



Borough of Madison

2015 Budget Summary

This budget document was created to better inform Madison residents about the 2015 Municipal Budget and breakdown of the 2015 tax bill. Detailed budget documents and exhibits can be found in the Clerk's Office and on-line at www.rosenet.org.

BUDGET HIGHLIGHTS

Infrastructure Improvements. Over \$4.5 million in capital expenditures on roads, utilities, equipment, vehicles and infrastructure.

Fiscal Responsibility. Madison has the highest credit rating possible and maintains adequate surplus and cash flow to protect the Borough from unforeseen circumstances.

Services. Madison's high level of service to residents will be maintained and completely funded in the municipal budget.

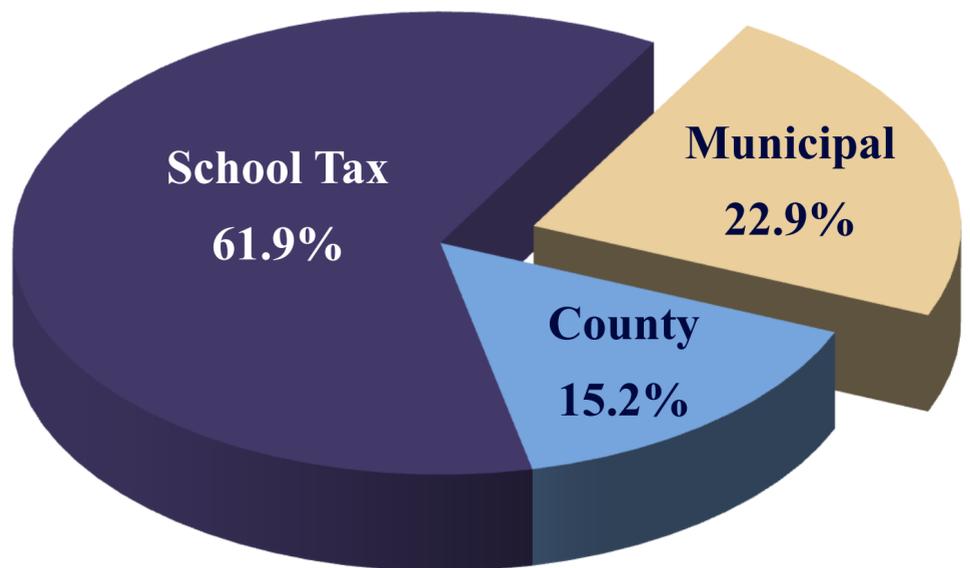
Economic Development. New commercial and residential construction in 2014 generated new sources of property tax which helped reduce taxes for the average resident.

STRATEGIC PLANNING

The important work performed by the volunteers of the 2014 Strategic Planning initiative made a difference with this year's budget process. In 2015, the Borough will build upon the strategic planning initiatives and work towards increased communication, deeper analysis of our capital needs, longer term budget forecasting, and recognition of certain budget guidelines and metrics.

MADISON TAX BILL BREAKDOWN

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



	2013-15 % change	2015 est.	2014	2013
Schools	+ 6.0%	\$7,546	\$7,293	\$7,119
Municipal	- 0.2%	\$2,796	\$2,769	\$2,803
County	+ 4.2%	\$1,855	\$1,801	\$1,781
TOTAL		\$12,197	\$11,863	\$11,703

This table assumes all of the parts of a tax bill for a homeowner's property assessed at \$667,218. It assumes 3.5% increase in BOE budget and a 3% increase in the County levy in 2015. Open Space taxes are included in both the Municipal and County figures.

