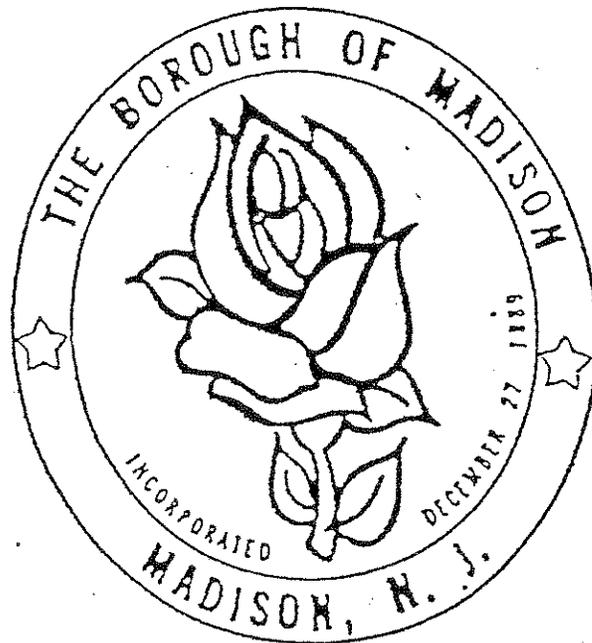


1989 BUDGET IN BRIEF



MAYOR

RALPH G. ENGELSMAN

COUNCIL

HAROLD J. DODDS

JOSEPH J. VERBARO, JR.

GARY E. RUCKELSHAUS

DAWN Z. SMITH

JO RENEE FORMICOLA

ROBERT E. SYLVERSTEIN



HARTLEY DODGE MEMORIAL
BOROUGH OF MADISON
MADISON, NEW JERSEY 07940

April 3, 1989

REPORT TO THE TAXPAYERS

We have had excellent results in containing costs in 1988 and the 1989 Budget is equally fiscally conservative and tight. This year, we are beginning an effort to put the Borough on a pay-as-you-go basis for Capital Expenditures by adding \$492,000 to the capital improvement budget. This will in the long term reduce our bonded indebtedness and interest payments. This action does not require that we skimp on any essential services, rather it implies a continuing examination of priorities and timeliness.

This Budget in Brief is designed to help Madison residents understand the broad areas of the 1989 Budget by summarizing accomplishments for 1988 and plans for 1989.

Overall this year's budget for the Borough totals \$12,648,418. This is an increase of \$704,941. Taxes for municipal services will increase 2 1/2%. Last year our budget went up 22% because of the "garbage crisis". This year the major culprits are:

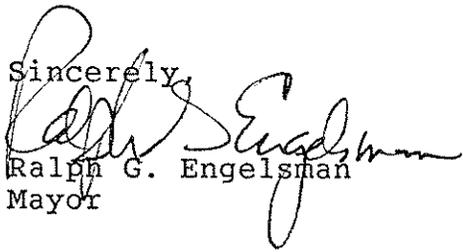
Garbage Costs	\$112,738
Health Insurance Premiums	139,163
Joint Meeting Plant Upgrade	<u>153,000</u>
TOTAL	\$404,901

These represent more than 57% of the total increase. When you consider the additional funds set aside for capital expenditures, you can see the efficiency of the overall Borough government and the diligence of the Council in "keeping the lid on". Most of the above are not in our control. Like the County and School costs, they are set by agents outside our jurisdiction.

This year I am encouraging all areas of the Borough government to look for ways to build public-private partnerships for additional programs. For instance, the Health Department is seeking information about a Drug Education Program that would be funded by a private foundation. At the School Budget meeting, I asked the Board to seek ways to involve and use private resources when considering new programs. I invite and urge citizens' input in this area.

We continue to be a very special and privileged corner of the world. This budget, along with all of our concerted efforts, will mean a continuation of our "way of life".

Sincerely,


Ralph G. Engelsman
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 Kalafut
Borough Clerk	Fannie Stinson
Deputy Borough Clerk	Esther Sebesto
Chief of Police	Donald R. Capen
Acting Fire Chief	Thomas Kiernan
Health Officer	Robert S. Deasey
Borough Engineer/Electric Utility	Daniel P. Biondo
Court Clerk	Emily Traversi
Recreation Director	Douglas L. Smith
Supervisor, Public Works & Water Utility	Vincent Falcone
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 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 1989 are as follows:

<u>Standing Committee</u>	<u>Chairperson</u>	<u>Other Member</u>
Utilities	Gary E. Ruckelshaus	Joseph J. Verbaro, Jr.
Public Safety	JoRenee Formicola	Harold J. Dodds
Public Works & Engineering	Harold J. Dodds	JoRenee Formicola
Health & Public Assistance	Dawn Z. Smith	Robert E. Sylverstein, III
Finance & Borough Clerk	Joseph J. Verbaro, Jr.	Gary E. Ruckelshaus
Parks & Recreation	Robert E. Sylverstein	Dawn Z. Smith

THE 1989 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 was introduced on March 6th and published in the MADISON EAGLE on March 16th. At the introduction of the Budget the Council set April 3rd 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 their public hearing on the school budget on March 14th 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 1989 to reduce the tax impact. In addition, pie charts 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

