

# Budget Presentation

December 13, 2021

(With minor revisions made on December 14 based on Council comments)

# Agenda

- Review the budget schedule
- Review the 2021 Open Space Trust Fund activity and possible upcoming projects
- Present the 2021 Five Year Capital Plan

**\$2 MILLION ELECTRIC DIVIDEND EXTENDED**  
 During the 2021 budget process, Council approved a \$2 million electric dividend to be distributed to all customers. This dividend will automatically appear on your utility bill through December 2020. For residential customers, the credit is approximately a 10% reduction in your bill.

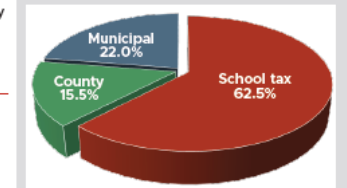
**PANDEMIC CHALLENGES CONTINUE**  
 The pandemic has continued to have a negative impact on municipal revenues. More information can be found on the back side of this document.

**FEDERAL RELIEF FUNDS DEDICATED TO NEW RADIO SYSTEM**  
 The Borough is scheduled to receive \$1,847,818.66 in American Rescue Plan funds. While it is greatly appreciated, it is important to note that this does not cover the lost revenue that the Borough has experienced over the last two years from the pandemic.

On July 26, the Mayor and Council voted to dedicate \$1.5 million of these funds for a much needed municipal radio system. This new system will improve public safety and enhance the communication of and between various agencies including the Police, Fire, Volunteer Ambulance, Public Works, Electric Utility, Water Utility and the Public Schools.

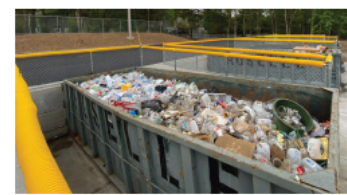


**MADISON TAX BILL BREAKDOWN**  
 This chart illustrates the breakdown of taxes for each component of your property tax bill.



	2013	2021	9 Year \$ Inc.	9 Year % Inc.
County	\$1,781.42	\$2,095.01	\$313.58	17.6%
School	\$7,119.02	\$8,453.42	\$1,334.40	18.7%
Borough	\$2,802.24	\$2,969.04	\$166.80	6.0%
<b>Total</b>	<b>\$11,702.68</b>	<b>\$13,517.47</b>	<b>\$1,814.78</b>	

This table shows all of the parts of a tax bill for a property assessed at \$667,200.



Visit the Borough's Recycling Center on Station Road, which is open with extended hours.

**WHAT DO YOU GET?**  
 An average home valued at \$667,200, received a property tax bill of \$13,517.47. The municipal portion of this tax bill is \$2,969.04. For this amount, the residents of that home will receive the following services & programs:

- MUNICIPAL SERVICES**
- Garbage & Recycling Pickup
  - Yard Waste & Fall Leaf Pickup
  - Road Plowing & Maintenance
  - Recreation & Parks Maintenance
  - Library
  - Police Department & Crossing Guards
  - Fire Department & Fire Safety
  - Sewage Treatment
  - Health Department
  - Senior Citizen Services-Administration/Elections/Records
  - Construction/Planning/Zoning
- CAPITAL**
- Road Maintenance & Reconstruction
  - Electric & Water Utility Infrastructure
  - Sewage & Storm Water Systems
  - Hartley Dodge, Library & other Buildings
  - Parks & Recreation Fields
  - Fire Trucks & Large Apparatus
  - Public Works Equipment & Vehicles

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to receive alerts for Madison via text, voice and/or email.

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1. CAPTURE
2. REPORT
3. COMMUNICATE

