completed are:

A. SPRING GARDEN BROOK PHASE III

This project will be complete drainage improvements to the Spring Garden Brook system. Estimates for the project are calculated to be $1.65 million dollars. The Borough will receive County and State grants totaling $621,000 to offset these costs.

B. FAIRWOODS PHASE II

Reconstruction of Fairwoods Road will continue under ordinance 5-87 and 6-87. The estimated costs for 1988 reconstruction is $395,000. This project will include reconstruction of curb, sidewalk, pavement and the storm sewer system.

C. WOODLAND ROAD PHASE II

Reconstruction along Woodland Road will continue in 1988. Current plans are to reconstruct the pavement, curbs, sidewalks and storm sewers for Green Village Road and Loantaka Road. Total expected costs for the project are $349,000. A grant of $100,000 from the New Jersey State Road Aid Fund will help fund this project.

D. SIDEWALK PROGRAM

The 1987 sidewalk program was postponed due to the high bids received from the contractor. Therefore, sidewalks planned for 1987 will be included with 1988 plans in hopes of obtaining more reasonable bids. Total funds available for this project are expected to be $134,000.

Sidewalks to be included are portions of Midwood Terrace, Glenwild Circle, Main Street, Brittin Street, East Street, Fairview Avenue, James Park, Condurso Way, Cole Park, Elm Street, Walnut Street and Seaman Street.

E. 1988 COMMUNITY DEVELOPMENT GRANTS

The following applications were made to fund projects for 1988:

1. Parking - a $100,000 grant was requested to provide scattered site parking for public housing.

2. Mid-Day Friendship center - $30,000 was requested to extend the meal supplement program for Senior Citizens into 1989.

3. Health Center - $78,000 was requested for improvements to the lab and exterior of the building.

F. SEWER UTILITY

The Mayor and Council will authorize the establishment of a sewer utility to pay for the cost of sewer disposal and the renovation of the Madison/Chatham Treatment plant. A schedule of sewer user fees will be adopted and will take effect on January 1, 1989

G. COGENERATION

The Electric Utility Study Committee is examining the possible effects should New Jersey Bell develop their own source of power through cogeneration. The Borough is currently negotiating with New Jersey Bell which hopefully will conclude with both parties mutually satisfied. Recommendations will be reviewed by Council during the year.

H. 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 systems. Should this be feasible implementation will be planned during the year.

I. ELECTRIC UTILITY

Through the Public Power Association of New Jersey we will continue to negotiate with PASNY on the power contracts, with PSE&G on the benefits of the St. Lawrence power and for the creation of a joint action agency.

STATEMENT OF OPERATIONS

CURRENT, WATER & ELECTRIC

DECEMBER 31, 1987

	CURRENT	WATER	ELECTRIC	TOTAL (MEMO ONLY)
SURPLUS, JANUARY 1, 1987	$1,421,036.56	$250,519.41	$914,088.28	$2,585,644.25
PROPERTY TAXES	17,168,660.14			17,168,660.14
WATER RENTS		931,043.09		931,043.09
METERED SERVICES			9,005,735.55	9,005,735.55
DELINQUENT TAXES	187,258.93			187,258.93
MISCELLANEOUS REVENUE AND OTHER CREDITS TO INCOME	4,262,999.08	153,949.06	917,728.98	5,334,677.12
TOTAL FUNDS	23,039,954.71	1,335,511.56	10,837,552.81	35,213,019.08
SALARIES AND WAGES	3,666,409.91	197,596.70	490,803.61	4,354,810.22
OTHER EXPENSES	3,938,916.57	415,209.69	6,450,317.58	10,804,443.84
STATUTORY EXPENDITURES	597,053.73	38,529.61	82,675.81	718,259.15
DEFERRED CHARGES	54,920.50	60,000.00	162,000.00	276,920.50
CAPITAL IMPROVEMENT FUND	220,000.00	80,000.00	300,000.00	600,000.00
DEBT SERVICE	1,201,410.25	128,673.92	148,779.00	1,478,863.17
SCHOOL TAXES	8,947,079.00			8,947,079.00
COUNTY TAXES	2,988,974.39			2,988,974.39
OTHER EXPENDITURES AND OTHER DEDUCTIONS FROM INCOME	1,500.00			1,500.00
TOTAL EXPENDITURES	21,616,264.35	920,009.92	7,634,576.00	30,170,850.27
LESS: EXPENDITURES TO BE RAISED BY FUTURE REVENUES	250,000.00			250,000.00
TOTAL ADJUSTED EXPENDITURES AND REVENUE REQUIREMENTS	21,366,264.35	920,009.92	7,634,576.00	29,920,850.27
LESS: AMOUNT TRANSFERRED TO CURRENT FUND		85,000.00	1,685,000.00	1,770,000.00
SURPLUS BALANCE, DECEMBER 31, 1987	$1,673,690.36	$330,501.64	$1,517,976.81	$3,522,168.81

1988 "CAP CALCULATION"

Given below are simplified calculations of the 1988 Cap appropriation limit utilizing the index rate ordinance of 5%

Total adopted appropriations for 1987.....		9,988,268.94
Modifications		
Deductions:		
Reserve for Uncollected Taxes	519,933.23	
Other Operations	2,972,181.81	
Capital Improvement Fund	220,000.00	
Deferred Charges	54,800.00	
Debt Service	1,240,959.00	
		5,007,874.04
Amount on which 5% Cap is Applied		4,980,394.90
5% "Cap" Authorized by Ordinance		249,019.75
Additions to "Cap" Assessed Value of New Construction $18,791,400.00 times Local Purpose Tax Rate of $0.623 per $100.		117,070.42
Adjustment to "Cap" base		15,711.00
Total General Appropriations "Cap" Limitation for 1988		5,362,196.07
Less 1988 Appropriations Within "Cap"		5,362,196.07
Unused "Cap" carry forward to 1989		0.00