	1989	1988	INCREASE (DECREASE)	PERCENTAGE CHANGE
APPROPRIATIONS (EXCLUDING RESERVE FOR UNCOLLECTED TAXES)	11,999,940.94	11,344,736.91	655,204.03	5.8%
LESS: ANTICIPATED REVENUES	5,866,620.54	5,422,903.91	443,716.63	8.2%
NET APPROPRIATIONS	6,133,320.40	5,921,833.00	211,487.40	3.6%
PLUS: SCHOOL LEVY	11,334,105.00	10,200,923.00	1,133,182.00	11.1%
COUNTY LEVY	3,500,000.00	3,236,504.22	263,495.78	8.1%
APPROPRIATIONS AND OTHER TAXES	20,967,425.40	19,359,260.22	1,608,165.18	8.3%
COLLECTION RATE	97.00%	97.00%		
AMOUNT TO BE RAISED BY TAXATION	21,615,902.47	19,958,000.23	1,657,902.25	8.3%
DIFFERENCE-RESERVE FOR UNCOLLECTED TAXES	648,477.07	598,740.01	49,737.07	8.3%
ASSESSED VALUATION	840,212,250.00	830,155,150.00	10,057,100.00	1.2%
TOTAL RATABLES	877,877,247.00	864,837,480.00	13,039,767.00	1.5%
TOTAL APPROPRIATIONS (INCLUDING RESERVE FOR UNCOLLECTED TAXES)	12,648,418.01	11,943,476.93	704,941.08	5.9%
LESS ANTICIPATED REVENUES	5,866,620.54	5,422,903.62	443,716.92	8.2%
LOCAL TAX LEVY	6,781,797.47	6,520,573.31	261,224.16	4.0%
LOCAL TAX RATE	0.773	0.754	0.019	2.5%
SCHOOL TAX RATE	1.291	1.180	0.111	9.4%
COUNTY TAX RATE	0.399	0.374	0.025	6.7%
TOTAL TAX RATE	2.463	2.310	0.153	6.6%
ONE POINT EQUALS	87,787.00	86,483.75	1,303.25	1.5%
AVG. RESIDENTIAL ASSESSED VALUE	159,000.00	159,000.00		
BOROUGH TAXES	1,229.07	1,198.86	30.21	2.5%
SCHOOL TAXES	2,052.69	1,876.20	176.49	9.4%
COUNTY TAXES	634.41	594.66	39.75	6.7%
TOTAL TAXES	3,916.17	3,672.90	243.27	6.6%

ANALYSIS OF THE 1989 CHANGES IN REVENUES AND APPROPRIATIONS

MUNICIPAL BUDGET

REVENUES

	1989	1988	INCREASE (DECREASE)	PERCENTAGE CHANGE
SURPLUS	1,206,500	1,113,000	93,500	8.4%
MUNICIPAL REVENUES	1,142,512	910,469	232,043	25.5%
STATE REVENUES	857,609	1,013,435	(155,826)	-15.4%
FEDERAL REVENUES				
UTILITY REVENUES	2,535,000	2,286,000	249,000	10.9%
DELINQUENT TAXES	125,000	100,000	25,000	25.0%
PROPERTY TAXES	6,781,797	6,520,573	261,224	4.0%
TOTAL REVENUES	\$12,648,418	\$11,943,477	704,941	5.9%

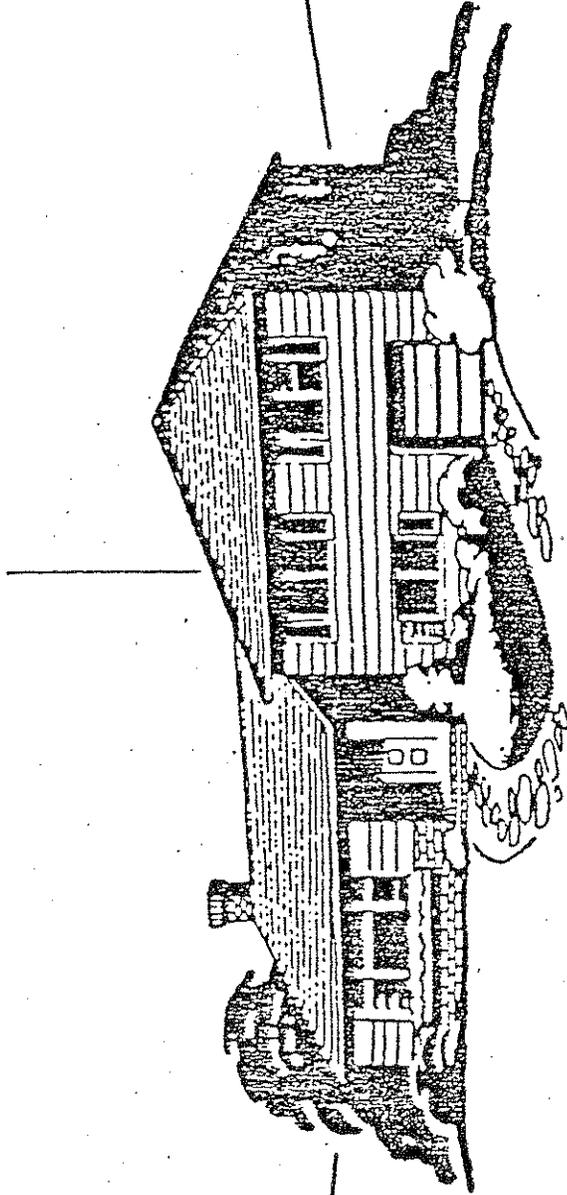
APPROPRIATIONS

SALARIES & WAGES	4,065,120	3,850,963	214,157	5.6%
OTHER EXPENSES	2,117,548	1,978,092	139,456	7.1%
GARBAGE & TRASH REMOVAL	1,663,842	1,551,104	112,738	7.3%
JOINT MEETING	421,870	951,756	(529,886)	-55.7%
HEALTH INSURANCE	406,000	266,837	139,163	52.2%
OTHER INSURANCE	286,100	271,149	14,951	5.5%
STATUTORY EXPENDITURES	720,000	671,558	48,442	7.2%
CAPITAL IMPROVEMENT FUND	750,000	257,319	492,681	191.5%
DEFERRED CHARGES	316,000	305,000	11,000	3.6%
DEBT SERVICE	1,253,461	1,240,959	12,502	1.0%
RESERVE FOR UNCOLL. TAXES	648,477	598,740	49,737	8.3%
TOTAL APPROPRIATIONS	\$12,648,418	\$11,943,477	704,941	5.9%

BOROUGH
 \$1,229.07
 (32%)

SCHOOL
 \$2,052.69
 (52%)

COUNTY
 \$634.41
 (16%)



TOTAL COSTS AND TAX RATE

Borough	1,229.07	.773
School	2,052.69	1.291
County	634.41	.399
	\$3,916.17	2.47

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 1988

The year 1989 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) SIDEWALK PROGRAM

Sidewalks were repaired on Seaman Street, Midwood Terrace, Fairwood Ave., Glenwild Circle and James Park in 1988.