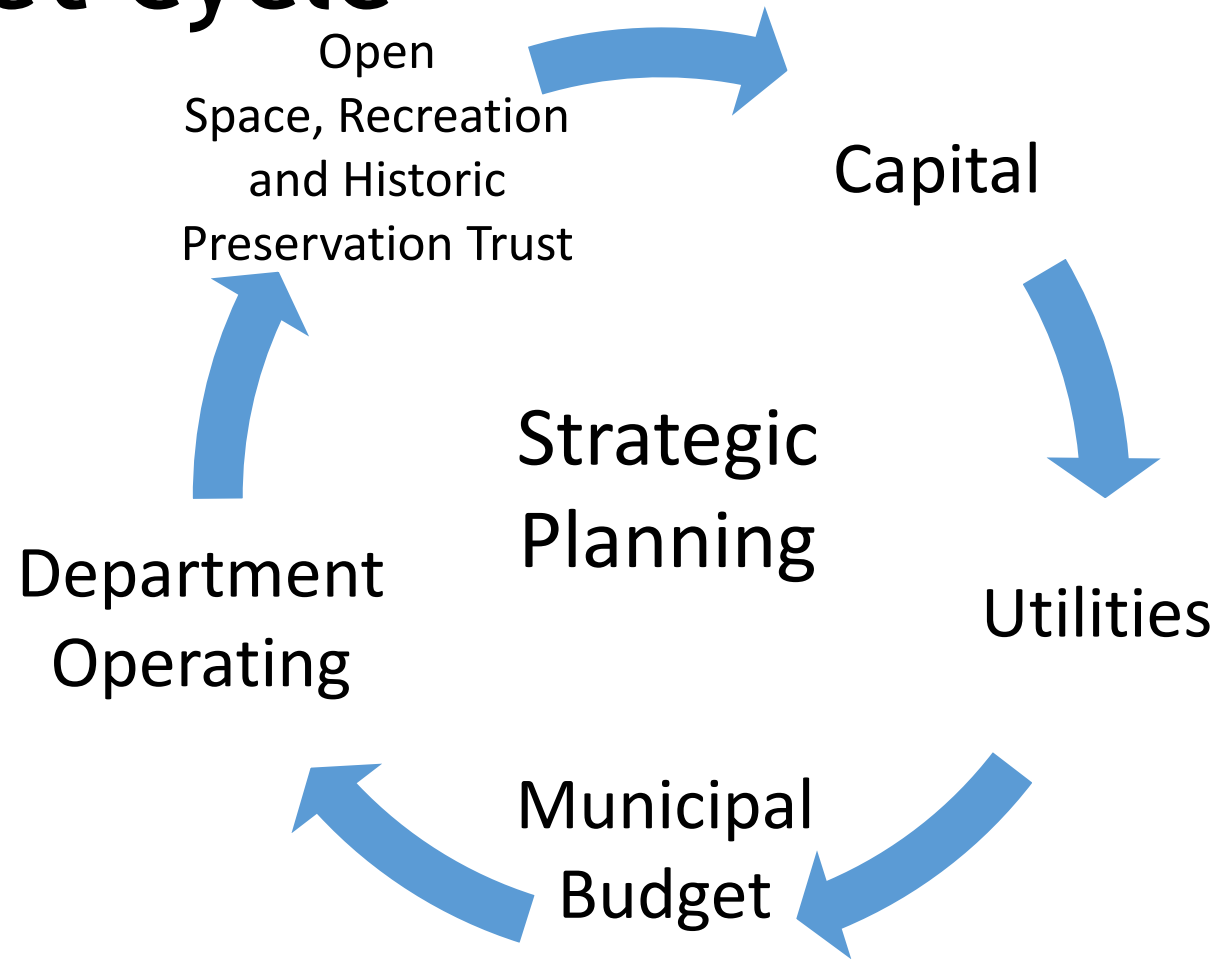
To report an issue, visit [Rosenet.org/SeeClickFix](http://Rosenet.org/SeeClickFix)

# Proposed Hearing Schedule

- December 13: Budget schedule review, Open Space, Recreation and Historic Preservation Trust Fund and the 5 year Capital Plan.
- January 10: Road program discussion and introduction of funding ordinances.
- January 24: Electric and Public Works Department Head presentations. Utilities budget and fund balance discussion. Hearing on the road program funding ordinances.
- February 14: Initial budget discussion & municipal surplus discussion.
- February 28: Department Head presentations.
- March 14: Second discussion on the draft budget. Strategic Planning Guidelines and Alternate Budget Format presented. Authorization to draft the official state budget document.
- March 28: Final budget discussion. Official State Budget Introduction\*.
- April 25: Budget adoption.

*\* We are required to have a state review this year. As such, that may process may delay budget introduction.*

# The budget cycle



# Three entities

When Council votes to adopt the budget, they are approving the year's **OPERATING** budgets for three entities:

**Current Fund:** This is the “main budget” and includes police, fire, public works, buildings & grounds, library, sewage, garbage, recycling, yard waste, clerk, court, construction, seniors, finance, administration, etc.

**Electric Utility:** Field operations, back office and billing.

**Water Utility:** Field operations, back office and billing.

# Three Capital Accounts

When Council votes on the budget, you are voting on the OPERATING budgets for the current fund, water utility and electric utility. Capital items are voted on via separate capital ordinances throughout the year.

