



Borough of Madison



Budget Presentation, January 14, 2019



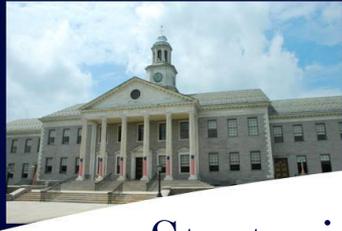
Budget Presentation

Agenda

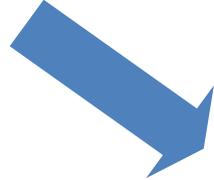
- Discuss Annual Budget Process & schedule
- Review the 2018 Open Space Trust Fund Report
- 5 Year Capital Review



Budget Cycle



Strategic
Planning



Open
Space

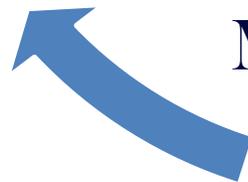


Capital



Utilities

Department
Operating



Municipal
Budget



Three Entities



When Council votes to adopt the budget, they are approving the year's **OPERATING** expenditures 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, legal, 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 “surplus”.



Proposed Hearing Schedule

January 14: Budget schedule review, Open Space Trust Fund, Five Year Capital.

January 28: Utilities budget Review & Electric Utility Superintendent Presentation.

February 11: Municipal & Electric Surplus. Initial Budget Discussion.

February 25: Department Head Presentations.

March 11: Revised Budget Presentation.

(March 4, 5 or 6: Alternate Budget Presentation and Special Hearing date)

March 25: Official State Budget Introduction.

April 22: Budget Adoption.



Open Space Trust Fund



Beginning Balance as of January 1, 2018 **\$ 257,263.73**

INFLOWS

Tax Levy	\$ 641,991	
Field Rentals and User Fees	\$ 88,747	
Funds from reserved Green Acres Grant to pay for land portion of 2018 debt	\$ 145,000	
Interest	\$ 13,402	
Madison Little League Contribution Towards Baseball Fields (Ord 43-2018)	\$ 8,000	
NJEDA Grant - reimbursement for Bayley Ellard remediation	\$ 409,313	

OUTFLOWS

MRC Debt/Bond Payments		\$ 331,430
MRC DRE Common Area Maintenance Fee		\$ 10,000
Land Conservancy of NJ (R2-2018)		\$ 8,638
Summerhill Park Trails (Ord 4-2018)		\$ 10,600
Open Space and Recreation Plan Update (Ord 8-2018)		\$ 10,000
HDSRF Municipal Grant Program Application Fee (Bayle Ellard Field)		\$ 500
Memorial Park Drawings		\$ 1,175
METC - James Library Building (Ord 20-2018)		\$ 20,000
METC - James Library Building (Ord 21-2018)		\$ 66,000
Baseball Fields (Ord 43-2018)		\$ 40,000
MRC Accessible Trail (Ord 44-2018)		\$ 25,000
Wildflower Garden (R295-2018)		\$ 800
Funds transferred to reserve for reskinning field		\$ 278,502

Available Balance as of December 31, 2018 **\$ 761,071.56**

Reserve Funds (12/31/18)

\$300,000 restricted gift.

\$355,000 Green Acres funds.

\$278,502 for reskinning

MRC 1 & 2

OSTF 2019 Pro-Forma



Beginning Balance as of January 1, 2019		\$ 761,071.56
<u>INFLOWS</u>		
Tax Levy	\$ 637,000	
Field Rentals and User Fees	\$ 80,000	
Funds from reserved Green Acres Grant to pay for land portion of 2019 debt	\$ 145,000	
Interest	\$ 13,000	
<u>OUTFLOWS</u>		
MRC Debt/Bond Payments		\$ 326,830
MRC DRE Common Area Maintenance Fee		\$ 10,000
Rental and User Fees transferred to reserve for reskinning field		\$ 80,000
Additional funds transferred to reserve for reskinning field		\$ 90,000
Projects		\$ 300,000
Reserve for new turf field project		\$ 400,000
Available Balance as of December 31, 2019 (draft)		\$ 429,241.56

Reserve Funds (12/31/18)

\$300,000 restricted gift.

\$210,000 Green Acres funds.

\$448,502 for reskinning

MRC 1 & 2

\$400,000 New turf field project.

Possible Future Projects

HDM Renovations \$975,000

Dodge Field Lighting \$200,000

METC Project \$100,000

Field Improvements \$40,000

Dog Park \$??

MRC Playground \$??

MRC Remediation \$??

Five Year Capital Plan



Department/ Projects	2019	2020	2021	2022	2023
Engineering & Public Works					
Road Reconstruction *	1,068,000	1,000,000	1,255,000	645,000	780,000
Milling/Overlay/Lots/Sidewalks	880,000	945,000	815,000	770,000	515,000
Stormwater System	60,000	75,000	135,000	250,000	1,300,000
Sanitary Capital	310,000	410,000	525,000	320,000	275,000
Building Improvements	420,000	470,000	680,000	80,000	80,000
DPW, Parks & Equipment	622,000	470,000	450,000	330,000	270,000
EPW Subtotal =	3,360,000	3,370,000	3,860,000	2,395,000	3,220,000
Recreation	100,000	100,000	50,000	25,000	25,000
Police	210,000	235,000	135,000	80,000	100,000
Fire	656,500	513,500	137,500	58,500	437,500
Library	300,000	309,000	300,000	150,000	100,000
General Capital * =	4,626,500	4,527,500	4,482,500	2,708,500	3,882,500
Electric Utility	700,000	825,000	890,000	720,000	625,000
Water Utility	970,000	840,000	835,000	880,000	780,000
Utility Capital =	\$ 1,670,000	\$ 1,665,000	\$ 1,725,000	\$ 1,600,000	\$ 1,405,000

2019 General Capital



\$4,626,500 capital needs are estimated in 2019.

Assuming that the operating budget will include \$3.8 million for capital.

There are sufficient dollars in the General Capital Fund to cover all of these proposed projects.

As such, this can be completely funded without borrowing.

Borough of Madison



QUESTIONS?

