

Budget Hearing

April 27, 2020



Budget Schedule

We have had meeting been extremely transparent with portions of the budget discussed at 6 meetings BEFORE the budget was introduced.

- December 9: Five Year Capital Plan reviewed and discussed.
- January 13: Budget schedule review, Open Space Trust Fund, Five Year Capital;
- January 27: Utilities Budget & Surplus Review, and Electric Utility, Water Utility and Public Works Department Head Presentation;
- February 10: Police Department Operating Budget, Initial Budget Discussion & Municipal Surplus Discussion;
- February 24: Department Head Presentations;
- March 2: Revised Budget Presentation including a discussion of revenues and long term matters. Strategic Planning Guidelines and Alternate Budget Format presented;
- March 30: Official State Budget Introduction;
- April 27: Budget Hearing and Adoption

Budget Highlights

- Waiving of interest on certain utility and tax balances.
- Expanded electric rebate for furloughed residents and retail businesses (up to \$300,000).
- \$200,000 for COVID-19 related expenses.
- \$2 million electric dividend given back to the electric customers.
- No change in services to residents.
- \$108,500 in property taxes from new ratables.
- Manageable 1% increase in municipal taxes on existing properties.
- \$1 million in water surplus being used to fund water meter project. I have spoken to some of you individually about this, but it has not been discussed publicly yet.
- \$7.8 million in capital across all budgets.
- Total appropriations increasing by only 1.16%.
- Funds to hire three new police officers, replacing retiring officers.
- Increase of Garbage and Recycling budget of \$322,500 (B 23).
- Increase in Police / Fire Salaries & Wages of \$196,641 and Police & Fire Portion Pension of \$82,292 (B16 & B18).
- Funds for recreation field improvements.
- Funds for Master Plan update.
- \$\$ in the budget for expanded hours at the recycling center.

Line	REVENUE	2018	2019	2020	INCREASE (DECREASE)	PERCENT CHANGE
B 1	PRIOR YEAR MUNICIPAL SURPLUS	4,827,010	5,090,000	5,413,397	323,397	6.35%
B 2	MUNICIPAL REVENUE SOURCES	3,710,000	4,082,654	3,978,950	(103,704)	-2.54%
B 3	PROPERTY TAXES: Existing Ratables *	14,719,513	14,811,243	14,957,467	146,224	0.99%
B 4	PROPERTY TAXES: New Ratables	n/a	n/a	108,500	n/a	n/a
B 5	'TAX' REVENUE FROM GVR APARTMENTS / CONDOS	n/a	370,000	430,000	60,000	16.22%
B 6	STATE AID	808,529	808,529	808,529	0	0.00%
B 7	TOTAL RECURRING REVENUE	24,065,052	25,162,426	25,696,843	534,417	2.12%
B 8	GRANT REVENUE	223,397	178,249	206,922	28,673	16.09%
B 9	ELECTRIC SURPLUS - FOR OPERATING BUDGET	927,153	617,659	859,800	242,141	39.20%
B 10	WATER SURPLUS - FOR OPERATING BUDGET	200,000	200,000	300,000	100,000	50.00%
B 11	UTIL SURPLUS & NON-RECURRING REVENUE FOR OPERATING	1,350,550	995,908	1,366,722	370,814	37.23%
B 12	ELECTRIC SURPLUS - FOR CAPITAL	3,800,000	3,800,000	3,500,000	(300,000)	-7.89%
B 13	ELECTRIC SURPLUS - FOR DEBT SERVICE	2,318,000	2,255,525	2,253,400	(2,125)	-0.09%
B 14	TOTAL UTILITY SURPLUS FOR CAPITAL/DEBT	6,118,000	6,055,525	5,753,400	(302,125)	-4.99%
B 15	TOTAL MUNICIPAL REVENUES	31,533,602	32,213,859	32,816,965	603,106	1.87%
Line	APPROPRIATIONS	2018	2019	2020	INCREASE (DECREASE)	PERCENT CHANGE
B 16	SALARIES & WAGES - POLICE AND FIRE	5,407,888	5,672,139	5,868,780	196,641	3.47%
B 16.1	SALARIES & WAGES - ALL OTHER MUNICIPAL EMPLOYEES	5,298,601	5,288,803	5,108,895	(179,908)	-3.40%
B 17	HEALTH INSURANCE	1,814,000	1,814,000	1,826,000	12,000	0.66%
B 18	PENSION (Police & Fire and Public Employee) **	1,418,000	1,590,200	1,652,440	62,240	3.91%
18.1	SOCIAL SECURITY	490,000	490,000	500,000	10,000	2.04%
B 19	UNEMPLOYMENT INSURANCE	50,000	50,000	50,000	0	0.00%
B 20	LEGAL	235,000	260,000	260,000	0	0.00%
B 21	DEPARTMENT OPERATING EXPENSES	3,356,382	3,494,145	3,995,303	501,158	14.34%
B 22	UTILITIES	748,600	748,600	673,600	(75,000)	-10.02%
B 23	WASTE REMOVAL	1,657,300	1,657,300	1,979,800	322,500	19.46%
B 24	LIABILITY & WC INSURANCE	645,850	667,163	640,116	(27,047)	-4.05%
B 25	TOTAL MUNICIPAL OPERATING EXPENSES	21,121,621	21,732,350	22,554,934	822,584	3.79%
B 26	MCJM SEWAGE PROCESSING	1,130,000	1,130,000	1,130,000	0	0.00%
B 27	PUBLIC LIBRARY	1,430,981	1,527,984	1,575,231	47,247	3.09%
B 28	RESERVE FOR UNCOLLECTED TAXES	1,733,000	1,768,000	1,803,400	35,400	2.00%
B 29	NON-MUNICIPAL & OUTSIDE THE CAP OPERATING EXPENSES	4,293,981	4,425,984	4,508,631	82,647	1.87%
B 30	CAPITAL IMPROVEMENT FUND	3,800,000	3,800,000	3,500,000	(300,000)	-7.89%
B 31	DEBT SERVICE	2,318,000	2,255,525	2,253,400	(2,125)	-0.09%
B 32	TOTAL CAPITAL & DEBT EXPENSES	6,118,000	6,055,525	5,753,400	(302,125)	-4.99%
B 33	TOTAL APPROPRIATIONS	31,533,602	32,213,859	32,816,965	603,106	1.87%