B) WOODLAND ROAD PHASE II

Reconstruction along Woodland Road was completed in 1988, including pavement, curb, sidewalk and storm sewer reconstruction.

C) MID-DAY FRIENDSHIP CENTER

Due to Department of Community Development funding, the Mid-day Friendship Center lunch program was continued in 1988. Last year over 5,000 meals were served to needy senior citizens two times per week. Most meals are served at the Community House, however, in cooperation with the Red Cross, some meals were delivered.

D) FIRE DEPARTMENT IMPROVEMENTS

Due to Osha regulations, several ladders were replaced in 1988 in order to conform with specific weight capacities

Also, thanks to Dodge Foundation funding, a new RAM was purchased to be used with the Jaws of Life for accident victims.

E) COUNTY COMPUTER FOR PAYROLL

The Borough's payroll was successfully converted from ADP to the county system in late 1988 and was up and running for the first pay period of 1989.

F) SOLID WASTE REMOVAL

The curbside programs for newsprint and glass will continue to provide residents with a reasonable and convenient way to recycle as well as provide the Borough with a method to comply with its legal obligations. Additionally, the Borough is again taking part in the County's leaf composting program.

1989 PLANS

Projects anticipated to be undertaken in 1989 are:

A. SPRING GARDEN BROOK PHASE III

The project will complete drainage improvements to the Spring Garden Brook system. Estimates for the project are calculated to be between 1.2 and 1.4 million dollars. Funding is anticipated from state and county governments.

B. MADISON-CHATHAM JOINT MEETING

The upgrade of the sewer plant, shared by Madison and Chatham, was begun in 1988 and is slated for completion in 1991. Madison's portion of the cost of this project is estimated to be \$11,880,010.

C. 1989 SIDEWALK PROGRAM

Madison is offering home owners a cost sharing sidewalk repair program whereby the Borough will reimburse property owners up to 25% of the cost for repairing sidewalks. Forty-one property owners are scheduled to take part in this program.

D. ROAD CONSTRUCTION

Reconstruction of Fairwoods Road, Bardon Street, Maple Avenue, Chateau Thierry and Belleau Avenue and the Oak Loop are scheduled to begin in 1989.

E. 1989 COMMUNITY DEVELOPMENT GRANTS

The following applications were made to fund projects for 1989:

1. Senior Citizens Center - A \$23,500 grant was requested for modifications to the Center.
2. Wellness Child Care Center - an \$80,000 grant was requested to fund an asbestos abatement program.
3. Housing Authority - A \$96,300 grant was requested for Madison Scatter Site Housing Modernization.

Although final decisions have not been made, it appears that the Housing Authority will be funded at \$50,000.

F. NOTE SALE

In March, 1989, the Borough issued \$5,000,000 in notes to help finance the sewer project. These notes are payable February, 1990.

G. COUNTY COMPUTER FOR UTILITY BILLING

The water and light department is currently working on steps to convert the utility billing to the county system.

H. 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, 1988

	CURRENT -----	WATER -----	ELECTRIC -----	TOTAL (MEMO ONLY)
SURPLUS, JANUARY 1, 1988	\$1,673,693.00	\$330,501.00	\$1,517,977.00	\$3,522,171.00
PROPERTY TAXES	19,818,930.00			19,818,930.00
WATER RENTS		1,038,601.00		1,038,601.00
METERED SERVICES			10,080,477.00	10,080,477.00
DELINQUENT TAXES	155,442.00			155,442.00
MISCELLANEOUS REVENUE AND OTHER CREDITS TO INCOME	5,032,802.00	178,150.00	1,467,496.00	6,678,448.00
TOTAL FUNDS	26,680,867.00	1,547,252.00	13,065,950.00	41,294,069.00
SALARIES AND WAGES	3,862,952.00	219,039.00	541,579.00	4,623,570.00
OTHER EXPENSES	5,102,756.00	471,430.00	7,067,896.00	12,642,082.00
STATUTORY EXPENDITURES	597,362.00	48,000.00	106,000.00	751,362.00
DEFERRED CHARGES	305,000.00	100,000.00	100,000.00	505,000.00
CAPITAL IMPROVEMENT FUND	257,319.00	190,000.00	300,000.00	747,319.00
DEBT SERVICE	1,148,263.00	122,069.00	142,479.00	1,412,811.00
SCHOOL TAXES	10,200,923.00			10,200,923.00
COUNTY TAXES	3,190,981.00			3,190,981.00
OTHER EXPENDITURES AND OTHER DEDUCTIONS FROM INCOME	419,130.00		1,200,000.00	1,619,130.00
TOTAL EXPENDITURES	25,084,686.00	1,150,538.00	9,457,954.00	35,693,178.00
LESS: AMOUNT TRANSFERRED TO CURRENT FUND		85,000.00	1,001,000.00	1,086,000.00
SURPLUS BALANCE, DECEMBER 31, 1988	\$1,596,181.00	\$311,714.00	\$2,606,996.00	\$4,514,891.00
	=====	=====	=====	=====

1989 "CAP CALCULATION"

Given below are simplified calculations of the 1989 Cap appropriation limit utilizing the index rate ordinance of 5%

