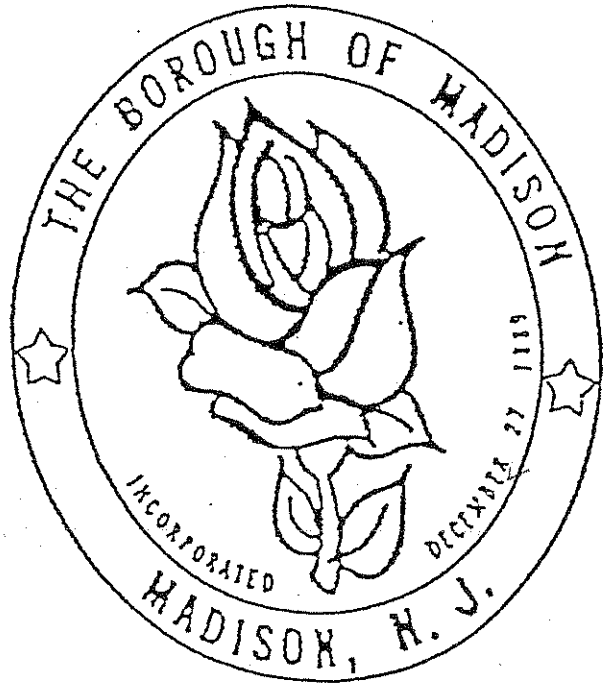
1990 BUDGET IN BRIEF



MAYOR

RALPH G. ENGELSMAN

COUNCIL

HAROLD J. DODDS

GARY E. RUCKELSHAUS

JOSEPH J. VERBARO, JR.

DAWN Z. SMITH

ROBERT E. SYLVERSTEIN III

DENNIS G. MULLINS

March 14, 1990

REPORT TO THE TAXPAYERS

Will Rogers is reported to have said, "I never met a man I didn't like." It seems to me that I "never met a budget that I did like." It doesn't matter whether it's a personal matter of trying to make ends meet or one of trying to maintain a high level of service and quality in the Borough, it is next to impossible to maintain a high standard of living with less income.

This is a long-winded way of saying that we are struggling with this issue but have not been totally successful in meeting increased costs with dwindling revenues. The reduction in revenues is a combination of less money appropriated from surplus and a reduction in the amount received from the Electric Utility. We, at the same time, are impacted by an increase in debt service necessitated to cover costs related to the sewer plant upgrade. The net result of this is an increase in taxes for municipal services of 14.5% even though appropriations have only increased 5%. The tax increase will mean $398 increase for an average property with an assessed value of $159,000. That is $179 increase for municipal, $169 for school and $50 increase for county services.

The Budget in Brief provides taxpayers with a summary of last year's activities and the planned programs for 1990. It should be noted that in going over the budget the Mayor and Council reduced capital expenditures that were requested from $4.2 million to $350,000. Clearly, that means that some streets will not be paved; repairs will not be made, and many other improvements will be delayed for one or two years in order to keep the tax increase to a minimum. When reaching these decisions, the critical needs were addressed first and those that could be delayed have been put on the back burner temporarily. This does not mean they won't be attended to; it does mean that the timetable has been extended.

As you examine this budget, please pay attention to the impact that the school budget and the county budget have on our overall tax rate. Also please recognize the impact of programs that the state legislates and then passes the funding responsibility onto the local municipality, ergo the property taxpayer. The state legislature needs to know that you expect it to pay for what it requires local government to do. The property taxpayer will not gain any relief if the legislature unnecessarily increases retirement packages for police and insists that we provide services to condominiums regardless of prior agreements.

All of us want to keep Madison an affordable community for all economic groups. All employees are proud of their commitment to the community and continually strive to provide excellent services for your tax dollar. Elected officials and the Borough family pledge our continued efforts in this regard.

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 F. Kalafut
Borough Clerk	Esther Sebesto
Deputy Borough Clerk	Roslyn Young
Chief of Police	Donald R. Capen
Fire Chief	Thomas Kiernan
Health Officer	Robert S. Deasey
Borough Engineer	Daniel P. Biondo
Utility Engineer	David Molendyke
Court Clerk	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

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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 1990 are as follows:

Standing Committee	Chairperson	Other Member
Utilities	Gary E. Ruckelshaus	Joseph J. Verbaro, Jr.
Public Safety	Harold J. Dodds	Dawn Z. Smith
Public Works & Engineering	Joseph J. Verbaro	R.E. Sylverstein,III
Health & Public Assistance	Dawn Z. Smith	Dennis G. Mullins
Finance & Borough Clerk	R.E. Sylverstein,III	Gary E. Ruckelshaus
Parks & Recreation	Dennis G. Mullins	Harold J. Dodds