Borough of Madison								
Schedule of Municipal Surplus Balances								
Surplus Balances 2014 Thru 2020								
		2014	2015	2016	2017	2018	2019	2020
Line	Surplus Generated From:	Actual	Actual	Actual	Actual	Actual	Est	Est
s 1	Non-Taxable Revenues	559	750	913	1,055	478	558	225
s 2	Delinquent Tax Collections	10	78	263	-	36	18	18
s 3	Current Year Taxes	1,444	1,370	1,857	1,807	1,733	1,719	1,500
s 4	Cancellation of Prior Years Appropriations	1,625	1,768	1,370	2,050	2,571	2,336	2,150
s 5	Misc Revenue and Other Revenues	487	287	340	481	1,104	576	400
s 6	FEMA	-	-	-	-			
s 7	Reserved for Tax Appeals in AFS			(200)				
	TOTAL	4,125	4,253	4,543	5,393	5,922	5,207	4,293
		2014	2015	2016	2017	2018	2019	2020
Line		Actual	Actual	Actual	Actual	Actual	Est	Est
s 8	Balance at Beginning of Year	7,250	7,778	8,131	8,470	9,276	10,371	10,488
s 9	Less: Utilized in Municipal Budget	(3,597)	(3,900)	(4,200)	(4,587)	(4,827)	(5,090)	(5,413)
s 10	Sub Total (Free Balance)	3,653	3,878	3,931	3,883	4,449	5,281	5,075
s 11	Add: Generated in Current Year	4,125	4,253	4,539	5,393	5,922	5,207	4,293
s 12	Balance at Year End	7,778	8,131	8,470	9,276	10,371	10,488	9,368
s 13	Increase (Decrease)	528	353	339	806	1,095	117	(1,120)



ELECTRIC UTILITY AND ELECTRIC SURPLUS

- The impact the economic downturn will have on cash collections is not known;
- Electric Surplus is estimated to drop by \$1 million or more by the end of the year;
- Capital and Substation Repair Reserve has been reduced by \$150,000 to help fund the property tax reduction to 1%.