Total adopted appropriations for 1988.....		11,943,476.93
Modifications		
Deductions:		
Reserve for Uncollected Taxes	598,740.02	
Other Operations	4,179,262.84	
Capital Improvement Fund	257,319.00	
Deferred Charges	305,000.00	
Debt Service	1,240,959.00	
	-----	6,581,280.86
Amount on which 5% Cap is Applied		5,362,196.07
5% "Cap" Authorized by Ordinance		268,109.80
Additions to "Cap" Assessed Value of New Construction \$18,791,400.00 times Local Purpose Tax Rate of \$0.623 per \$100.		66,064.46
Adjustment to "Cap" base		0.00

Total General Appropriations "Cap" Limitation for 1988		5,696,370.33
Less 1988 Appropriations Within "Cap"		5,696,369.87

Unused "Cap" carry forward to 1989		0.46

	Inside Cap	Outside Cap
	-----	-----
Salaries & Wages	3,369,271.00	695,849.00
Other Expenses	1,704,437.75	3,190,922.25
Statutory Expenditures	622,661.12	97,339.07
Deferred Charges		316,000.00
Capital Improvement Fund		750,000.00
Debt Service		1,253,461.00
Reserve For Uncollected Taxes		648,477.00
	-----	-----
	5,696,369.87	6,952,048.32

Total Appropriations for 1989		12,648,418.00

COMPARATIVE DISTRIBUTION OF REVENUES
AND APPROPRIATIONS FOR 1989 AND 1988

MUNICIPAL BUDGET

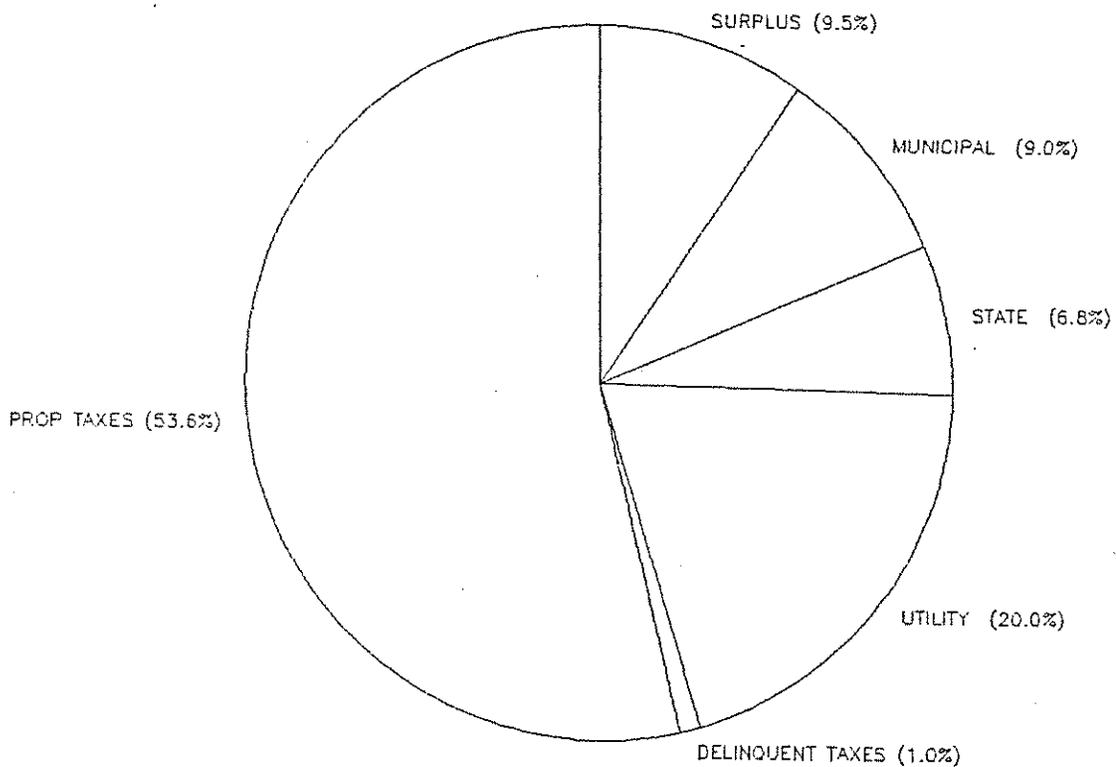
REVENUES

	1989	%	1988	%
	-----	-	-----	-
SURPLUS	1,206,500	9.5%	1,113,000	9.3%
MUNICIPAL	1,142,512	7.6%	910,469	7.6%
STATE	857,609	8.5%	1,013,435	8.5%
FEDERAL		0.0%		0.0%
UTILITY	2,535,000	19.1%	2,286,000	19.1%
DELINQUENT TAXES	125,000	0.8%	100,000	0.8%
PROP TAXES	6,781,797	54.6%	6,520,573	54.6%
	-----	-----	-----	-----
TOTAL REVENUES	\$12,648,418	100%	\$11,943,477	100%