THE 1990 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 **February 26th** and published in the **MADISON EAGLE** on **March 8th.** At the introduction of the Budget the Council set **March 26th** 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 April 10th 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 1990 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

	1990	1989	INCREASE (DECREASE)	PERCENTAGE CHANGE
APPROPRIATIONS (EXCLUDING RESERVE FOR UNCOLLECTED TAXES)	12,717,230.00	12,128,833.00	588,397.00	4.9
LESS: ANTICIPATED REVENUE	5,530,497.00	5,995,513.00	(465,016.00)	-7.8
NET APPROPRIATIONS	7,186,733.00	6,133,320.00	1,053,413.00	17.2
PLUS: SCHOOL LEVY	12,489,998.00	11,334,106.00	1,155,892.00	10.2
COUNTY LEVY	3,818,059.00	3,393,830.00	424,229.00	12.5
APPROPRIATIONS AND OTHER TAXES	23,494,790.00	20,861,256.00	2,633,534.00	12.6
COLLECTION RATE	97.00%	97.00%		
AMOUNT TO BE RAISED BY TAXATION	24,221,432.99	21,506,449.48	2,714,983.51	12.6
DIFFERENCE-RESERVE FOR UNCOLLECTED TAXES	726,642.99	645,193.48	81,449.51	12.6
ASSESSED VALUATION	856,948,250.00	840,212,250.00	16,736,000.00	2.0
TOTAL RATABLES	893,691,851.00	877,877,247.00	15,814,604.00	1.8
TOTAL APPROPRIATIONS (INCLUDING RESERVE FOR UNCOLLECTED TAXES)	13,443,872.99	12,774,026.00	669,846.99	5.2
LESS ANTICIPATED REVENUE	5,530,497.00	5,995,513.00	(465,016.00)	-7.8
LOCAL TAX LEVY	7,913,375.99	6,778,513.00	1,134,862.99	16.7
LOCAL TAX RATE	0.885	0.773	0.112	14.5
SCHOOL TAX RATE	1.398	1.291	0.107	8.3
COUNTY TAX RATE	0.427	0.396	0.031	7.9
TOTAL TAX RATE	2.710	2.460	0.250	10.2
ONE POINT EQUALS	89,369.19	87,787.72	1,581.47	1.8
AVG. RESIDENTIAL ASSESSED VALUE	159,000.00	159,000.00		
BOROUGH TAXES	1,407.90	1,229.07	178.83	14.5
SCHOOL TAXES	2,222.14	2,052.69	169.45	8.3
COUNTY TAXES	679.28	629.64	49.64	7.9
TOTAL TAXES	4,309.32	3,911.40	397.92	10.2

MUNICIPAL BUDGET

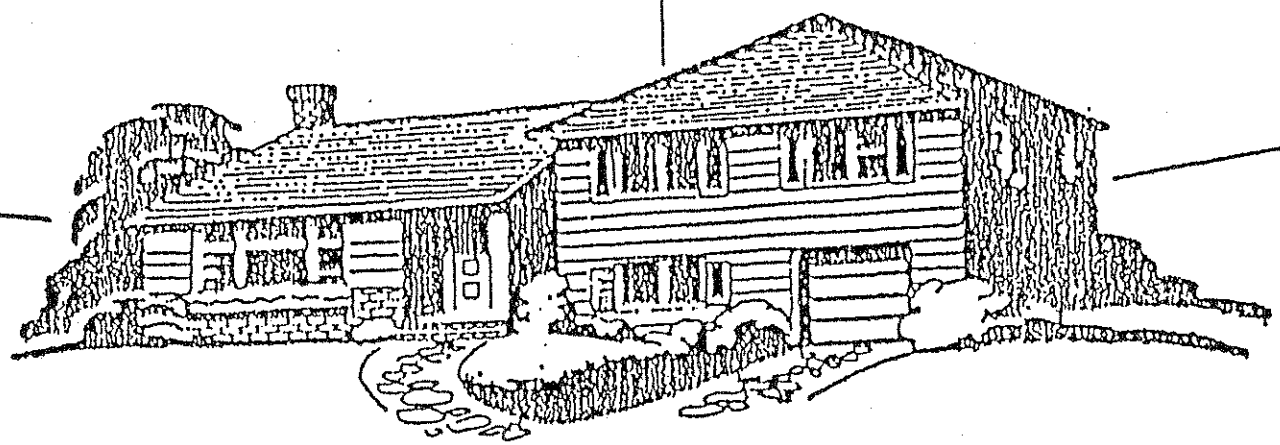
COMPARATIVE DISTRIBUTION OF REVENUE AND APPROPRIATIONS FOR 1990 AND 1989

REVENUE

	1990	%	1989	%
SURPLUS	1,064,000	7.9%	1,217,022	9.5%
MUNICIPAL	1,329,633	9.9%	1,137,950	8.9%
STATE	811,864	6.0%	838,299	6.6%
FEDERAL		0.0%		0.0%
UTILITY	2,200,000	16.4%	2,677,242	21.0%
DELINQUENT TAXES	125,000	0.9%	125,000	1.0%
PROP TAXES	7,913,376	58.9%	6,778,513	53.1%
TOTAL REVENUE	$13,443,873	100%	$12,774,026	100%