	Inside Cap	Outside Cap
Salaries & Wages	3,192,426.46	658,536.04
Other Expenses	1,572,407.40	3,446,531.01
Statutory Expenditures	597,362.21	74,195.79
Deferred Charges		305,000.00
Capital Improvement Fund		257,319.00
Debt Service		1,240,959.00
Reserve For Uncollected Taxes		598,740.02
	5,362,196.07	6,581,280.86

Total Appropriations for 1988 11,943,476.93

COMPARATIVE DISTRIBUTION OF REVENUES
AND APPROPRIATIONS FOR 1988 AND 1987

MUNICIPAL BUDGET

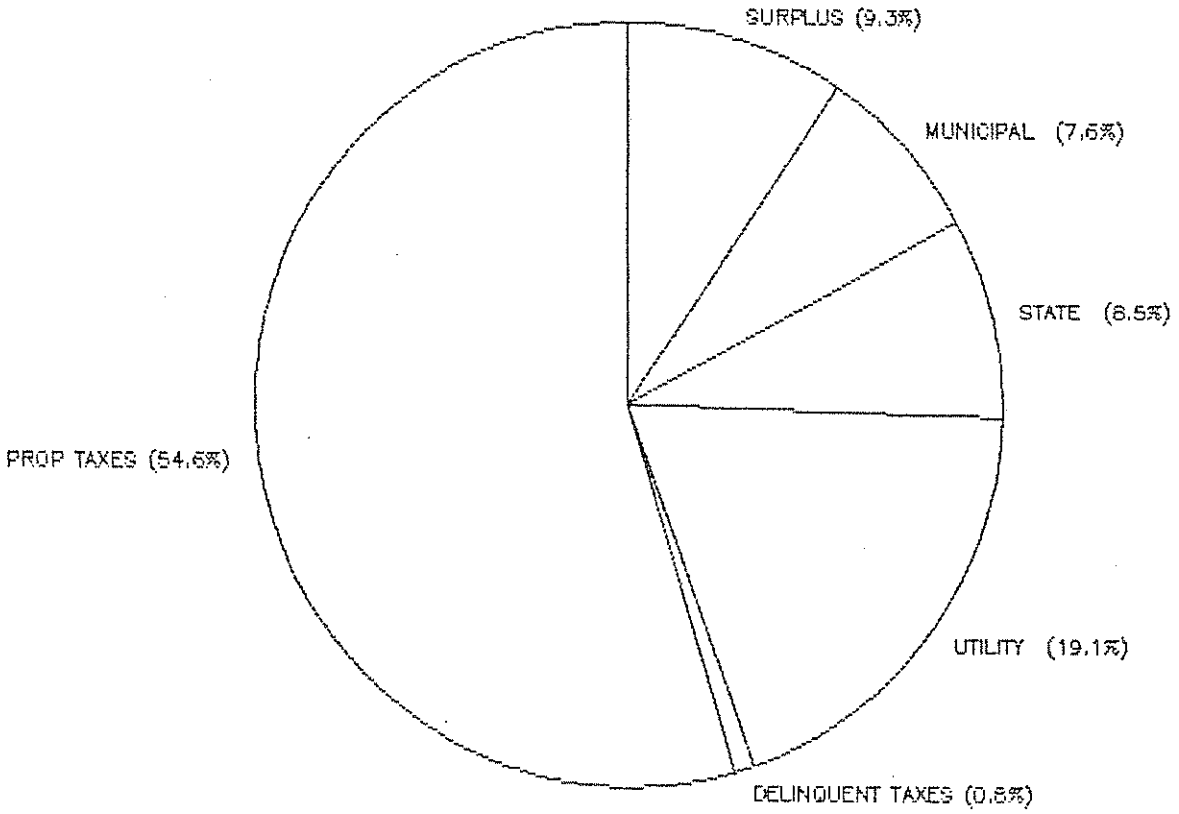
REVENUES

	1988	%	1987	%
SURPLUS	1,113,000	9.3%	855,000	8.6%
MUNICIPAL REVENUES	910,469	7.6%	975,658	9.8%
STATE REVENUES	1,013,435	8.5%	957,303	9.6%
FEDERAL REVENUES		0.0%	4,279	0.0%
UTILITY REVENUES	2,286,000	19.1%	1,770,000	17.7%
DELINQUENT TAXES	100,000	0.8%	100,000	1.0%
PROPERTY TAXES	6,520,573	54.6%	5,326,029	53.3%
TOTAL REVENUES	$11,943,477	100%	$9,988,269	100%

