



Budget Presentation

January 11, 2021

Agenda

- Briefly discuss Annual Budget Process
- Review the 2020 Open Space Trust Fund activity and possible upcoming projects
- Review the 2021 Roads Program



BOROUGH OF MADISON

2019 BUDGET SUMMARY

This document was created to better inform Madison residents about the 2019 Municipal Budget. Earlier in the year, the Mayor and Council voted and/or deliberated on the 2019 budget at nine Council meetings. The Council unanimously approved the budget on April 22. Detailed information can be found on the "Annual Budget Process" page on www.rosenet.org.

ELECTRIC DIVIDEND INCREASED TO \$2 MILLION

During the 2019 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 2019. For residential customers, the credit is approximately a 10% reduction in your bill.

0% TAX INCREASE IN BUDGET

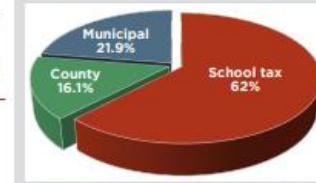
The Council passed a budget that includes a 0% municipal tax increase on existing properties. This was done by keeping expenses down & utilizing new revenues including payments from the development at the former Green Village Road School site.

THE BUDGET ALSO INCLUDES

- An increase in the targeted electric rebate for income-eligible residents from \$150 to \$200.
- No change in the level of services to residents.
- Extra funds for athletic field maintenance.
- \$\$ reserved for MRC turf reskinning & a commitment to pursue an additional turf field at the MRC complex.
- Buildout and support for the Madison Community Arts Center

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	\$7,719.02	\$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.



WHAT DO YOU GET?

An average home valued at \$667,200, received a property tax bill of \$13,163.86. The municipal portion of this tax bill is \$2,888.98. 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
- Senior Citizen Services
- Library
- Police Department & Crossing Guards
- Fire Department & Fire Safety
- Sewage Treatment
- Health Department
- 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

HOW PROPERTY TAXES AND SERVICES COMPARE TO OUR NEIGHBORS

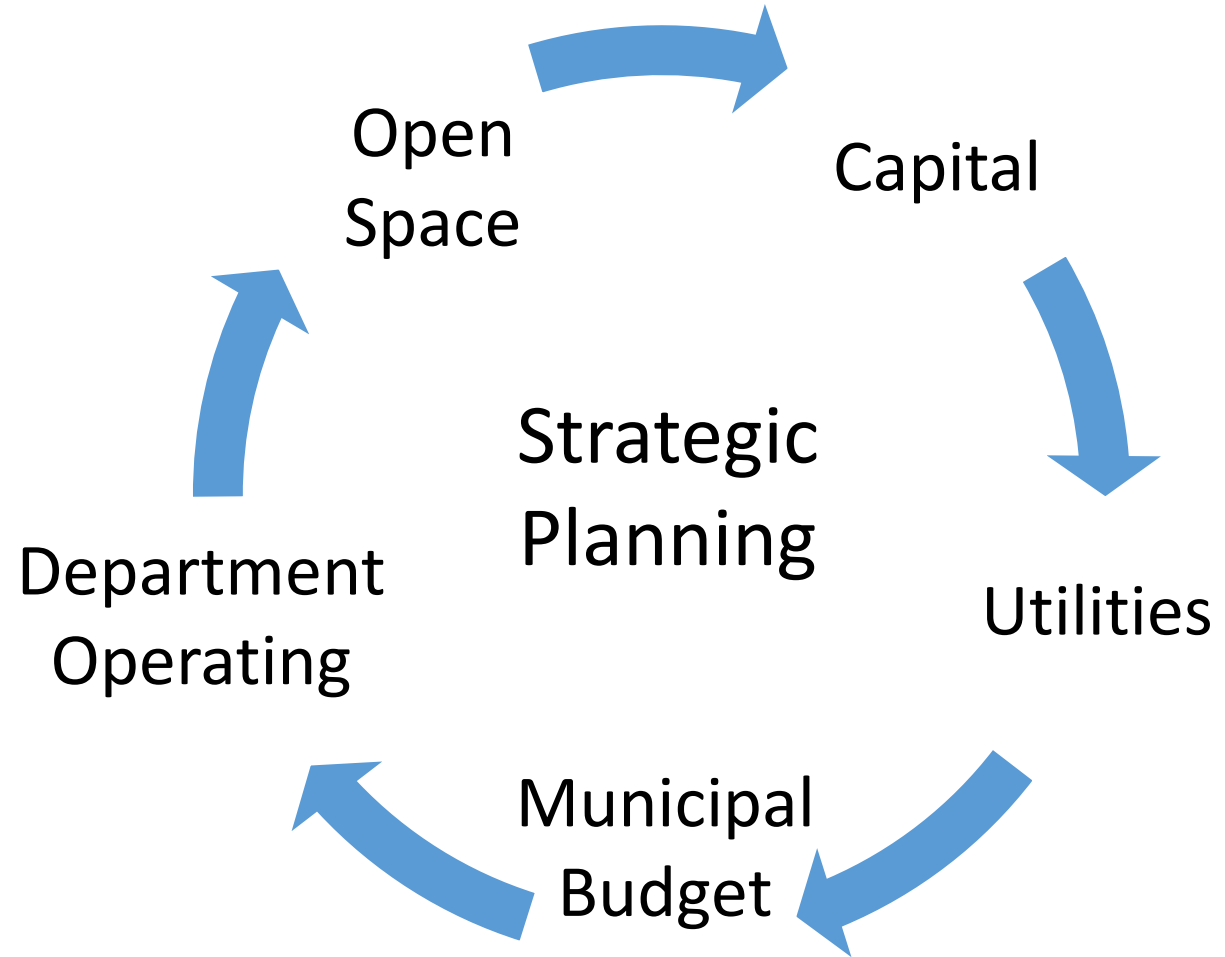
Town	2018 Per Person Municipal Tax	Garbage Included in taxes?	Curbside Yard Waste?	Sewer Included in taxes?	Fall Curbside Leaf Pickup?	Paid, Professional Fire Dept.?	Senior Center & Van?
Madison	\$845	Yes	Yes	Yes	Yes	Yes	Yes & Yes
Chatham Twp	\$845	No	No	No	No	No	Yes & Yes
Chatham Boro	\$882	No	Yes	No	Yes	No	Yes & Yes
Morris Twp	\$993	Yes	Yes	No	Yes	Yes	Yes, but no van
Florham Park	\$1,104	No	Yes	No	Yes	No	Yes, but no van
Harding	\$1,479	No	No	No	No	No	No