APPROPRIATIONS

SALARIES & WAGES	4,453,852	33.1%	4,056,088	31.8%
OTHER EXPENSES	2,198,467	16.4%	2,113,230	16.5%
GARBAGE REMOVAL	1,756,465	13.1%	1,663,842	13.0%
JOINT MEETING	522,000	3.9%	421,870	3.3%
INSURANCE	739,691	5.5%	692,100	5.4%
STAT EXPEND	736,679	5.5%	720,000	5.6%
CAPITAL IMPROV.	354,738	2.6%	750,000	5.9%
DEF CHARGES	28,510	0.2%	316,000	2.5%
DEBT SERVICE	1,926,828	14.3%	1,395,703	10.9%
RESERVE FOR UNCOLL. TAXES	726,643	5.4%	645,193	5.1%
TOTAL APPROPRIATIONS	$13,443,873	100%	$12,774,026	100%



TOTAL COSTS AND TAX RATE

Borough	$1407.90	$ .885
School	2222.14	1.398
County	679.28	.427
	$4309.32	$ 2.710

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 1989

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) BARDON STREET

Reconstruction along Bardon Street was completed, including pavement, curb, sidewalk, and storm sewer reconstruction.

B) FAIRWOODS III

Reconstruction along Ferndale and Forest Roads was completed, 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 continued. 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

An Emergency One Custom Pumper which meets OSHA standards was purchased. This new pumper replaces a 20 year old model.

E) SOLID WASTE REMOVAL

The curbside programs for newsprint and glass and aluminum containers continued to provide residents with a reasonable and convenient way to recycle. This year tin and bimetal cans and plastic soda bottles were added to the comingled container mix. Additionally, the Borough is again taking part in the County's leaf composting program.

F) 1989 SIDEWALK PROGRAM

Madison offered homeowners a cost sharing sidewalk repair program whereby the Borough reimbursed property owners up to 25% of the cost of repairing sidewalks. Forty-one property owners took part in the program.

G) ELECTRIC AND WATER UTILITY ADMINISTRATION

In the Electric Utility, plans were developed to convert the Kings Road substation to 12KV. This project will take about five years to implement. In the Water Utility, planning continued for a filtration system to protect residents against contamination. The plan is to be ready for construction of a filtration system when and if these problems reach a point of possible danger. Of course, these projects have caused Madison's utility customers to experience rate increases for water and electric usage in 1989. In May, water rates rose 16.6%; in November, electric rates rose 7.83%. The Borough has tried to hold costs down by discontinuing the use of a consultant to monitor utility operations.

1990 PLANS

Projects anticipated to be undertaken in 1990 are:

A. SPRING GARDEN BROOK PHASE III

This project will complete drainage improvements to the Spring Garden Brook system, eliminating the last areas in town where major flooding takes place. Estimates for the project are calculated to be between 1.2 and 1.4 million dollars. Partial funding is anticipated from state and county governments.

B. MADISON-CHATHAM JOINT MEETING

The upgrade of the sewer plant, shared by Madison and Chatham which began in 1988, is slated for completion this year with testing and the lifting of the sewer ban to hopefully come in 1991. Madison's portion of the cost of this project is estimate to be $11,880,010.

C. 1990 SIDEWALK PROGRAM

Due to the success of last year's program, Madison is again offering a cost sharing sidewalk repair program whereby the Borough will reimburse property owners up to 25% of the cost for repairing sidewalks.

D. ROAD CONSTRUCTION

Reconstruction of Ferndale and Forest Roads, Maple Avenue, Chateau Thierry and Belleau Avenue intersection and the Oak Loop are scheduled for completion in 1990. Plans for the Fairwoods II project will be released this year.

E. 1990 COMMUNITY DEVELOPMENT GRANTS

1. Senior Citizens Center - A $23,500 grant was requested for modifications to the Center.

2. Museum of Early Trades and Crafts - a $70,000 grant was requested to rehabilitate and restore this historic building.

3. Housing Authority - A $100,000 grant was requested for Madison Scatter Site Property Acquisition.

F. COUNTY COMPUTER FOR UTILITY BILLING

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

G. SOLID WASTE REMOVAL

The Borough has formed a garbage committee to research alternate means of handling solid waste in preparation for renegotiating a new garbage contract this year. In addition, Madison has volunteered to host a household hazardous waste collection day this Spring.