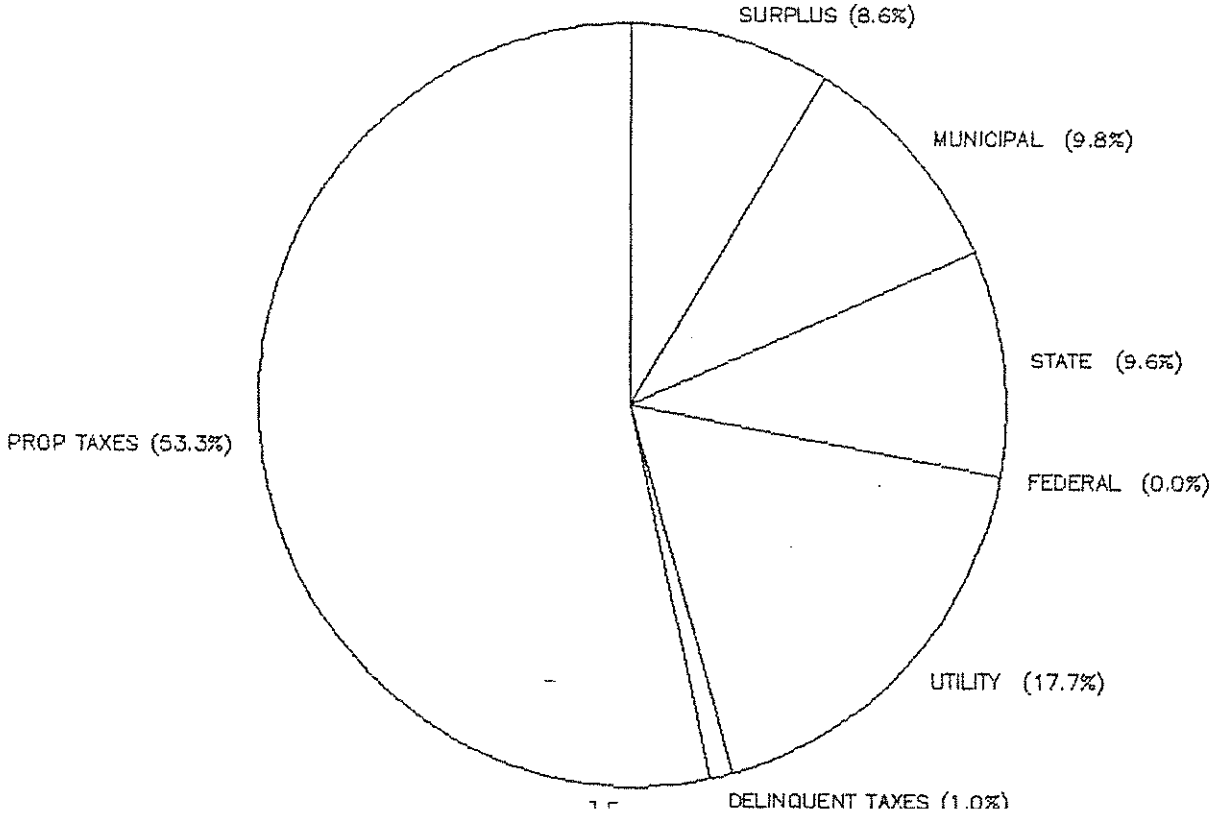
APPROPRIATIONS

SALARIES & WAGES	3,850,963	32.2%	3,602,510	36.1%
OTHER EXPENSES	1,978,092	16.6%	1,956,966	19.6%
GARBAGE REMOVAL	1,551,104	13.0%	626,950	6.3%
JOINT MEETING	951,756	8.0%	602,182	6.0%
INSURANCE	537,986	4.5%	547,915	5.5%
STATUTORY EXPENDITURES	671,558	5.6%	616,054	6.2%
CAPITAL IMPROVEMENT FUND	257,319	2.2%	220,000	2.2%
DEFERRED CHARGES	305,000	2.6%	54,800	0.5%
DEBT SERVICE	1,240,959	10.4%	1,240,959	12.4%
RESERVE FOR UNCOLL. TAXES	598,740	5.0%	519,933	5.2%
TOTAL APPROPRIATIONS	$11,943,477	100%	$9,988,269	100%