Each of the three entities has a Capital Account... the General Capital Fund (for the current fund), Electric Capital Fund and Water Capital Fund. When you vote on a separate capital ordinance, the funds for that ordinance typically come from the capital fund.

Each operating budget includes a line for capital. That is the amount of \$\$ that is being taken from the operating account and transferred into the capital account to fund future projects.

# Budget or spending plan?

The word 'budget' is used, but 'spending plan' is a better term. When council approves the budget, they are approving the amount of money that will be spent for the entire year.

A business can typically change their budget during the year. Example.... They get a new contract so they decide to expand the business. The same holds true for a personal budget. If someone gets a promotion, they may go out and make additional purchases that year.

That is not the case for a municipal budget. The amount for snow removal or fuel is set at the beginning of the year and (unless an emergency is declared) can not change, no matter what happens with the weather or fuel prices.

If the budget includes \$200,000 for snow removal, and only \$120,000 is spent, then the remaining funds become "fund balance".

# Open Space, Recreation and Historic Preservation Trust Fund




Open Space,  
Recreation and  
Historic Preservation  
Trust Fund  
As of November 30, 2021

<b>Open Space Trust Fund Account</b>		
Estimate of Revenues and Expenses		
As of December 10, 2021		
<b>Beginning Balance as of January 1, 2021</b>		<b>\$ 297,092</b>
<b><u>INFLOWS</u></b>		
Tax Levy	\$ 647,847	
Field Rentals and User Fees	\$ 88,816	
Funds from reserved Green Acres grant to pay for land portion of 2021 debt	\$ 145,000	
Interest	\$ 5,375	
<b><u>OUTFLOWS</u></b>		
MRC Debt/Bond Payments		\$ 313,030
MRC DRE Common Area Maintenance Fee		\$ 10,000
Field Rental & User Fees transferred to reserves for MRC turf reskinning		\$ 88,816
Luke Miller House Fencing		\$ 5,775
Land Conservancy - Various Services, R2-2021		\$ 5,566
Mott MacDonald Bayley Ellard Remediation and Monitoring, R136-2019		\$ 8,094
Clarke Caton Hintz - HPC Design Guidelines, R269-2020		\$ 30,800
Clarke Caton Hintz - Grant Application for Masonic Lodge, R82-2021		\$ 3,426
Plant native trees, R76-2021		\$ 1,307
The Land Conservancy, R162-2021		\$ 6,000
Ordinance 4-2021 Funds to match county grant for Masonic Lodge Plans & Specs		\$ 26,720
Ordinance 35-2021 MRC handicapped accessible trail		\$ 350,000
Appraisal Report for 157 Ridgedale Ave		\$ 3,675
James Irish, Inc. - Community Garden maintenance, Ord. 21-2019		\$ 2,375
<b>Available Balance as of December 31, 2021</b>		<b>\$ 328,545</b>

# Open Space

<b>Reserved Funds</b>		
Not included above is a \$300,000 gift, which was donated to OSTF as restricted funds for remediation, land acquisition and aquifer recharge per the terms of the gift.		
A portion of this \$300,000 will be used for remediation costs for the MRC trail.		\$ 300,000
Green acres grant funds which are dedicated to pay down the MRC land acquisition.		
Remaining funds from 2019 Grant		\$ 420,000
2021 Grant* (Awarded Oct 2021 anticipate receiving funds Oct 2022)		\$ 500,000
Reserve for reskinning turf fields at MRC 1 & 2		\$ 488,999
<b>Projects Recommended by Open Space Committee and Vetted by Council</b>		
- Drew Forest Preservation	\$	TBD
- Parks Advisory Committee Master Plan	\$	107,000
- Dodge Field House	\$	350,000
- All access playground at Dodge Field (2022)	\$	500,000
- HDM East Wing Restoration (2022)	\$	300,000
- Memorial Park Trail Construction - phase 1 of 3 phases (2022)	\$	150,000
- Masonic Lodge	\$	350,000
- Additional Turf Field at MHS	\$	1,500,000
<b>Possible Projects</b>		
- MRC Basketball Courts	\$	100,000
- MRC Paddle Tennis Courts	\$	850,000
	\$	<u>4,207,000</u>


 Last December 31, this reserve was \$400,183. It has increased by \$88,816 which is the amount of field rental fees collected to date in 2021 and the amount reflected on the previous schedule.