H. ELECTRIC UTILITY ADMINISTRATION

The Borough anticipates a rate increase for electric usage in 1990 due to increased costs of purchased power.

STATEMENT OF OPERATIONS

CURRENT, WATER & ELECTRIC

DECEMBER 31, 1989

	CURRENT	WATER	ELECTRIC	TOTAL (MEMO ONLY)
R E V E N U E				
SURPLUS, JANUARY 1, 1989	$1,594,635.00	$311,717.00	$2,807,417.00	$4,713,769.00
PROPERTY TAXES	21,357,267.00			21,357,267.00
WATER RENTS		1,046,587.00		1,046,587.00
METERED SERVICES			10,070,788.00	10,070,788.00
DELINQUENT TAXES	211,766.00			211,766.00
MISCELLANEOUS REVENUE AND OTHER CREDITS TO INCOME	5,789,425.00	245,318.00	649,413.00	6,684,156.00
TOTAL FUNDS	28,953,093.00	1,603,622.00	13,527,618.00	44,284,333.00
A P P R O P R I A T I O N S				
SALARIES AND WAGES	4,059,371.00	263,814.00	647,316.00	4,970,501.00
OTHER EXPENSES	4,906,870.00	437,783.00	7,574,100.00	12,918,753.00
STATUTORY EXPENDITURES	720,000.00	53,000.00	128,100.00	901,100.00
DEFERRED CHARGES	316,000.00	100,000.00	205,000.00	621,000.00
CAPITAL IMPROVEMENT FUND	750,000.00	300,000.00	529,000.00	1,579,000.00
DEBT SERVICE	1,395,703.00	115,464.00	136,179.00	1,647,346.00
SCHOOL TAXES	11,334,106.00			11,334,106.00
COUNTY TAXES	3,401,594.00			3,401,594.00
OTHER EXPENDITURES AND OTHER DEDUCTIONS FROM INCOME			1,200,000.00	1,200,000.00
TOTAL EXPENDITURES	26,883,644.00	1,270,061.00	10,419,695.00	38,573,400.00
LESS: AMOUNT TRANSFERRED TO CURRENT FUND		85,000.00	1,392,242.00	1,477,242.00
SURPLUS BALANCE, DECEMBER 31, 1989	$2,069,449.00	$248,561.00	$1,715,681.00	$4,033,691.00

COMPARATIVE DISTRIBUTION OF REVENUE
AND APPROPRIATIONS FOR 1990 AND 1989

REVENUE

	1990	%	1989	%
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PROP TAXES	7,913,376	58.9%	6,778,513	53.1%
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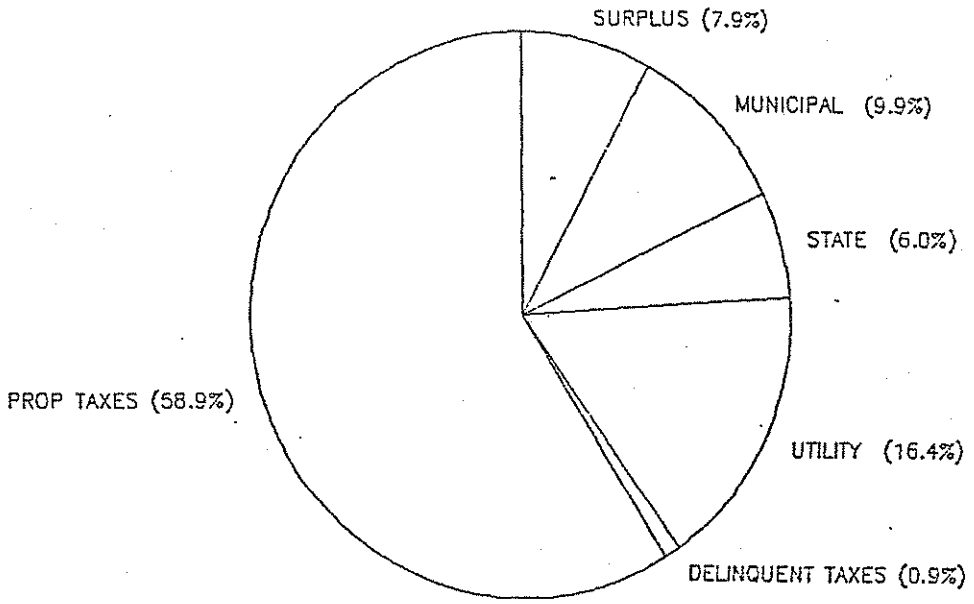
DISTRIBUTION OF 1990 REVENUES