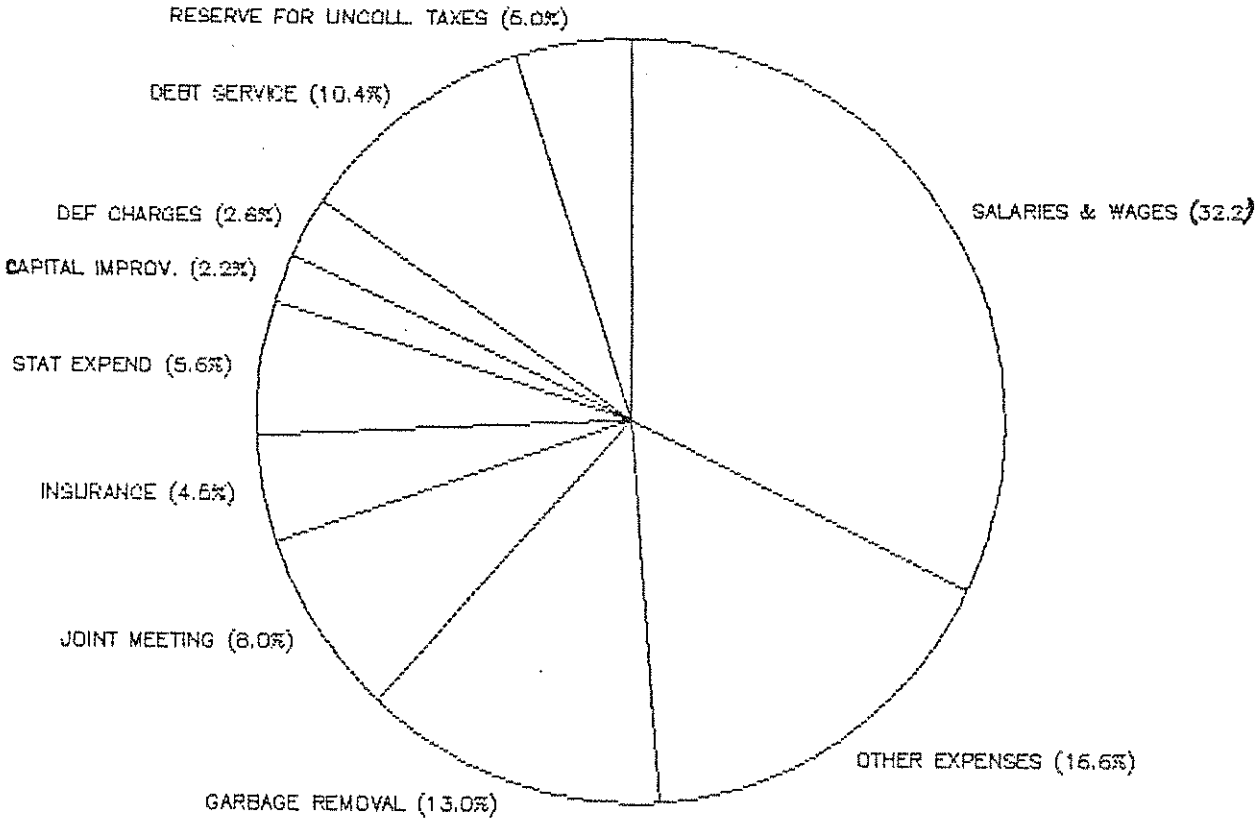
DISTRIBUTION OF 1988 REVENUES



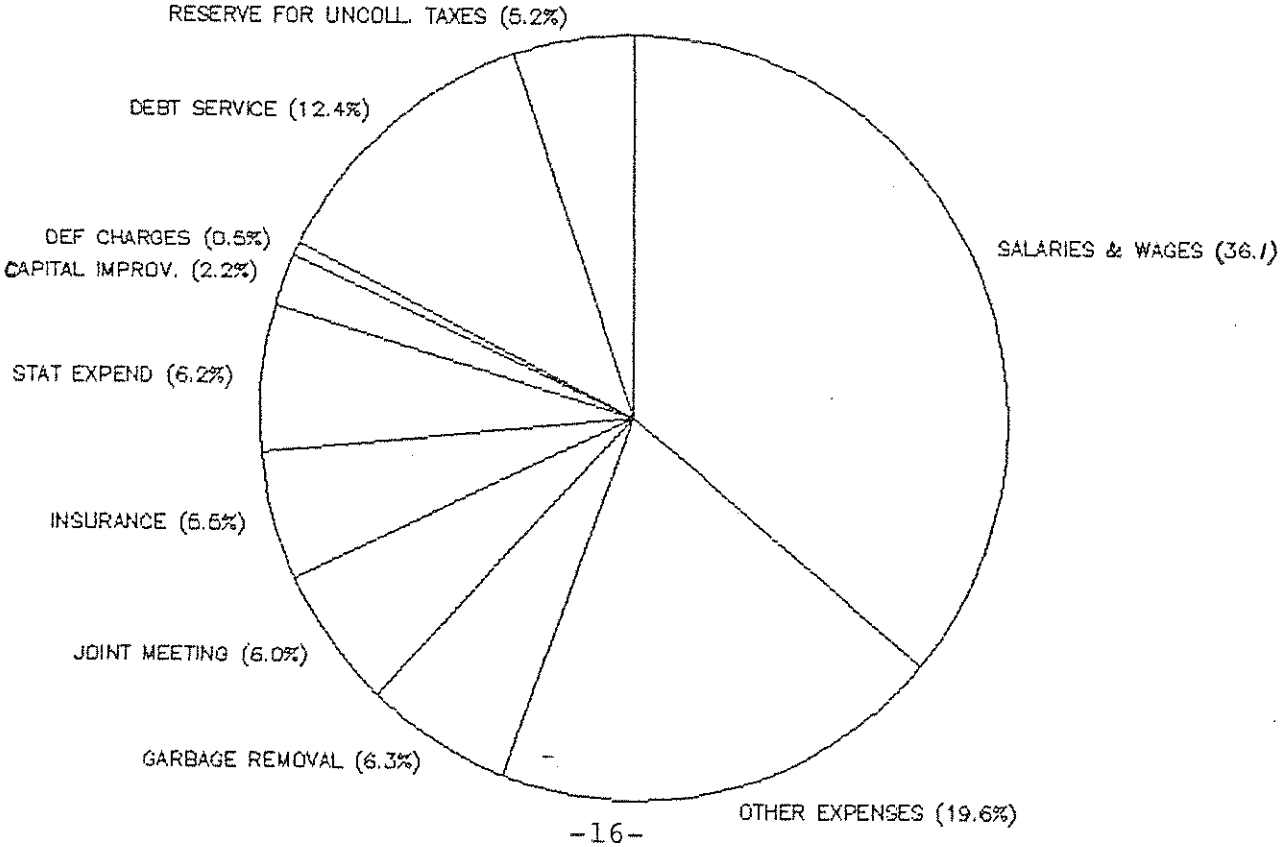
DISTRIBUTION OF 1987 REVENUES



1988 APPROPRIATIONS



1987 APPROPRIATIONS



ANNUAL REPORT OF THE TAX COLLECTOR

	1987	1986
TAX LEVY	$17,256,747	$16,305,855
ADDED TAXES	62,933	108,185
TOTAL LEVY	17,319,680	16,414,040
CURRENT TAX COLLECTIONS	17,069,600	16,102,592
SR. CITIZENS & VETERAN DEDUCT	99,060	103,414
TRANSFERS & CANCELLATIONS	2,394	36,604
TOTAL COLLECTIONS	17,171,054	16,242,610
OUTSTANDING BALANCE	$148,626	$171,430
PERCENTAGE OF COLLECTIONS	99.12%	98.73%
BALANCE OF DELINQUENT TAXES & TAX TITLE LIENS-JAN. 1	$182,840	$207,292
ADDED TAXES	7,685	9,231
INTEREST, COSTS, & TRANSFERS	133	259
TOTAL OUTSTANDING	190,658	216,782
DELINQUENT COLLECTIONS	187,259	205,348
CANCELLATIONS	40	25
TOTAL COLLECTIONS	187,299	205,373
OUTSTANDING BALANCE	$3,359	$11,409
PERCENTAGE OF COLLECTIONS	98.30%	94.84%