Schedule of Electric Utility Sales and Performance (in 000's) as of Dec 31st								
Line		2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Orig Est	2019 Rev Est	2020 Estimate
REVENUES								
E 1	Cash Collections	\$22,840	\$22,993	\$22,056	\$23,251	\$22,700	\$22,579	\$22,700
E 1.5	Expanded Rebate Program							(\$500)
E 2	Electric Utility Dividend			(\$1,003)	(\$1,545)	(\$2,000)	(\$1,990)	(\$2,000)
E 3	Misc Revenue + Fund Balance Realized	\$42	\$70	\$81	\$210	\$175	\$287	\$175
E 4	Cancellation of Appropriations	\$826	\$1,051	\$842	\$1,501	\$985	\$1,448	\$985
EXPENSES								
E 5	Block Contracts	(\$11,713)	(\$6,750)	(\$6,340)	(\$5,635)	(\$5,042)	(\$5,042)	(\$4,933)
E 6	Capacity		(\$2,265)	(\$2,305)	(\$2,954)	(\$2,322)	(\$2,322)	(\$2,370)
E 7	Transmission		(\$529)	(\$742)	(\$1,351)	(\$2,042)	(\$2,042)	(\$1,918)
E 8	Spot, Admin, Ancillaries, etc		(\$797)	(\$999)	(\$816)	(\$984)	(\$984)	(\$925)
E 9	Admin & Operating	(\$3,507)	(\$3,630)	(\$3,981)	(\$4,094)	(\$4,165)	(\$4,184)	(\$4,355)
E 9.2	Sustainable Programs							(\$200)
E 9.5	NYPA Hydro Energy Purchased	(\$195)	(\$192)	(\$200)	(\$188)	(\$200)	(\$181)	(\$350)
E 10	Elec Utility Capital*	(\$400)	(\$895)	(\$895)	(\$895)	(\$795)	(\$795)	(\$645)
E 11	Total Surplus Generated (end of year)	\$7,893	\$9,056	\$6,514	\$7,484	\$6,310	\$6,774	\$5,664

Schedule of Electric Utility Surplus Balances (in 000's)								
Line		2015 Actual	2016 Actual	2017 Actual	2018 Rev Est	2019 Orig Est	2019 Rev Est	2020 Estimate
E 12	Balance at Beginning of Year	\$6,496	\$8,156	\$10,013	\$9,393	\$9,832	\$9,832	\$9,933
E 13	Less: Utilized in Municipal Budget	(\$6,233)	(\$7,199)	(\$7,134)	(\$7,045)	(\$6,673)	(\$6,673)	(\$6,613)
E 14	Sub Total (Free Balance)	\$263	\$957	\$2,879	\$2,348	\$3,159	\$3,159	\$3,320
E 15	Add: Generated in Current Year	\$7,893	\$9,056	\$6,514	\$7,484	\$6,310	\$6,774	\$5,664
E 16	Surplus Balance at Year End	\$8,156	\$10,013	\$9,393	\$9,832	\$9,469	\$9,933	\$8,984