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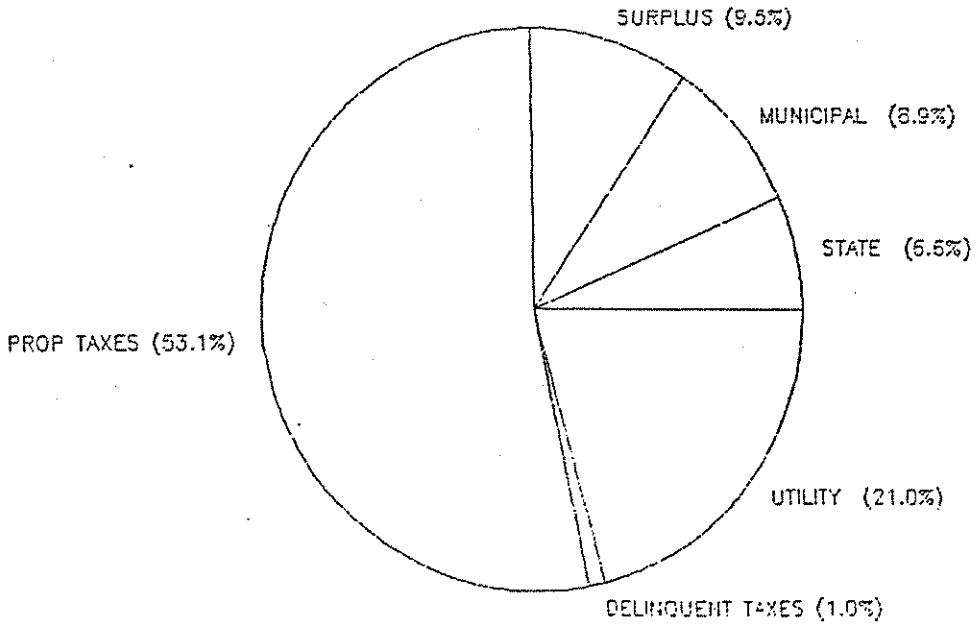
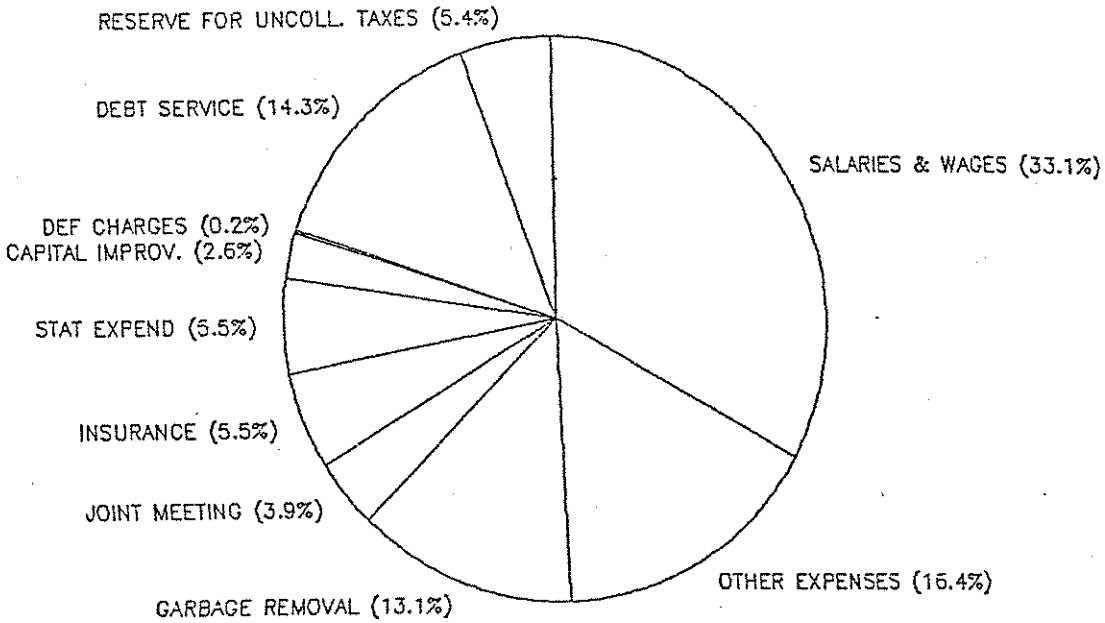
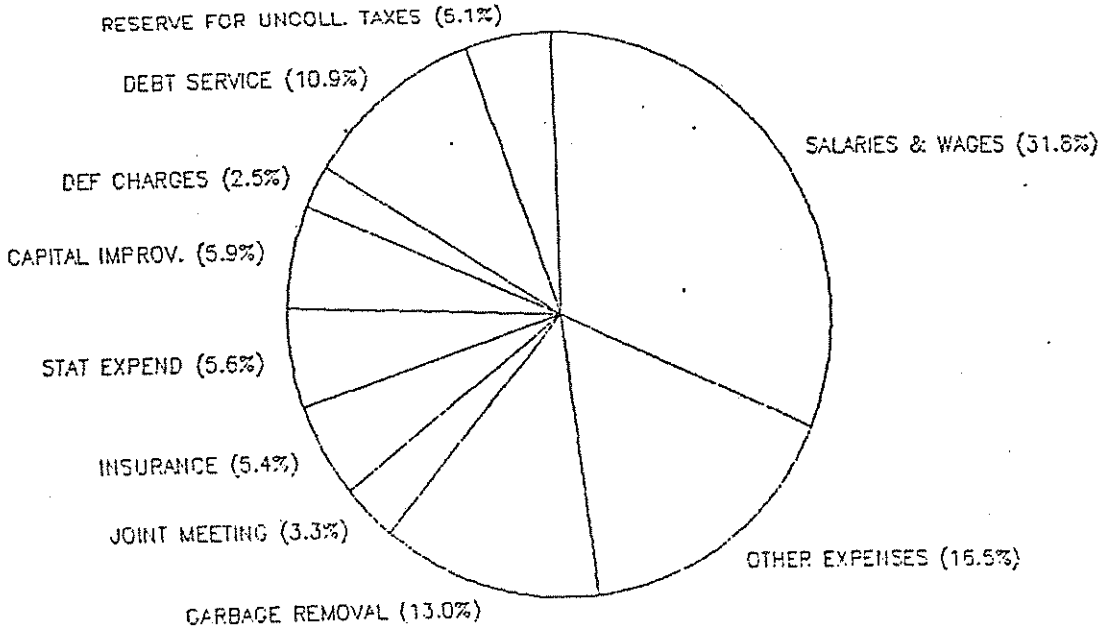