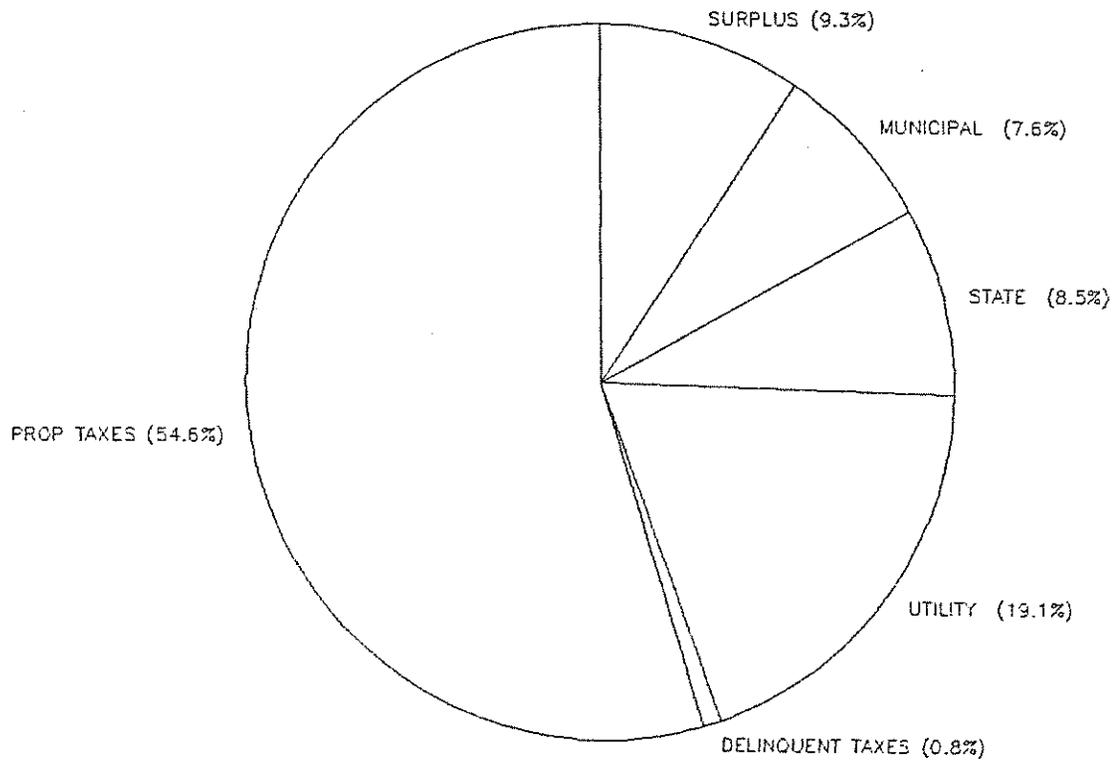
APPROPRIATIONS

SALARIES & WAGES	4,065,120	32.1%	3,850,963	32.2%
OTHER EXPENSES	2,117,548	16.7%	1,978,092	16.6%
GARBAGE REMOVAL	1,663,842	13.2%	1,551,104	13.0%
JOINT MEETING	421,870	3.3%	951,756	8.0%
INSURANCE	692,100	5.5%	537,986	4.5%
STAT EXPEND	720,000	5.7%	671,558	5.6%
CAPITAL IMPROV.	750,000	5.9%	257,319	2.2%
DEF CHARGES	316,000	2.5%	305,000	2.6%
DEBT SERVICE	1,253,461	9.9%	1,240,959	10.4%
RESERVE FOR UNCOLL. TAXES	648,477	5.1%	598,740	5.0%
	-----	-----	-----	-----
TOTAL APPROPRIATIONS	\$12,648,418	100%	\$11,943,477	100%