# MRC Debt Schedule

	LONG TERM BOND PAYMENT SCHEDULE						land and turf
	bond on land			bond on turf field			total annual pymnt
	princ	princ paid	interest paid	remaining princ	princ paid	interest paid	
2013	\$2,888,000			\$1,263,000			
2014	\$2,743,000	\$145,000	\$85,795	\$1,178,000	\$85,000	\$34,035	\$349,830
2015	\$2,598,000	\$145,000	\$82,895	\$1,093,000	\$85,000	\$32,335	\$345,230
2016	\$2,453,000	\$145,000	\$79,995	\$1,008,000	\$85,000	\$30,635	\$340,630
2017	\$2,308,000	\$145,000	\$77,095	\$923,000	\$85,000	\$28,935	\$336,030
2018	\$2,163,000	\$145,000	\$74,195	\$838,000	\$85,000	\$27,235	\$331,430
2019	\$2,018,000	\$145,000	\$71,295	\$753,000	\$85,000	\$25,535	\$326,830
2020	\$1,873,000	\$145,000	\$66,945	\$668,000	\$85,000	\$22,985	\$319,930
2021	\$1,728,000	\$145,000	\$62,595	\$583,000	\$85,000	\$20,435	\$313,030
2022	\$1,583,000	\$145,000	\$58,245	\$498,000	\$85,000	\$17,885	\$306,130
2023	\$1,438,000	\$145,000	\$53,895	\$413,000	\$85,000	\$15,335	\$299,230
2024	\$1,293,000	\$145,000	\$49,545	\$328,000	\$85,000	\$12,785	\$292,330
2025	\$1,148,000	\$145,000	\$45,195	\$243,000	\$85,000	\$10,235	\$285,430
2026	\$1,003,000	\$145,000	\$40,845	\$158,000	\$85,000	\$7,685	\$278,530
2027	\$858,000	\$145,000	\$36,495	\$73,000	\$85,000	\$5,135	\$271,630
2028	\$713,000	\$145,000	\$31,783	\$0	\$73,000	\$2,373	\$252,155
2029	\$568,000	\$145,000	\$27,070				\$172,070
2030	\$423,000	\$145,000	\$21,995				\$166,995
2031	\$278,000	\$145,000	\$16,558				\$161,558
2032	\$133,000	\$145,000	\$11,120				\$156,120
2033	\$0	\$133,000	\$5,320				\$138,320
		\$2,888,000	\$998,875		\$1,263,000	\$293,563	

# Questions?

# Draft 5 Year Capital Plan

# Five Year Capital Plan

The entire 2022 plan can be found on the “Annual Budget Process” page at Rosenet.org (<https://www.rosenet.org/725/Annual-Budget-Process>)

Department / Projects	2022	2023	2024	2025	2026
<b>Engineering &amp; Public Works</b>					
Road Reconstruction	1,740,000	980,000	640,000	970,000	1,140,000
Milling/Overlay/Lots/Sidewalks	645,000	925,000	1,020,000	815,000	995,000
Stormwater System	150,000	300,000	510,000	485,000	475,000
Sanitary Capital	170,000	550,000	435,000	210,000	210,000
Building Improvements	540,000	110,000	110,000	100,000	410,000
DPW, Parks & Equipment	425,000	495,000	350,000	350,000	10,000
<b>EPW Subtotal =</b>	<b>3,670,000</b>	<b>3,360,000</b>	<b>3,065,000</b>	<b>2,930,000</b>	<b>3,240,000</b>
<b>Recreation</b>	95,000	65,000	55,000	50,000	55,000
<b>Police</b>	70,000	150,000	100,000	80,000	15,000
<b>Fire</b>	58,500	392,500	562,500	302,500	77,500
<b>Library</b>	757,000	0	200,000	0	0
<b>General Capital =</b>	<b>4,650,500</b>	<b>3,967,500</b>	<b>3,982,500</b>	<b>3,362,500</b>	<b>3,387,500</b>
<b>Electric Utility</b>	1,055,000	750,000	560,000	360,000	100,000
<b>Water Utility</b>	735,000	960,000	830,000	905,000	550,000
<b>Utility Capital =</b>	<b>\$ 1,790,000</b>	<b>\$ 1,710,000</b>	<b>\$ 1,390,000</b>	<b>\$ 1,265,000</b>	<b>\$ 650,000</b>

# Five Year Capital Plan

The entire 2022 plan can be found on the “Annual Budget Process” page at Rosenet.org (<https://www.rosenet.org/725/Annual-Budget-Process>)

	Original 2022 Capital Request as of December 2020	Revised 2022 Capital Request as of December 2021
Engineering & Public Works	\$5,030,000	\$3,670,000
Recreation, Police, Fire, Library	\$740,500	\$980,500
Water & Electric Utilities	\$1,840,000	\$1,790,000
<b>TOTAL</b>	<b>\$7,610,500</b>	<b>\$6,440,000</b>

Revenues and lingering financial effects of the pandemic are forcing us to reduce the General Capital program. We need to continue to manage our capital needs for the next few years. Keep in mind, there are significant non-municipal capital dollars that will be spent in 2022 including federal dollars for the radio system and state dollars for the library project.