1990 APPROPRIATIONS



1989 APPROPRIATIONS



ANNUAL REPORT OF THE TAX COLLECTOR

	1989	1988
TAX LEVY	$21,595,780	$19,891,262
ADDED TAXES	46,682	139,386
TOTAL LEVY	21,642,462	20,030,648
CURRENT TAX COLLECTIONS	21,261,269	19,722,736
SR. CITIZENS & VETERAN DEDUCT	93,221	96,647
TRANSFERS & CANCELLATIONS	27,505	572
TOTAL COLLECTIONS	21,381,995	19,819,955
OUTSTANDING BALANCE	$260,467	$210,693
PERCENTAGE OF COLLECTIONS	98.25%	98.94%

BALANCE OF DELINQUENT TAXES & TAX TITLE LIENS-JAN. 1	$211,588	$151,986
ADDED TAXES	3,283	4,200
INTEREST, COSTS, & TRANSFERS	2,793	152
TOTAL OUTSTANDING	217,664	156,338
DELINQUENT COLLECTIONS	211,766	155,442
CANCELLATIONS	0	0
TOTAL COLLECTIONS	211,766	155,442
OUTSTANDING BALANCE	$5,898	$896
PERCENTAGE OF COLLECTIONS	97.29%	99.43%

ANALYSIS OF CURRENT AND DELINQUENT TAXES RECEIVABLE

CURRENT YEAR	$260,467	$210,693
DELINQUENT TAXES & TAX TITLE LIENS	5,898	896
TOTAL	$266,365	$211,589

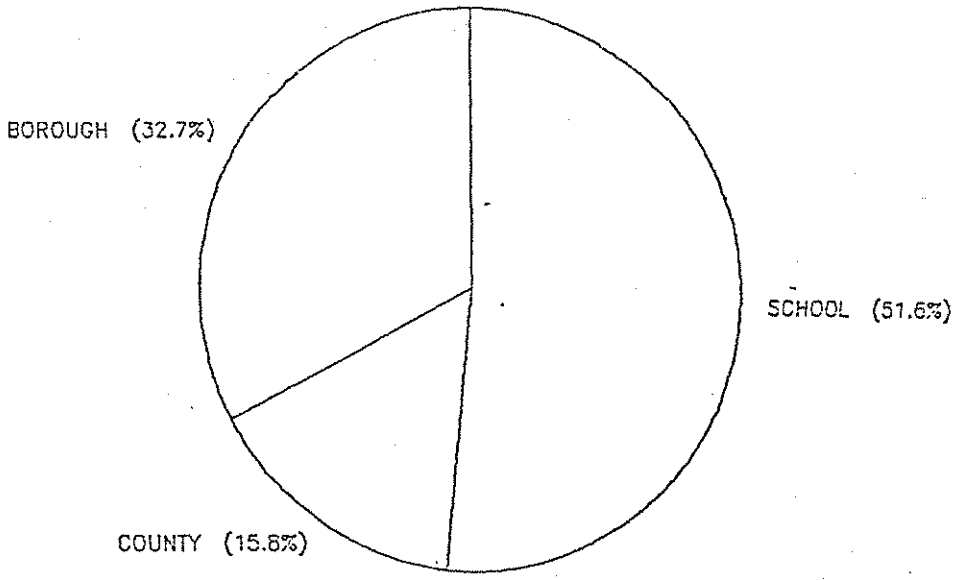
SUMMARY OF LEVIES AND TAX RATES

	1990 ESTIMATED			1989 ACTUAL			
	TAX LEVY	TAX RATE	TAX DOLLAR	TAX LEVY	TAX RATE	TAX DOLLAR	INCREASE (DOLLARS)
SCHOOL	12,489,998.00	1.398	0.52	11,334,106.00	1.291	0.53	1,155,892.00
COUNTY	3,818,059.00	0.427	0.16	3,393,830.00	0.396	0.16	424,229.00