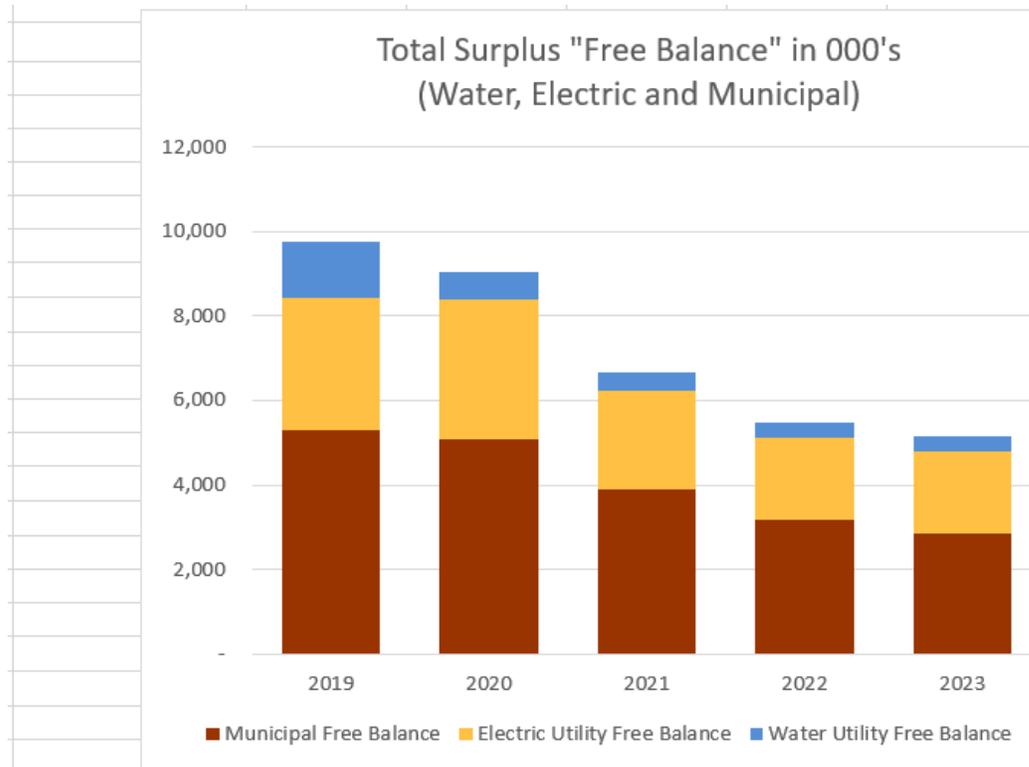
WATER UTILITY AND WATER SURPLUS

- The impact the economic downturn will have on cash collections is not known;
- \$1 million funding of water meter project included in schedule;
- Water Surplus is estimated to drop by \$1.1 million or more by the end of the year

Schedule of Estimated Water Utility Sales and Performance (in 000's)						
Line		2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Estimate
	REVENUES					
W 1	Tariff Collections	\$2,666	\$2,522	\$2,495	\$2,476	\$2,500
W 1.5	Water Surplus used to fund capital					\$1,000
W 2	Miscellaneous Revenue	\$176	\$63	\$215	\$479	\$200
W 3	Cancellation of PY Appropriations	\$297	\$500	\$398	\$428	\$325
	EXPENSES					
W 4	Operations	(\$2,069)	(\$1,816)	(\$1,804)	(\$1,851)	(\$1,949)
W 5	Capital Improvement	(\$540)	(\$1,500)	(\$900)	(\$900)	(\$1,900)
W 6	Estimated Surplus	\$530	(\$231)	\$404	\$632	\$176
Schedule of Water Utility Surplus Balances (in 000's)						
Line		2016 Actual	2017 Estimate	2018 Actual	2019 Rev Est	2020 Estimate
W 7	Balance at Beginning of Year	\$1,899	\$1,929	\$1,298	\$1,502	\$1,934
W 7.5	Less: Transferred to CIF via budget					(\$1,000)
W 8	Less: Utilized in Municipal Budget	(\$500)	(\$400)	(\$200)	(\$200)	(\$300)
W 9	Sub Total (Free Balance)	\$1,399	\$1,529	\$1,098	\$1,302	\$634
W 10	Add: Generated in Current Year	\$530	(\$231)	\$404	\$632	\$176
W 11	Balance at Year End	\$1,929	\$1,298	\$1,502	\$1,934	\$810
W 12	Increase (Decrease)	\$30	(\$631)	\$204	\$432	(\$1,124)