ANALYSIS OF CURRENT AND DELINQUENT TAXES RECEIVABLE

CURRENT YEAR	$148,626	$171,430
DELINQUENT TAXES	3,359	11,409
TOTAL	$151,985	$182,839

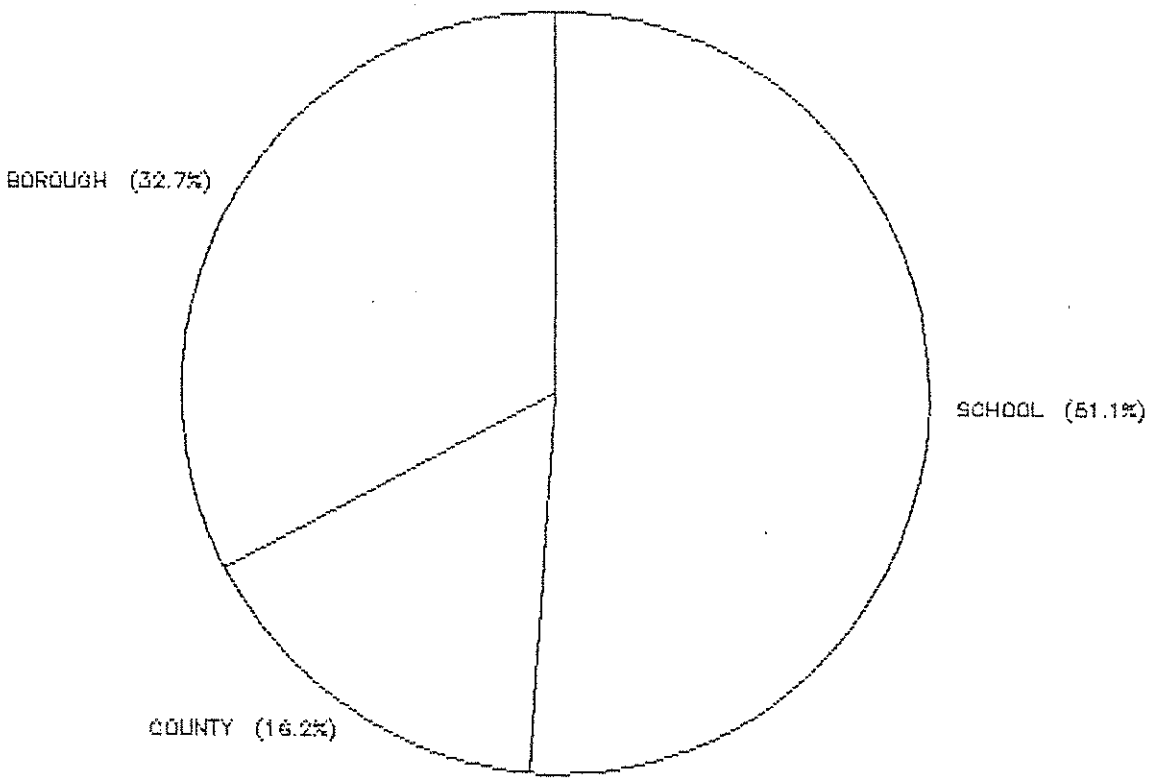
SUMMARY OF LEVIES AND TAX RATES

	1988 ESTIMATED			1987 ACTUAL			
	TAX LEVY	TAX RATE	TAX DOLLAR	TAX LEVY	TAX RATE	TAX DOLLAR	INCREASE (DOLLARS)
SCHOOL PURPOSE	10,200,923.00	1.180	0.51	8,947,079.00	1.047	0.52	1,253,844.00
COUNTY PURPOSE	3,236,504.22	0.374	0.16	2,976,936.48	0.348	0.17	259,567.74
BOROUGH PURPOSE	6,520,573.31	0.754	0.33	5,326,028.65	0.623	0.31	1,194,544.66
TOTAL LEVY	19,958,000.53	2.31	1.00	17,250,044.13	2.02	1.00	2,707,956.40

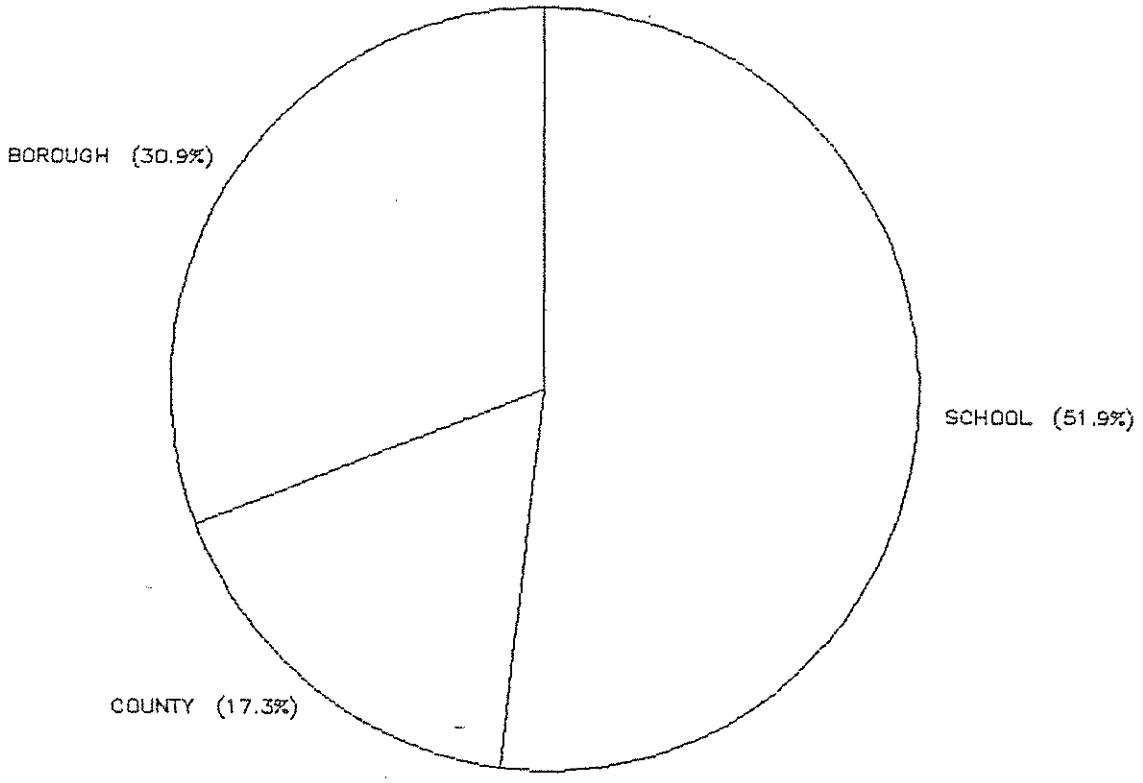
	1987 ACTUAL			1986 ACTUAL			
	TAX LEVY	TAX RATE	TAX DOLLAR	TAX LEVY	TAX RATE	TAX DOLLAR	INCREASE (DOLLARS)
SCHOOL PURPOSE	8,947,079.00	1.047	0.52	8,116,991.00	0.950	0.50	830,088.00
COUNTY PURPOSE	2,976,936.48	0.348	0.17	3,035,793.14	0.361	0.19	(58,856.66)
BOROUGH PURPOSE	5,326,028.65	0.623	0.31	5,134,392.05	0.601	0.32	191,636.60
TOTAL LEVY	17,250,044.13	2.02	1.00	16,287,176.19	1.91	1.00	962,867.94