# Road Reconstruction

Project Description	2022	2023	2024	2025	2026
<b>Road Reconstruction</b>					
Cook Ave Parking ***	650,000				
Green Ave Bump Outs *	250,000				
Shadylawn Dr	380,000				
Norman Cir	300,000				
Howard Bvd	100,000				
Waverly Pl		800,000			
Fen Ct.		80,000			
Arlena Ct		100,000			
Wyndehurst Dr			250,000		
Sinclair Terr			250,000		
Fairview SW impr			80,000		
Treadwell Ave				200,000	
Summerhill Park Lot/Access				200,000	
Noe Ave Intersection				120,000	
Woodland Sidewalk Improvements				250,000	
Noe Sidewalk Improvements				200,000	
West St					150,000
Green Village Rd Sidewalk and Drainage**					250,000
Central Ave Sidewalks***					150,000
Park Ave Sidewalks**					250,000
Loantaka Sidewalks**					250,000
North St Sidewalks**					40,000
<b>Fieldwork Items</b>					
Prelim Exp - Survey/Design	60,000		60,000		50,000
Traffic Control (in contracts)					
<b>Yearly Totals</b>	<b>\$ 1,740,000</b>	<b>\$ 980,000</b>	<b>\$ 640,000</b>	<b>\$ 970,000</b>	<b>\$ 1,140,000</b>
* NJDOT MA21 \$191,800 grant Green pedestrian					
** County Road. Borough is responsible for sidewalk and drainage improvements.					
*** Util relocation \$150k Electric					
NJDOT MA19 \$250,000 grant Glenwild Rd (25% pend)					
NJDOT MA20 \$284,000 grant Burnet Rd (25% pend)					



# Milling & Overlay

DEPARTMENT: ENGINEERING / BOB VOGEL		
Project Description	2022	2023
<b>Milling, Overlay, Road Projects</b>		
Union Hill Road	80,000	
Lee Ave	40,000	
Leigh Ave	40,000	
1/2 Surrey La	30,000	
Elm Street (West-Park)	70,000	
Wilmer	90,000	
Dwyer St	60,000	
Knollwood Ave		100,000
Myrtle		100,000
East		50,000
Dogwood Drive		50,000
Harwood Drive		50,000
Buttenheim Terr		40,000
Garfield Rd (GVR-Woodland)		185,000
Stonehedge Lane		65,000
Olde Greenhouse Lane		50,000
<b>Maint. Additions</b>		
Uniformed Traffic Control	40,000	40,000
Sign Replacements	15,000	15,000
Striping	30,000	30,000
Curb Replacement	25,000	25,000
Concrete Sidewalk/Pavers	75,000	75,000
Crack Sealing	50,000	50,000
<b>Yearly Totals</b>	<b>\$ 645,000</b>	<b>\$ 925,000</b>

# Library

Project Description	2022	2023	2024	2025	2026
<b><i>Building &amp; Grounds</i></b>					
Roof Repair / Replacement	300,000				
* Remodeling	457,000				
Courtyard Improvement			100,000		
Plaza & Fountain Repairs			100,000		
<b>Subtotal</b>	<b>\$ 757,000</b>	<b>\$ -</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ -</b>
* Asbestos removal, ceiling and lighting replacement, remodeling and repurposing spaces.					
* The entire remodeling project including the roof is estimated at \$2,894,000. A portion of the project (\$1,828,000) was eligible to be funded by a competitive grant with the NJ Library Construction Fund on a 50 / 50 match basis. The library won the grant and will receive \$914,000 from the state. Project funding is summarized as follows:					
	State Grant	\$914,000			
	Boro Capital	\$757,000			
	Library Funds**	\$1,223,000			
	total	<u>\$2,894,000</u>			
** These funds will come from the Library Capital Reserve, the MPLI Endowment, and the Friends of Madison Public Library.					

# Questions?