HOW PROPERTY TAXES AND SERVICES COMPARE TO OUR NEIGHBORS

Town	2014 Per Person Municipal Tax	Garbage included in taxes?	Curbside Yard Waste?	Sewer included in taxes?	Fall Curbside Leaf Pickup?	Paid, Professional Fire Dept?	Municipal Electric Utility?	Senior Center and Van?
Madison	\$796	Yes	Yes	Yes	Yes	Yes	Yes	Yes and Yes
Chatham Boro	\$826	No	Yes	No	Yes	No	No	Yes and Yes
Chatham Twp	\$821	No	No	No	No	No	No	Yes and Yes
Morris Twp	\$971	Yes	Yes	No	Yes	Yes	No	No
Florham Park	\$999	No	Yes	No	Yes	No	No	Yes but no van
Harding	\$1,505	No	No	No	No	No	No	No

A home valued at \$667,218, will receive a property tax bill of \$12,197. The municipal portion of this property tax bill is \$2,796. For this amount, the resident(s) of that home will receive the following municipal services and capital programs:

Municipal Services

Library
Garbage Pickup
Yard Waste Pickup
Recycling Pickup
Fall Leaf Pickup
Recreation Department
Senior Citizen Services

Water & Electric Utilities
Road Plowing & Salting
Sewage Treatment
Health Department
Police, Fire & Crossing Guards
Administration/Elections/Records
Construction/Planning/Zoning

Capital and Infrastructure

Road Maintenance and Reconstruction
Electric & Water Utility Infrastructure
Sewage & Storm Water Systems
Hartley Dodge, Library other Buildings
Parks and Recreation Fields
Fire Trucks and Large Apparatus
Equipment and Vehicles

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NEW PROGRAMS & SERVICES

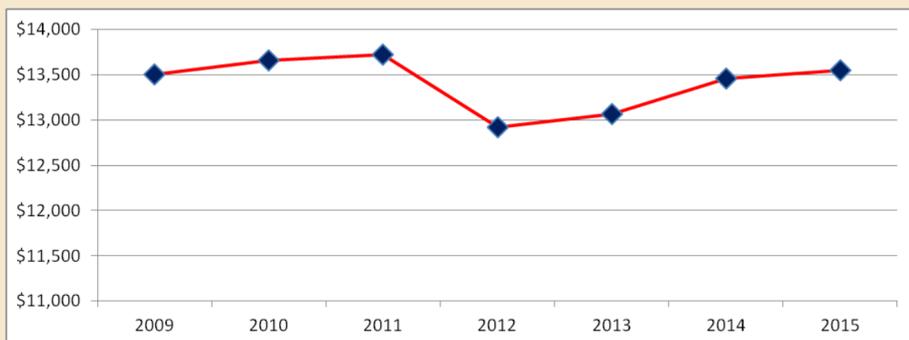
The Budget includes the following new programs and services

Additional Police: The budget includes two new police officers, as well as funds to hire part-time special police officers.

Electric Rate Reduction: The electric rebate program is now permanent. This income-based program offers an annual rebate of \$100 to residents that qualify. The result is a 10% targeted rate reduction for certain residents.

Utility Reliability. Madison implemented a new industry standard reliability index that tracks customer outages in the Borough and compares the results to other utilities. Specific results were reported in the Strategic Planning Report for Utilities which stated, "Madison's (reliability index) compares favorably with other service suppliers."

SALARIES & BENEFITS



The above chart shows salaries, wages, health and pension related expenses (in 000s).

Since 2011, the Borough has worked to reduce staff and staff related expenses. Employee costs have remained relatively flat for the past seven years.

2015 MUNICIPAL BUDGET

APPROPRIATIONS		2015
Salaries, Wages, Benefits		\$ 13,547,582
Operating & Reserves		10,136,020
Capital Improvement & Debt Service		5,379,600
	TOTAL	\$ 29,063,202
REVENUES		2015
Municipal Fees & Revenues		\$ 4,588,038
Utility Revenues (Surplus)		6,733,000
Property Taxes		13,842,164
Municipal Surplus		3,900,000
	TOTAL	\$ 29,063,202

The six largest operating expenses in the 2015 Budget are:

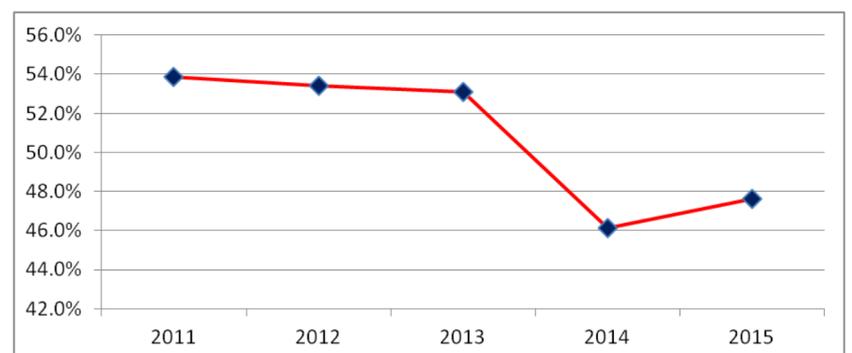
Police Department.....	\$4.9 Million
Public Works Department.....	\$3.3 Million
Fire Department.....	\$1.9 Million
Garbage/Recycling/Yard Waste.....	\$1.6 million
Library.....	\$1.4 million
Sewage Treatment.....	\$1.0 million

CAPITAL SPENDING

Over \$4.5 million in capital is budgeted for 2015, including:
 \$798,000..... Equipment, vehicles and vehicle related items.
 \$650,000..... Storm water and sanitary sewer improvements.
 \$950,000..... Reconstruction of Ridgedale Avenue.
 \$548,000..... Road Repaving: Sherwood, Longwood, Morris Place, Candlewood, and Danforth.

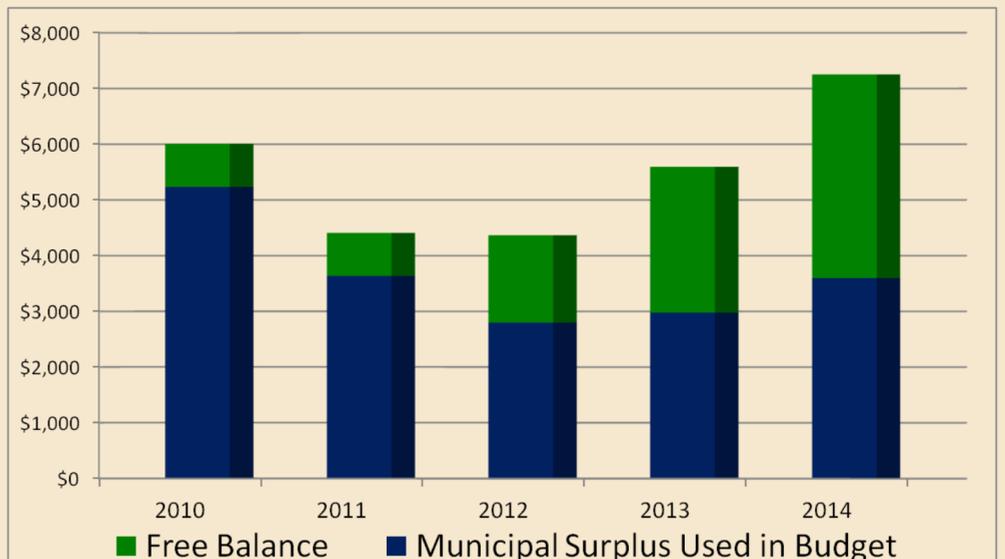
"The Capital Budgeting Process should include ongoing consistent investment programs for most asset categories, specifically including Storm Water, Sanitary Sewer Systems and Vehicles and Equipment" (Strategic Planning Report on Capital).

TAXES AS A PERCENT OF BUDGET



Since 2011, the municipal property tax as a percentage of the Borough budget has dropped by over 6%. This has been accomplished by a) limiting tax increases, b) identifying alternate sources of revenue, c) containing costs, and d) increasing shared service revenues by contracting our Borough staff to other municipalities. Over 52% of the Borough Budget is now funded by non-tax revenue.

FISCAL STRENGTH



The bars above show total Municipal Surplus as of January 1st, split between the amount used in that year's budget and the remaining 'Free Balance'.

Historical Surplus Analysis: Over time, the Borough generates surplus when revenues exceed expenditures. Adequate surplus and 'Free Balance' protect the Borough from unforeseen circumstances including extreme storm damage and sudden infrastructure failure. The Borough has a long standing policy of using prior year's surplus to offset property tax increases. The Strategic Planning Committee Report on Budgeting stated the Borough should "strive to avoid wide fluctuations (in surplus) except in emergency situations."