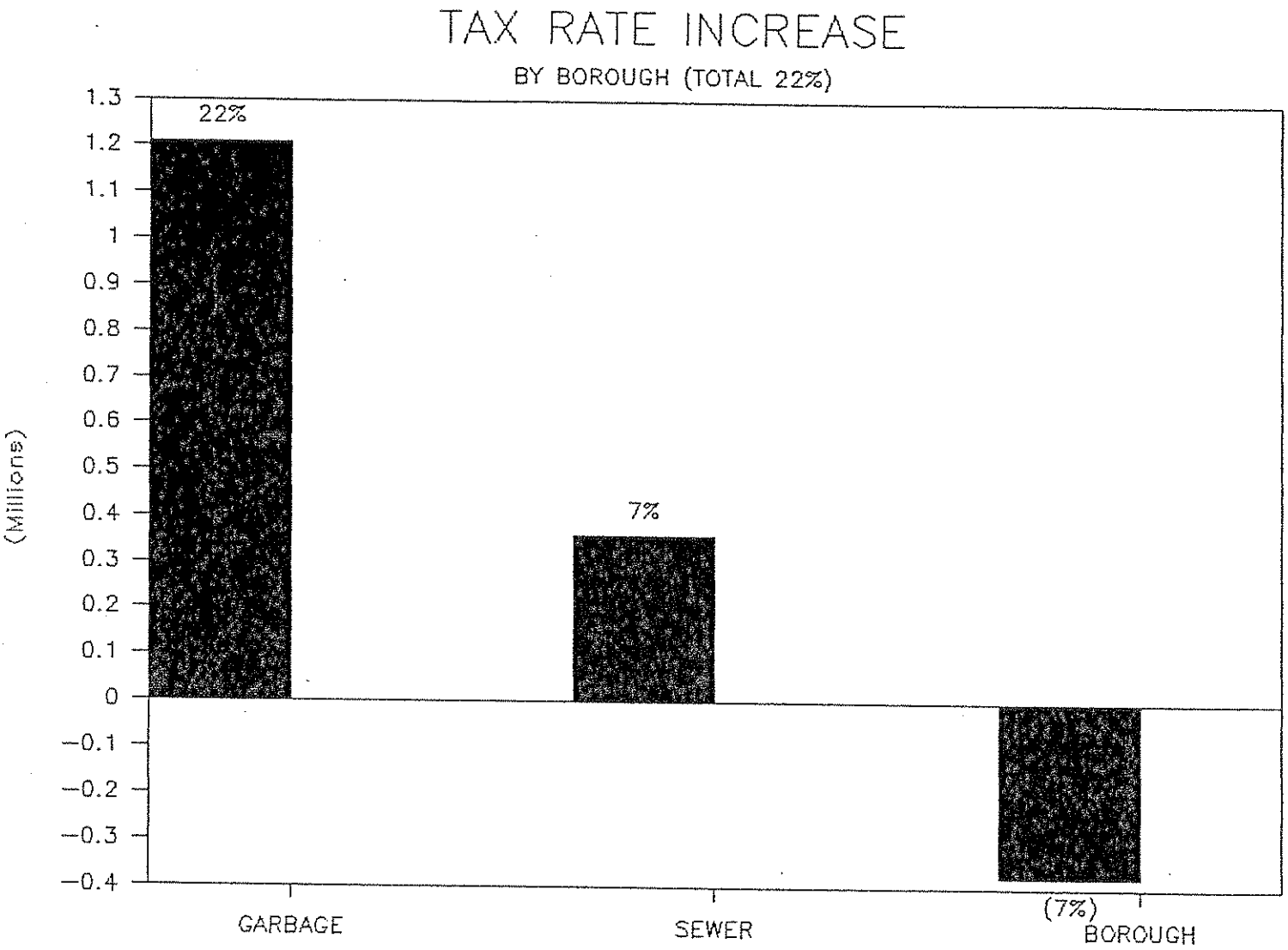
SUMMARY OF NET VALUATION TAXABLE	1988 ESTIMATED	1987 ACTUAL	1986 ACTUAL
TAX RATABLES:			
REAL PROPERTY (LAND AND IMPROVEMENTS)	830,155,150	810,763,850	799,785,200
TELEPHONE & TELEGRAPH (BUSINESS PERSONAL PROPERTY)	34,682,330	43,530,573	45,077,748
TOTAL VALUATION TAXABLE	864,837,480	854,294,423	844,862,948