BOROUGH	7,913,376.00	0.885	0.33	6,778,513.00	0.773	0.32	1,134,863.00
TOTAL LEVY	24,221,433.00	2.71	1.00	21,506,449.00	2.46	1.00	2,714,984.00

	1989 ACTUAL			1988 ACTUAL			
	TAX LEVY	TAX RATE	TAX DOLLAR	TAX LEVY	TAX RATE	TAX DOLLAR	INCREASE (DOLLARS)
SCHOOL PURPOSE	11,334,106.00	1.291	0.53	10,200,923.00	1.194	0.51	1,133,183.00
COUNTY PURPOSE	3,393,830.00	0.396	0.16	3,236,504.00	0.361	0.16	157,326.00
BOROUGH PURPOSE	6,778,513.00	0.773	0.32	6,520,573.00	0.763	0.33	257,940.00
TOTAL LEVY	21,506,449.00	2.46	1.00	19,958,000.00	2.32	1.00	1,548,449.00

SUMMARY OF NET VALUATION TAXABLE	1990 ESTIMATED	1989 ACTUAL	1988 ACTUAL
TAX RATABLES:			
REAL PROPERTY (LAND AND IMPROVEMENTS)	856,948,250	840,212,250	830,155,150
TELEPHONE & TELEGRAPH (BUSINESS PERSONAL PROPERTY)	36,743,601	37,664,997	34,682,330
TOTAL VALUATION TAXABLE	893,691,851	877,877,247	864,837,480

DISTRIBUTION OF THE 1990 TAX LEVY



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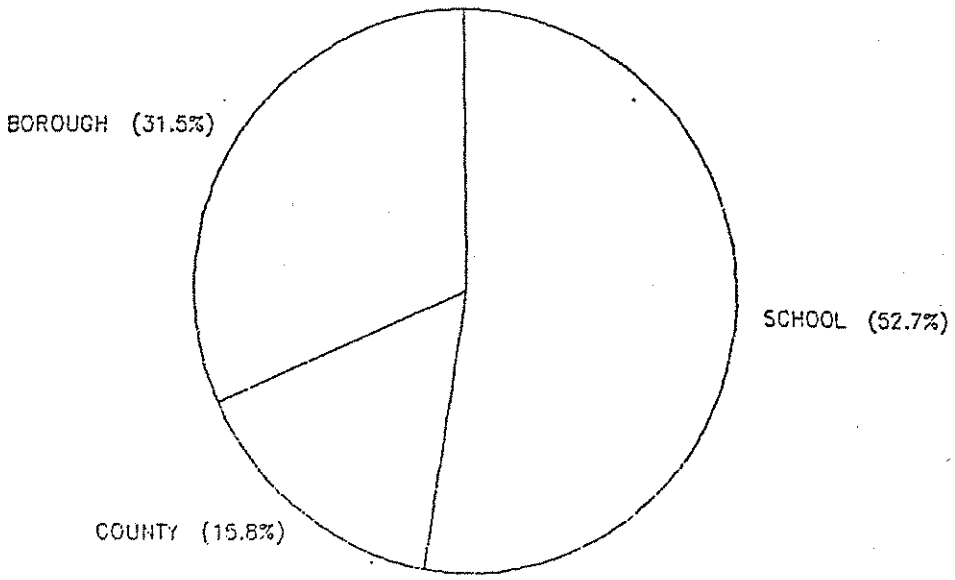

COMPARATIVE STATEMENT OF OPERATIONS
WATER UTILITY
DECEMBER 31,1989

REVENUE

	1989	1988
WATER RENTS & SURPLUS	$1,148,193	$1,184,720
FIRE HYDRANT SERVICE	60,726	59,455
MISCELLANEOUS REVENUE	85,772	71,021
TOTAL REVENUE*	1,294,691	1,315,196