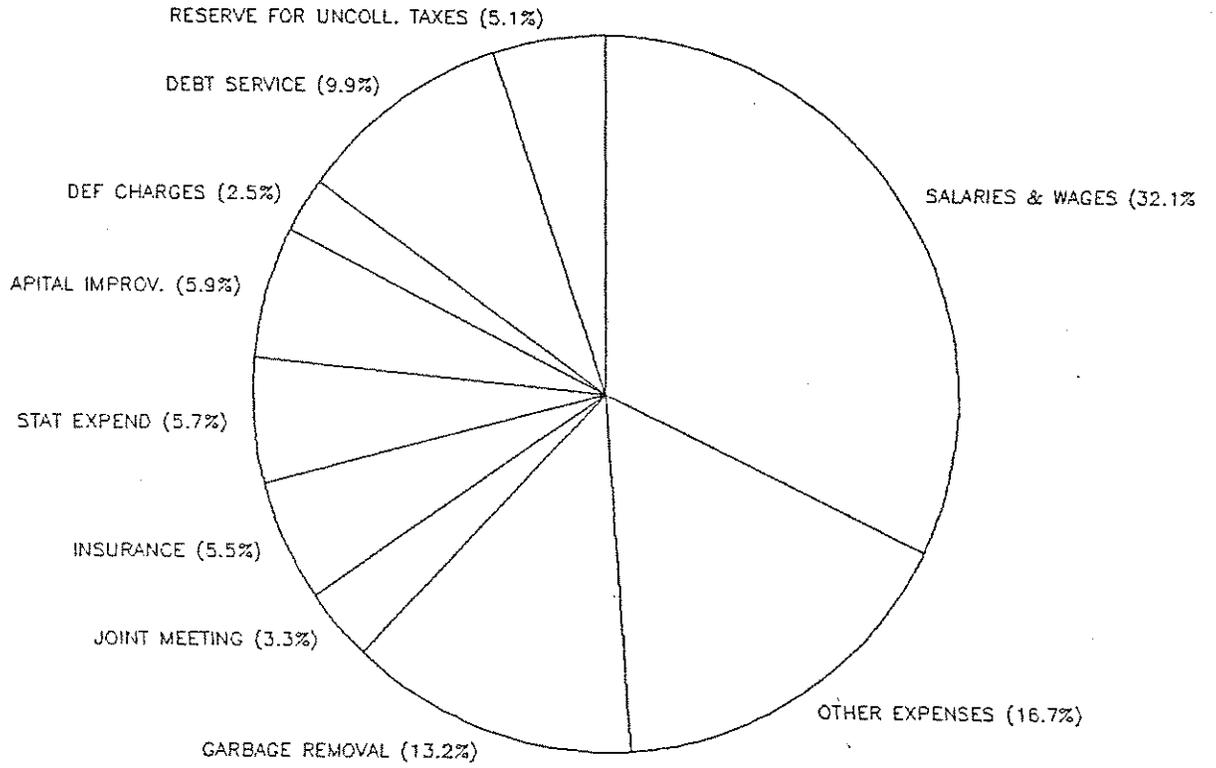
DISTRIBUTION OF 1989 REVENUES



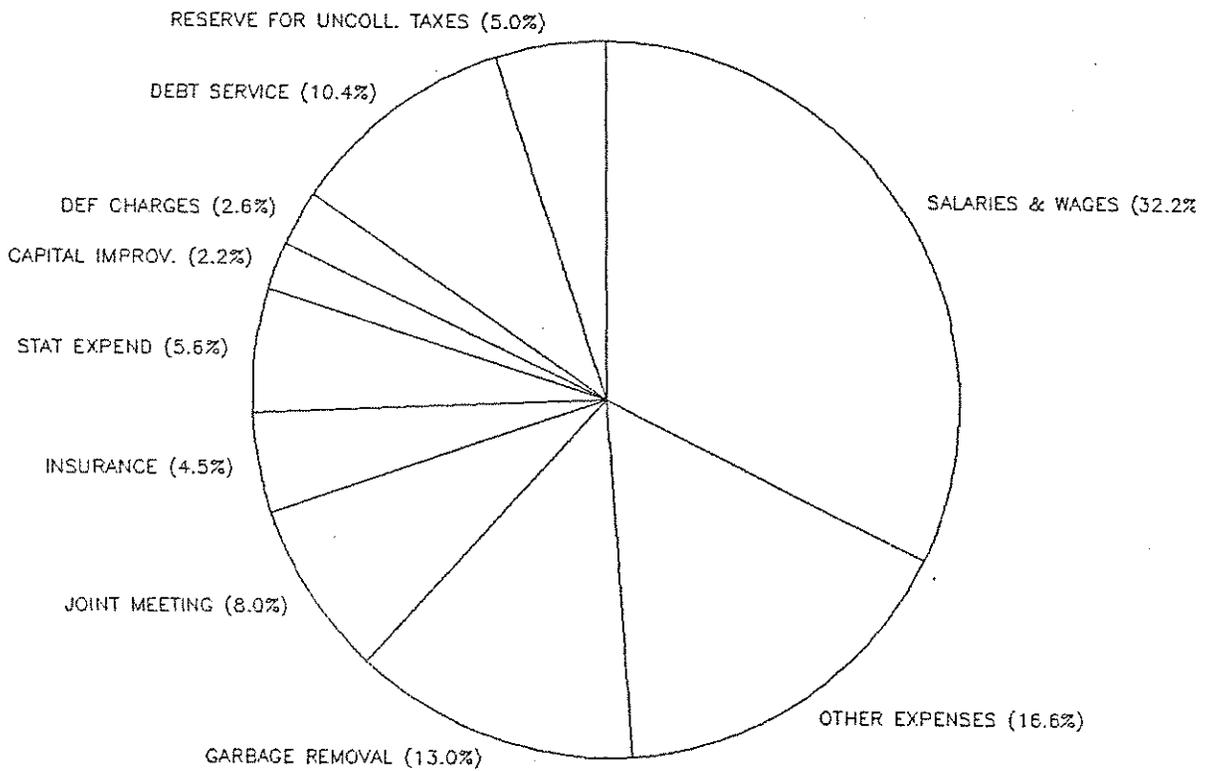
DISTRIBUTION OF 1988 REVENUES



1989 APPROPRIATIONS



1988 APPROPRIATIONS



ANNUAL REPORT OF THE TAX COLLECTOR

	1988 -----	1987 -----
TAX LEVY	\$19,891,262	\$17,256,747
ADDED TAXES	139,386	62,933
TOTAL LEVY	20,030,648	17,319,680
CURRENT TAX COLLECTIONS	19,722,736	17,069,600
SR. CITIZENS & VETERAN DEDUCTIONS	96,647	99,060
TRANSFERS & CANCELLATIONS	572	2,394
TOTAL COLLECTIONS	19,819,955	17,171,054
OUTSTANDING BALANCE	\$210,693 =====	\$148,626 =====
PERCENTAGE OF COLLECTIONS	98.94%	99.12%
BALANCE OF DELINQUENT TAXES & TAX TITLE LIENS-JAN 1	\$151,986	\$182,840
ADDED TAXES	4,200	7,685
INTEREST, COSTS & TRANSFERS	152	133
TOTAL OUTSTANDING	156,338	190,658
DELINQUENT COLLECTIONS	155,442	187,259
CANCELLATIONS	0	40
TOTAL COLLECTIONS	155,442	187,299
OUTSTANDING BALANCE	\$896 =====	\$3,359 =====
PERCENTAGE OF COLLECTIONS	99.43%	94.84%