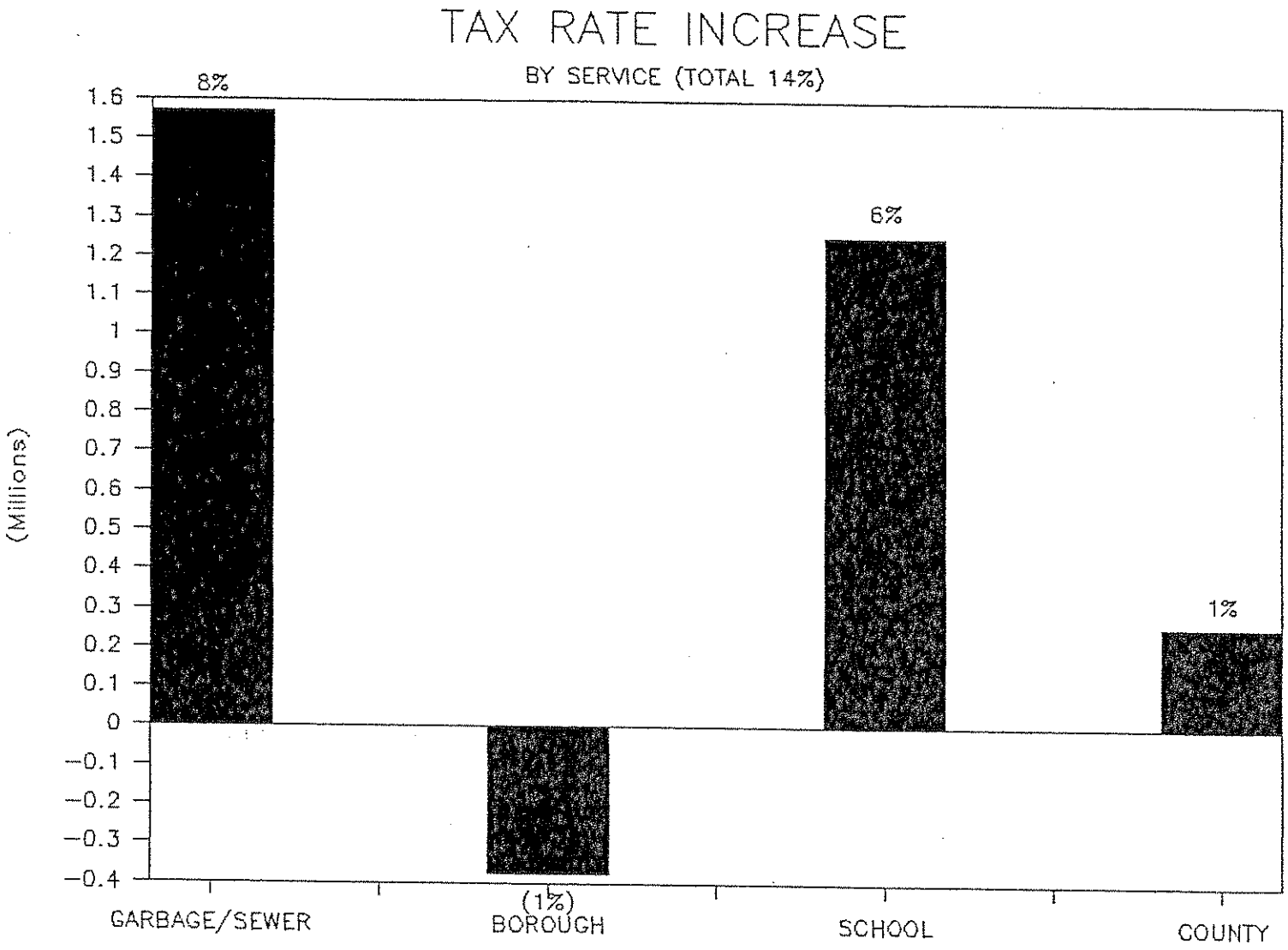
DISTRIBUTION OF THE 1988 TAX LEVY



DISTRIBUTION OF THE 1987 TAX LEVY




TAX RATE INCREASE
BY BOROUGH (TOTAL 22%)
(Millions)
1.3
1.2
1.1
1
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
−0.1
−0.2
−0.3
−0.4
22%
7%
(7%)
GARBAGE
SEWER
BOROUGH


TAX RATE INCREASE
BY SERVICE (TOTAL 14%)
(Millions)
1.6
1.5
1.4
1.3
1.2
1.1
1
0.9
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
-0.1
-0.2
-0.3
-0.4
8%
(1%)
6%
1%
GARBAGE/SEWER
BOROUGH
SCHOOL
COUNTY

COMPARATIVE STATEMENT OF OPERATIONS
WATER UTILITY
DECEMBER 31,1987

REVENUES	1987	1986
WATER RENTS	$931,043	$812,913
FIRE HYDRANT SERVICE	59,340	47,472
MISCELLANEOUS REVENUES	54,954	57,043
TOTAL REVENUES	1,045,337	917,428
EXPENDITURES		
SALARIES & WAGES	197,597	192,002
SERVICES	62,045	93,466
EQUIPMENT	51,500	38,139
SUPPLIES	44,720	34,334
OVERHEAD	256,944	227,692
SOCIAL SECURITY	14,043	13,314
PENSIONS	24,487	16,370
CAPITAL IMPROVEMENT FUND	80,000	60,000
DEBT SERVICE	188,674	164,440
TOTAL EXPENDITURES	920,010	839,757
EXCESS REVENUES	$125,327	$77,671

COMPARATIVE DISTRIBUTION OF REVENUES AND APPROPRIATIONS FOR 1988 AND 1987

WATER UTILITY

REVENUES

	1988	%	1987	%
SURPLUS	146,118	12.5%	30,975	3.3%
WATER RENTS	931,000	79.8%	812,000	87.4%
FIRE HYDRANT SERVICE	59,340	5.1%	56,350	6.1%
MISCELLANEOUS	30,000	2.6%	30,000	3.2%
TOTAL	1,166,458	100.0%	929,325	100.0%