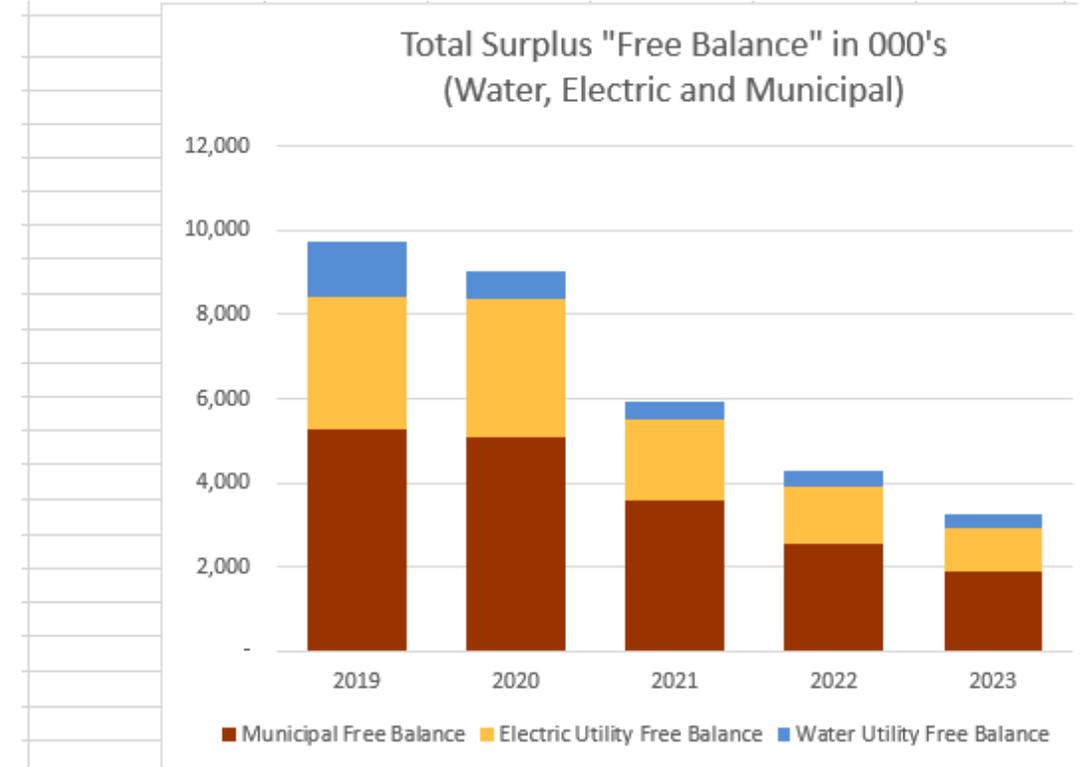
Surplus Projections

Hopeful Scenario



Free Balance	2019	2020	2021	2022	2023
Water Utility	\$ 1,302	\$ 634	\$ 434	\$ 384	\$ 354
Electric Utility	\$ 3,159	\$ 3,320	\$ 2,334	\$ 1,934	\$ 1,934
Municipal	\$ 5,281	\$ 5,075	\$ 3,895	\$ 3,165	\$ 2,865
TOTAL	\$ 9,742	\$ 9,029	\$ 6,663	\$ 5,483	\$ 5,153

Less Optimal Scenario



Free Balance	2019	2020	2021	2022	2023
Water Utility	\$ 1,302	\$ 634	\$ 434	\$ 384	\$ 354
Electric Utility	\$ 3,159	\$ 3,320	\$ 1,934	\$ 1,334	\$ 1,034
Municipal	\$ 5,281	\$ 5,075	\$ 3,575	\$ 2,575	\$ 1,875
TOTAL	\$ 9,742	\$ 9,029	\$ 5,943	\$ 4,293	\$ 3,263

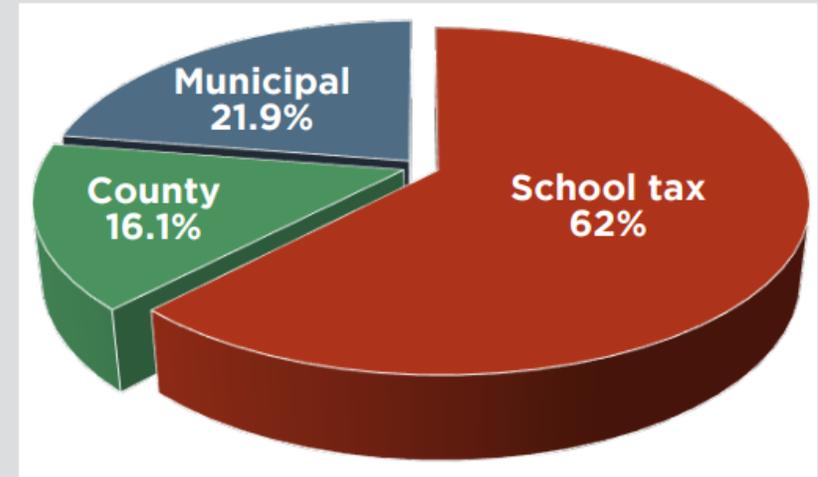
Municipal property tax increases over the last 6 years

Municipal property tax increases on an existing home by year:

2019	0%	2017	2%	2015	.4%
2018	1%	2016	.9%	2014	-1.2%

MADISON TAX BILL BREAKDOWN

This chart illustrates the breakdown of taxes for each component of your property tax bill.



	2013	2019	6 Year \$ Inc.	6 Year % Inc.
County	\$1,781.42	\$2,121.70	\$340.28	19.1%
School	\$7,119.02	\$8,153.18	\$1,034.16	14.5%
Borough	\$2,802.24	\$2,888.98	\$86.74	3.1%
Total	\$11,702.68	\$13,163.86	\$1,461.18	

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

Update since March 30th

- Electric utility sales are down approximately 8%. That equates to a loss of revenue of approximately \$150,000 a month or \$1.8 million on an annual basis.
- We have received 82 Merchant Electric Rebate applications (up to \$400 per business).
- We have received 65 Furloughed Resident Electric Rebate applications (Up to \$200 per family).
- We are continuing to monitor revenues and we will have much more to report in the weeks and months ahead.

Questions