ANALYSIS OF CURRENT AND DELINQUENT TAXES RECEIVABLE

CURRENT YEAR	\$210,692	\$148,626
DELINQUENT TAXES	896	3,359
TOTAL	\$211,588	\$151,985

SUMMARY OF LEVIES AND TAX RATES

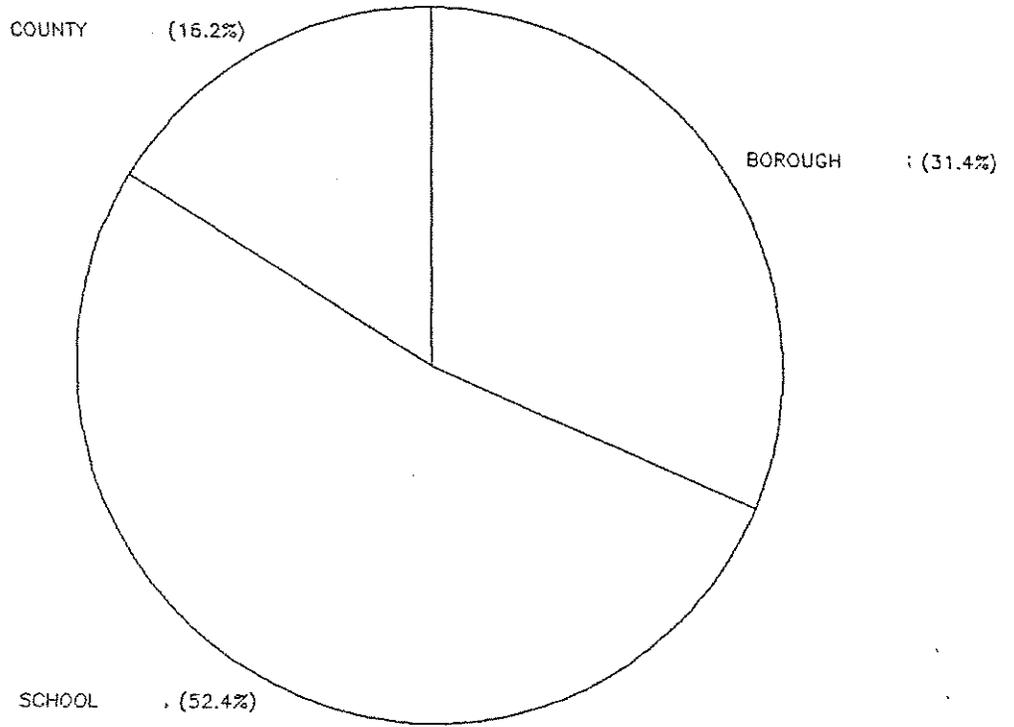
	<u>1989 ESTIMATED</u>			<u>1988 ACTUAL</u>			INCREASE (DOLLARS)
	TAX LEVY	TAX RATE	TAX DOLLAR	TAX LEVY	TAX RATE	TAX DOLLAR	
SCHOOL	11,334,105.00	1.291	0.52	10,200,923.00	1.180	0.51	1,133,182.00
COUNTY	3,500,000.00	0.399	0.16	3,236,504.22	0.374	0.16	263,495.78
BOROUGH	6,781,797.47	0.773	0.31	6,520,573.31	0.754	0.33	261,224.16
TOTAL LEVY	21,615,902.47	2.47	1.00	19,958,000.53	2.31	1.00	1,657,901.94

	<u>1988 ACTUAL</u>			<u>1987 ACTUAL</u>			INCREASE (DOLLARS)
	TAX LEVY	TAX RATE	TAX DOLLAR	TAX LEVY	TAX RATE	TAX DOLLAR	
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	0.361	0.17	259,567.74
BOROUGH PURPOSE	6,520,573.31	0.754	0.33	5,326,028.65	0.823	0.31	1,194,544.66
TOTAL LEVY	19,958,000.53	2.31	1.00	17,250,044.13	2.03	1.00	2,707,956.40

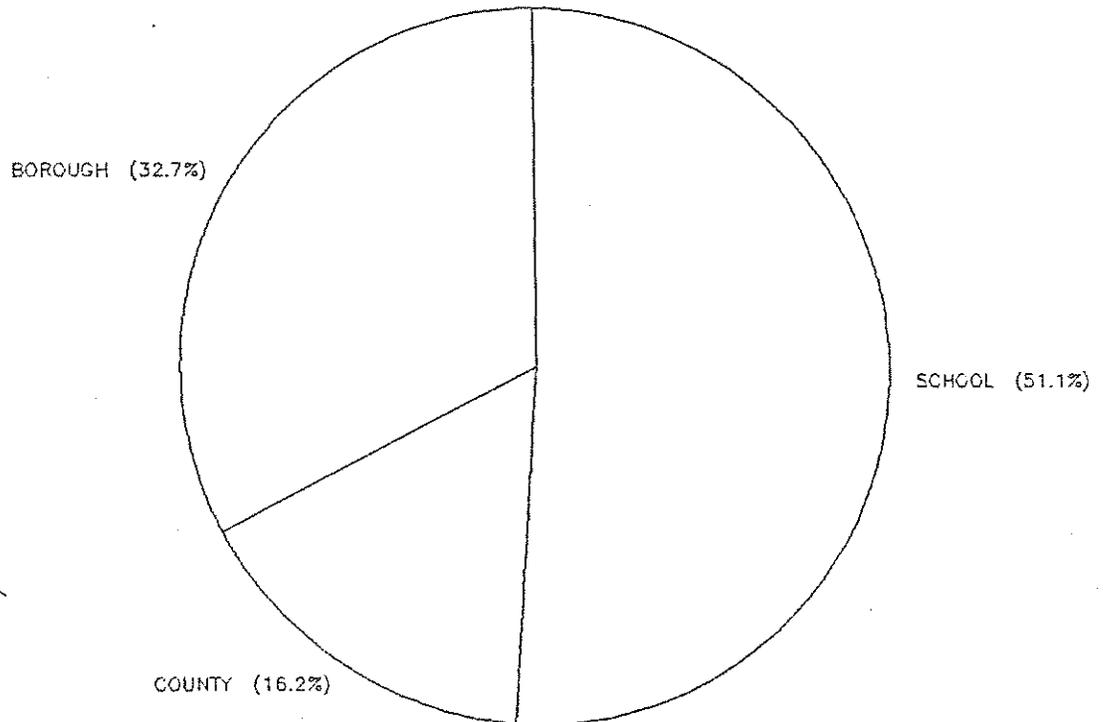
SUMMARY OF NET VALUATION TAXABLE

	<u>1989 ESTIMATED</u>	<u>1988 ACTUAL</u>	<u>1987 ACTUAL</u>
TAX RATABLES:			
REAL PROPERTY (LAND AND IMPROVEMENTS)	840,212,250	830,155,150	810,763,850
TELEPHONE & TELEGRAPH (BUSINESS PERSONAL PROPERTY)	37,664,997	34,682,330	43,530,573
TOTAL VALUATION TAXABLE	877,877,247	864,837,480	854,294,423