Proposed Hearing Schedule

- January 11: Budget schedule review, Open Space Trust Fund, Roads Programs.
- January 25: Electric and Public Works Department Head presentations. Utilities budget Review & Utility Fund Balance Discussion. Introduction of Road Program Funding Ordinances.
- February 8: Initial Budget Discussion & Municipal Surplus Discussion. Hearing on the Road Program Funding Ordinances
- February 22: Department Head Presentations. Second discussion on the draft budget. Strategic Planning Guidelines and Alternate Budget Format presented. Authorization to draft the official state budget document.
- March 22: Final Budget Discussion. Official State Budget Introduction.
- April 26: Budget Adoption.

* If needed, an additional budget discussion can occur at the regularly scheduled Council Meeting on March 8th.

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 “surplus”.

Open Space

LAST YEARS REPORT

Beginning Balance as of January 1, 2019		\$ 761,072
<u>INFLOWS</u>		
Tax Levy	\$ 642,001	
Field Rentals and User Fees	\$ 89,038	
Funds from reserved Green Acres grant to pay for land portion of 2019 debt	\$ 145,000	
Interest	\$ 23,081	
Dog Park at Memorial Park Matching Funds/Donations	\$ 5,180	
<u>OUTFLOWS</u>		
MRC Debt/Bond Payments		\$ 326,830
MRC DRE Common Area Maintenance Fee		\$ 10,000
Land Conservancy of NJ (R2-2019) and other professional services		\$ 8,300
MRC Conservation Management Plan (Ord 21-2019)		\$ 49,275
Dog Park at Memorial Park (Ord 22-2019)		\$ 18,797
Memorial Park Train Improvements (Ord 52-2019)		\$ 50,000
Luke Miller Retaining Wall		\$ 3,065
Dodge Field Bathrooms and Storage Building (ord 54-2019)		\$ 363,000
Wildflower Garden (R295-2018)		\$ 800
Field Rental & User Fees transferred to reserves for MRC turf reskinning		\$ 89,038
METC Repairs		\$ 7,130
Available Balance as of December 31, 2019		\$ 739,137

RESERVED FUNDS. The following funds are restricted and reserved for a specific project or purpose:

\$300,000 gift restricted to remediation and aquifer recharge

\$367,540 Reserve for MRC 1 & 2 turf reskinning

\$710,000 Green Acres Funds dedicated to paying down MRC land acquisition. (\$210,00 from prior grants and \$500,000 recently announced but not yet received.)

Open Space

Available balance is \$397,092

Note \$32,643 was generated in User Fees and Field Rentals. This amount was transferred into reserves for reskinning MRC 1 & 2 turf. Last year, we generated \$89,038 in User Fees and Field Rentals

Interest revenue is down.