EXPENDITURES

SALARIES & WAGES	239,686	211,237
SERVICES	62,100	100,846
EQUIPMENT	55,300	60,200
SUPPLIES	44,400	42,077
OVERHEAD	275,983	268,307
SOCIAL SECURITY	21,886	14,713
PENSIONS	33,000	18,788
CAPITAL IMPROVEMENT FUND	400,000	290,000
DEBT SERVICE	115,464	122,069
TOTAL EXPENDITURES	1,247,819	1,128,237
EXCESS REVENUE	$46,872	$186,959

COMPARATIVE DISTRIBUTION OF REVENUE AND APPROPRIATIONS FOR 1990 AND 1989

WATER UTILITY

REVENUE

	1990	%	1989	%
SURPLUS	0	0.0%	101,606	8.0%
WATER RENTS	1,037,642	88.9%	1,038,000	81.7%
FIRE HYDRANT SERVICE	56,000	4.8%	59,455	4.7%
MISCELLANEOUS	73,858	6.3%	71,000	5.6%
TOTAL	1,167,500	100.0%	1,270,061	100.0%

APPROPRIATIONS

SALARIES & WAGES	263,262	22.5%	263,814	20.8%
OTHER EXPENSES	441,392	37.8%	437,783	34.5%
CAPITAL IMPROVEMENT FUND	300,000	25.7%	300,000	23.6%
DEBT SERVICE	105,946	9.1%	115,464	9.1%
DEFERRED CHARGES	0	0.0%	100,000	7.9%
STATUTORY EXPENDITURES	56,900	4.9%	53,000	4.2%
TOTAL	1,167,500	100.0%	1,270,061	100.0%

COMPARATIVE STATEMENT OF OPERATIONS
ELECTRIC UTILITY
DECEMBER 31,1989

REVENUE

	1989	1988
RESIDENTIAL	3,715,000	3,630,650
RESIDENTIAL (OFF-PEAK WATER)	2,000	1,318
SMALL COMMERCIAL	447,000	401,359
COMMERCIAL-DEMAND	2,219,000	2,079,015
LARGE COMMERCIAL	4,169,000	4,017,504
OUTSIDE LIGHTING	2,000	1,688
TOTAL TARIFF REVENUES	10,554,000	10,131,534
MISC. REVENUES	547,755	444,673
TOTAL REVENUES	11,101,755	10,576,207

EXPENDITURES

SALARIES & WAGES	636,774	537,196
SERVICES	176,185	159,025
EQUIPMENT	73,902	38,400
SUPPLIES	349,132	44,146
OVERHEAD	242,521	219,037
PURCHASED POWER	6,631,100	6,607,288
SOCIAL SECURITY	46,756	37,793
PENSIONS	48,080	37,576
CAPITAL IMPROVEMENT FUND	529,000	300,000
DEBT SERVICE	136,179	242,479
P.C.B. CLEAN-UP	0	0
TOTAL EXPENDITURES	8,869,629	8,222,940
EXCESS REVENUES	$2,232,126	$2,353,267

COMPARATIVE DISTRIBUTION OF REVENUE AND APPROPRIATIONS FOR 1990 AND 1989

ELECTRIC UTILITY

REVENUE

	1990	%	1989	%
METERED SERVICE	10,070,000	93.7%	9,900,000	95.0%
MISCELLANEOUS	223,826	2.1%	125,000	1.2%
SURPLUS	449,006	4.2%	394,695	3.8%
TOTAL	10,742,832	100.0%	10,419,695	100.0%

APPROPRIATIONS

SALARIES & WAGES	652,641	6.1%	647,316	6.2%
OTHER EXPENSES	752,335	7.0%	694,100	6.7%
PURCHASED POWER	7,379,600	68.7%	6,880,000	66.0%
CAPITAL IMPROVEMENT FUND	500,000	4.7%	529,000	5.1%
DEBT SERVICE	129,756	1.2%	136,179	1.3%
DEFERRED CHARGES	0	0.0%	205,000	2.0%
STATUTORY EXPENDITURES	128,500	1.2%	128,000	1.2%
SURPLUS (GENERAL BUDGET)	1,200,000	11.2%	1,200,000	11.5%
TOTAL	10,742,832	100.0%	10,419,595	100.0%

THE CAPITAL BUDGET AND PROGRAM

The 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 1990:

MUNICIPAL

E-911 Telephone System	$ 4,000
Computer Aid Dispatch for Police	13,500
Air Handler for Communication Area	8,000
Fire Department Pick-up Truck	15,500
Fire Pumper	12,500
Parking Lot Reconstruction	3,700
Elm Street Sidewalks	13,000
Storm Sewer and Topographic Maps	27,000
Road Overlay Program	67,738
Snow Plows	8,500
Bucket for Front-end Loader	8,500
Repairs to Finance Department	3,000
Carpeting for Library and Senior Center	16,800

WATER UTILITY

Line Replacement - Loantaka	$ 43,000
Filtration System	110,000