APPROPRIATIONS

SALARIES & WAGES	219,039	18.8%	203,072	21.9%
OTHER EXPENSES	471,430	40.4%	406,664	43.8%
CAPITAL IMPROVEMENT FUND	190,000	16.3%	80,000	8.6%
DEBT SERVICE	137,989	11.8%	137,989	14.8%
DEFERRED CHARGES	100,000	8.6%	60,000	6.5%
STATUTORY EXPENDITURES	48,000	4.1%	41,600	4.5%
TOTAL	1,166,458	100.0%	929,325	100.0%

COMPARATIVE STATEMENT OF OPERATIONS
ELECTRIC UTILITY
DECEMBER 31,1987

REVENUES

	1987	1986
RESIDENTIAL	3,339,009	3,390,903
RESIDENTIAL (OFF-PEAK WATER)	1,383	1,912
SMALL COMMERCIAL	387,236	396,233
COMMERCIAL-DEMAND	2,047,625	2,121,990
LARGE COMMERCIAL	3,516,033	3,661,354
OUTSIDE LIGHTING	1,675	1,810
TOTAL TARIFF REVENUES	9,292,961	9,574,202
MISC. REVENUES (NET OF ADJUSTMENTS)	781,530	(143,467)
TOTAL REVENUES	10,074,491	9,430,735

EXPENDITURES

SALARIES & WAGES	490,804	449,014
SERVICES	178,115	264,049
EQUIPMENT	97,500	46,633
SUPPLIES	50,582	29,920
OVERHEAD	230,828	218,827
PURCHASED POWER	6,151,650	6,208,734
SOCIAL SECURITY	35,132	30,966
PENSIONS	47,544	45,497
CAPITAL IMPROVEMENT FUND	300,000	200,000
DEBT SERVICE	310,779	442,982
P.C.B. CLEAN-UP	50,000	195,000
REFUND OF PRIOR YEAR REVENUE		1,163
TOTAL EXPENDITURES	7,942,934	8,132,785
EXCESS REVENUES	$2,131,557	$1,297,950

COMPARATIVE DISTRIBUTION OF REVENUES AND APPROPRIATIONS FOR 1988 AND 1987

ELECTRIC UTILITY

REVENUES

	1988	%	1987	%
METERED SERVICE	9,005,254	95.0%	8,744,576	98.9%
MISCELLANEOUS	100,000	1.1%	100,000	1.1%
SURPLUS	369,000	3.9%		
TOTAL	9,474,254	100.0%	8,844,576	100.0%

APPROPRIATIONS

SALARIES & WAGES	541,579	5.7%	500,495	5.7%
OTHER EXPENSES	573,950	6.1%	582,010	6.6%
PURCHASED POWER	6,493,946	68.5%	5,843,292	66.1%
CAPITAL IMPROVEMENT FUND	300,000	3.2%	300,000	3.4%
DEBT SERVICE	158,779	1.7%	158,779	1.8%
DEFERRED CHARGES	100,000	1.1%	162,000	1.8%
STATUTORY EXPENDITURES	106,000	1.1%	98,000	1.1%
SURPLUS (GENERAL BUDGET)	1,200,000	12.7%	1,200,000	13.6%
TOTAL	9,474,254	100.0%	8,844,576	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.

	TOTAL	DEBT AUTHORIZED
Municipal	$3,607,950.00	$2,973,100.00
Water Utility	80,000.00	
Electric Utility	653,000.00	329,000.00
	$4,340,950.00	$3,302,100.00

Projects that will be reviewed by the Mayor and Council in 1988 are:

Spring Garden Brook Phase III, purchase of microfilm equipment, computers and printers, fire pumper trucks, early warning system, Public Works equipment, Recreation trailer, furniture and equipment for the Library and improvements to various roads and sidewalks. In the utilities, improvements to the water mains will be made and the electric utility will install underground cables and make improvements to the James Park Substation.

The Mayor and Council will also consider the adoption of a $10 million bond ordinance for the renovation of the Madison/Chatham sewer treatment plant.

ANNUAL DEBT STATEMENT

In 1986, Moody's and Standard & Poor's reaffirmed our double (AA) rating stating that Madison has a "well maintained financial operation, favorable debt position and strong economic indicators."

COMPARATIVE ANNUAL DEBT STATEMENT

GROSS DEBT:	1987	1986
COUNTY DEBT ALLOCABLE TO MADISON	$4,108,363	$3,349,168
SCHOOL DISTRICT	680,000	780,000
MUNICIPAL	8,844,579	7,855,500
WATER UTILITY	969,000	583,000
ELECTRIC UTILITY	714,000	791,000
GROSS DEBT	$15,315,942	$13,358,668
STATUTORY DEDUCTIONS:		
COUNTY PURPOSES	$4,108,363	$3,349,168
SCHOOL PURPOSES	680,000	780,000
SELF LIQUIDATING UTILITIES	1,683,000	1,374,000
GRANTS RECEIVABLE	51,579	61,500
NET DEBT	$8,793,000	$7,794,000
AVERAGE EQUALIZED VALUE	$918,787,491	$765,515,786
NET DEBT AS A PERCENT OF AVERAGE EQUALIZED VALUE	0.95%	1.01%

The statutory debt limits for each level of government is as follows: (all are expessed as a percentage of the averaged equalized valuation for the last three preceeding years): Municipal 3.5%, School 4%, and County 2%.

BOROUGH GROSS BORROWING POWER	$32,157,562	100%	$26,793,052	100%
LESS: NET DEBT AUTHORIZED	8,793,000	27%	7,794,000	29%
REMAINING BORROWING POWER	$23,364,562	73%	$18,999,052	71%

	1987	1986
GROSS DEBT PER CAPITA	$997	$870
TAX SUPPORTED NET DEBT PER CAPITA	884	776