Beginning Balance as of January 1, 2020		\$ 739,137
INFLOWS		
Tax Levy	\$ 646,634	
Field Rentals and User Fees	\$ 32,643	
Funds from reserved Green Acres grant to pay for land portion of 2019 debt	\$ 145,000	
Interest	\$ 8,596	
OUTFLOWS		
MRC Debt/Bond Payments	\$ 319,930	
MRC DRE Common Area Maintenance Fee	\$ 10,000	
Field Rental & User Fees transferred to reserves for MRC turf reskinning	\$ 32,643	
BE Testing, Land Conservancy work, Appraisals, dodge field signs	\$ 10,016	
CCH Grant Writing for Plaza, R199-2020	\$ 3,100	
Ordinance 10-2020 METC Restoration (matching county grant application)	\$ 71,580	
Ordinance 11-2020 Masonic Lodge Plans (matching county grant application)	\$ 12,040	
Ordinance 16-2020 Luke Miller Fence Repairs	\$ 9,581	
Ordinance 17-2020 METC Construction Docs (matching county grant application)	\$ 10,000	
Historic Preservation Guidelines, R269-2020	\$ 30,800	
Ordinance 32-2020 METC 50% match for drainage project	\$ 15,228	
ordinance 41-2020 Hartley Dodge East Wing Renovation	\$ 250,000	
Ordinance 42-2020 Hartley Dodge Plaza Restoration	\$ 400,000	
Available Balance as of December 31, 2020	\$ 397,092	
Reserved Funds		
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.	\$ 300,000	
Green acres grant funds which are dedicated to pay down the MRC land acquisition.		
Remaining funds from 2018 Grant	\$ 65,000	
2019 Grant *	\$500,000	
Reserve for reskinning turf fields at MRC 1 & 2	\$ 400,183	

Open Space

Possible Projects

<u>Possible Projects</u>	
- MRC remediation for trails (funds from reserve) (2021)	\$180,000
- MRC ADA handicapped accessible path (2021)	\$ 160,000
- HDM Front Plaza (2021)	\$ 200,000
- Parks Advisory Committee Master Plan (2021)	\$ 107,000
- Dodge Field House (2021/2)	\$ 350,000
- Summerhill Park Trail Repairs and parking lot (2021)	\$ 50,000
- All access playground at Dodge Field (2022)	\$ 500,000
- HDM East Wing Restoration (2022)	\$ 300,000
- Memorial Park Trail Construction (2023)	\$ 75,000
- Masonic Lodge	\$ 350,000
- Additional Turf Field at MHS	\$ 1,500,000
- Possible land acquisition for pocket park	\$ 470,000
- MRC Basketball Courts	\$ 100,000
- MRC Paddle Tennis Courts	\$ 850,000
	<u>\$ 5,192,000</u>

MRC Debt Schedule

	LONG TERM BOND PAYMENT SCHEDULE						land and turf total annual pymnt
	bond on land			bond on turf field			
	<u>princ</u>	<u>princ paid</u>	<u>interest paid</u>	<u>remaining princ</u>	<u>princ paid</u>	<u>interest paid</u>	
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	\$252,153
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	

Five Year Capital Plan

the entire 2021 plan can be found on the “Annual Budget Process” page on Rosenet. <https://www.rosenet.org/725/Annual-Budget-Process>

Department / Projects	2021	2022	2023	2024	2025
Engineering & Public Works					
Road Reconstruction	1,670,000	1,930,000	1,080,000	1,010,000	990,000
Milling/Overlay/Lots/Sidewalks	575,000	1,075,000	1,140,000	835,000	875,000
Stormwater System	25,000	250,000	500,000	660,000	535,000
Sanitary Capital	150,000	470,000	750,000	435,000	210,000
Building Improvements	755,000	950,000	570,000	130,000	30,000
DPW, Parks & Equipment	448,000	355,000	233,000	440,000	150,000
EPW Subtotal =	3,623,000	5,030,000	4,273,000	3,510,000	2,790,000
Recreation	50,000	50,000	50,000	50,000	50,000
Police	105,000	155,000	510,000	225,000	150,000
Fire	37,500	238,500	712,500	312,500	367,500
Library	0	300,000	300,000	300,000	200,000
General Capital =	3,815,500	5,773,500	5,845,500	4,397,500	3,557,500
Electric Utility	710,000	555,000	1,050,000	410,000	210,000
Water Utility	1,120,000	1,285,000	1,420,000	930,000	905,000
Utility Capital =	\$ 1,830,000	\$ 1,840,000	\$ 2,470,000	\$ 1,340,000	\$ 1,115,000

2021 Road Reconstruction

DEPARTMENT: ENGINEERING / BOB VOGEL	
Project Description	2021
Road Reconstruction	
Cook Ave Parking *5	670,000
Anthony Drive	300,000
Wayne Blvd	350,000
Green Ave Bumpouts ***	300,000
Fieldwork Items	
Inspection Services	50,000
Yearly Totals	\$ 1,670,000

*5 Utility Relation costs of \$150,000 which will be paid from Electric Capital

*** We received a \$191,800 NJDOT grant award for this project

2021 Road Milling & Overlay

Project Description	2021
Milling, Overlay, Road Projects	
Woodland Ave (Green-Loant)	120,000
Linden La	15,000
Independence Ct	40,000
Bardon St	80,000
Serpico La	35,000
North St (East-Burnet)	50,000
Maint. Additions	
Uniformed Traffic Control	40,000
Sign Replacements	15,000
Striping	30,000
Curb Replacement	25,000
Concrete Sidewalk/Pavers ***	75,000
Crack Sealing	50,000
Yearly Totals	\$ 575,000



MADISON
NEW JERSEY



Questions?

January 11, 2021