DISTRIBUTION OF THE 1989 TAX LEVY



DISTRIBUTION OF THE 1988 TAX LEVY



COMPARATIVE STATEMENT OF OPERATIONS
WATER UTILITY
DECEMBER 31, 1988

REVENUES

	1988	1987
	----	----
WATER RENTS	\$1,038,602	\$931,043
FIRE HYDRANT SERVICE	59,455	59,340
MISCELLANEOUS REVENUES	71,021	54,954
	-----	-----
TOTAL REVENUES	1,169,078	1,045,337

EXPENDITURES

SALARIES & WAGES	211,237	197,597
SERVICES	100,846	62,045
EQUIPMENT	60,200	51,500
SUPPLIES	42,077	44,720
OVERHEAD	268,307	256,944
SOCIAL SECURITY	14,713	14,043
PENSIONS	18,788	24,487
CAPITAL IMPROVEMENT FUND	190,000	80,000
DEBT SERVICE	222,069	188,674
	-----	-----
TOTAL EXPENDITURES	1,128,237	920,010
	-----	-----
EXCESS REVENUES	\$40,841	\$125,327
	=====	=====

COMPARATIVE DISTRIBUTION OF REVENUES
AND APPROPRIATIONS FOR 1989 AND 1988

WATER UTILITY

REVENUES

	<u>1989</u>	<u>%</u>	<u>1988</u>	<u>%</u>
SURPLUS	101,606	8.0%	146,118	12.5%
WATER RENTS	1,038,000	81.7%	931,000	79.8%
FIRE HYDRANT SERVICE	59,455	4.7%	59,340	5.1%
MISCELLANEOUS	71,000	5.6%	30,000	2.6%
	<hr style="border-top: 1px dashed black;"/>			
TOTAL	1,270,061	100.0%	1,166,458	100.0%

APPROPRIATIONS

SALARIES & WAGES	263,814	20.8%	219,039	18.8%
OTHER EXPENSES	437,783	34.5%	471,430	40.4%
CAPITAL IMPROVEMENT FUND	300,000	23.6%	190,000	16.3%
DEBT SERVICE	115,464	9.1%	137,989	11.8%
DEFERRED CHARGES	100,000	7.9%	100,000	8.6%
STATUTORY EXPENDITURES	53,000	4.2%	48,000	4.1%
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TOTAL	1,270,061	100.0%	1,166,458	100.0%

COMPARATIVE STATEMENT OF OPERATIONS
ELECTRIC UTILITY
DECEMBER 31, 1988

REVENUES

	1988	1987
RESIDENTIAL	3,630,650	3,339,009
RESIDENTIAL (OFF-PEAK WATER)	1,318	1,383
SMALL COMMERCIAL	401,359	387,236
COMMERCIAL-DEMAND	2,079,015	2,047,625
LARGE COMMERCIAL	4,017,504	3,516,033
OUTSIDE LIGHTING	1,688	1,675
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TOTAL TARIFF REVENUES	10,131,534	9,292,961
MISC. REVENUES (NET OF ADJUSTMENTS)*	1,195,529	781,530
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TOTAL REVENUES	11,327,063	10,074,491

EXPENDITURES

SALARIES & WAGES	537,196	490,804
SERVICES	159,025	178,115
EQUIPMENT	38,400	97,500
SUPPLIES	44,146	50,582
OVERHEAD	219,037	230,828
PURCHASED POWER	6,607,288	6,151,650
SOCIAL SECURITY	37,793	35,132
PENSIONS	37,576	47,544
CAPITAL IMPROVEMENT FUND	300,000	300,000
DEBT SERVICE	242,479	310,779
P.C.B. CLEAN-UP		50,000
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TOTAL EXPENDITURES	8,222,940	7,942,934
	-----	-----
EXCESS REVENUES	\$3,104,123	\$2,131,557
	=====	=====

COMPARATIVE DISTRIBUTION OF REVENUES
AND APPROPRIATIONS FOR 1989 AND 1988

ELECTRIC UTILITY

REVENUES

	1989	%	1988	%
METERED SERVICE	9,900,000	95.0%	9,005,254	95.0%
MISCELLANEOUS	125,000	1.2%	100,000	1.1%
SURPLUS	394,695	3.8%	369,000	3.9%
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TOTAL	10,419,695	100.0%	9,474,254	100.0%

APPROPRIATIONS

SALARIES & WAGES	647,316	6.2%	541,579	5.7%
OTHER EXPENSES	694,100	6.7%	573,950	6.1%
PURCHASED POWER	6,880,000	66.0%	6,493,946	68.5%
CAPITAL IMPROVEMENT FUND	529,000	5.1%	300,000	3.2%
DEBT SERVICE	136,179	1.3%	158,779	1.7%
DEFERRED CHARGES	205,000	2.0%	100,000	1.1%
STATUTORY EXPENDITURES	128,000	1.2%	106,000	1.1%
SURPLUS (GENERAL BUDGET)	1,200,000	11.5%	1,200,000	12.7%
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TOTAL	10,419,595	100.0%	9,474,254	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 projects will be reviewed by the Mayor and Council in 1989:

MUNICIPAL

Road Overlay Program
I & I work
Sewer Jet
Tractor
Blower Leaf Machine
Fire Pumper
Repairs to Health Dept. Building
Garbage Truck
Housing Rehabilitation

WATER UTILITY

Line Replacement - Loantaka
Filtration System

ELECTRIC UTILITY

Bucket Truck & Pickup Truck
Install Bus Duct Kings Road
Renovate Electric & Water
Buildings
Install two Circuits
Kings Road/James Park
Transformers
Dual Transformers/James Park