Balancing the Municipal Budget

The Mayor and Council want to know...

Assuming the school board increased their budget by 2%. How much would the municipal taxes have to drop for your property tax bill to not go up?

Answer: 5.1%

What municipal services do you appreciate most? Why?

What services / expenses would you cut to save money? What services would you expand if you could?

If you were on Council, what would your budget priority be?
1) Reduce property taxes?
2) Maintain level of service?
3) Invest in infrastructure?
4) Reduce electric rates?
5) Spend more $ on ________?
6) Spend less $ on ________?

The difference between decreasing property taxes and decreasing electric rates by $250,000

<table>
<thead>
<tr>
<th>Family</th>
<th>Property Taxes</th>
<th>Tax Savings</th>
<th>Annual Elec Bill</th>
<th>Electric Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Senior</td>
<td>$6,924</td>
<td>$30.47</td>
<td>$1,065</td>
<td>$11.47</td>
</tr>
<tr>
<td>Senior Couple</td>
<td>$6,692</td>
<td>$29.45</td>
<td>$1,001</td>
<td>$10.78</td>
</tr>
<tr>
<td>Husband, wife and three children</td>
<td>$10,015</td>
<td>$44.07</td>
<td>$3,480</td>
<td>$30.65</td>
</tr>
<tr>
<td>Husband, wife, and one child</td>
<td>$10,092</td>
<td>$44.11</td>
<td>$2,846</td>
<td>$30.65</td>
</tr>
<tr>
<td>Husband and Wife</td>
<td>$19,493</td>
<td>$85.77</td>
<td>$2,663</td>
<td>$28.68</td>
</tr>
<tr>
<td>Husband, wife and two children</td>
<td>$19,914</td>
<td>$87.62</td>
<td>$3,956</td>
<td>$42.61</td>
</tr>
</tbody>
</table>

Electric Rate Reduction versus Property Tax Reduction? Pros and Cons.

Electric expenses are not tax deductible for residents.
Renters would not benefit directly for a tax reduction.
You can reduce your energy bill by conserving. Your property tax bill is fixed.
If the town reduces electric rates, are we discouraging conservation?
Electric utility profits can be volatile so it is better to rely on property taxes as a revenue source.
The top 50 electric users account for 42% of electric revenue. A $1 reduction in electric rates will result in 40 cents going to these top 50 users, whereas with a $1 reduction in property taxes only 12 cents goes to the top 50 property
How property taxes and services compare to our neighbors

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Madison</td>
<td>$796</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes Yes</td>
</tr>
<tr>
<td>Chatham Boro</td>
<td>$826</td>
<td>No</td>
<td>Yes</td>
<td>Extra cost</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes but no van</td>
</tr>
<tr>
<td>Chatham Twp</td>
<td>$821</td>
<td>No</td>
<td>No</td>
<td>Extra cost</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes but no van</td>
</tr>
<tr>
<td>Morris Twp</td>
<td>$971</td>
<td>Yes</td>
<td>Yes</td>
<td>Extra cost</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Florham Park</td>
<td>$999</td>
<td>No</td>
<td>Yes</td>
<td>Extra cost</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes but no van</td>
</tr>
<tr>
<td>Harding</td>
<td>$1,505</td>
<td>No</td>
<td>No</td>
<td>Extra cost</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Only 24% of your tax bill is used for municipal purposes. The rest goes to the Board of Education and County. A house with a $10,000 annual property tax bill pays just $2,400 a year and receives the following municipal services and capital programs:

**Municipal Services**
- Garbage/Yard Waste/Recycling Pickup
- Police/Traffic Safety/Detective Bureau/OEM
- Fire Department & Fire Safety
- Athletic Fields, Parks Tree Maintenance
- Road Maintenance, Plowing, Salting
- Recreation Department
- Elections/Records/Clerks Office
- Planning/Zoning/Engineering/Construction
- Dedicated Police Officer in the Schools
- Senior Center & Senior Van
- Library
- Municipal Court System
- Sewage Treatment
- Project Pride
- Health Department
- Fall Leaf Pickup
- Tax Assessment/Collection
- Crossing Guards
- Finance & Administration
- Storm Water Drainage

**Municipal Capital Programs**
- Road Maintenance and Reconstruction
- Storm Drainage System
- Town Parking Lots
- Sewage Pump/Delivery System
- Fire Trucks & Apparatus
- Parks/Recreation Fields
- Lawn Mowers, other equipment

**Did you know?** On January 20, 2014 Madison was named one of the top 10 safest communities in New Jersey by SafeWise, an online security and criminal data review website?

**Take Home Quiz. Answers will be posted soon on Rosenet.org**

1. Best Guess...How much would it cost to replace all of Madison’s capital items listed above?
2. How much does it cost to replace a water tower?
3. How much does it cost to replace a fire truck?
4. How many miles of municipal (not county or state) roads are there in Madison?
5. How many plows does the Borough own to keep these roads clear?
6. How many tons of rock salt do you think the Borough uses in a year?
7. How many acres of parks and open space does the Borough maintain?
8. How many parks can you name?
9. Where does Madison’s sewage go to get processed?
10. How many different municipal fees or revenues can you name?
11. Can you name any other shared services that Madison provides to other towns?
12. Does the Borough or the Board of Education pay for Crossing Guards? How much do you think the Crossing Guard Budget is?
13. How many Borough owned / maintained buildings can you name?
14. The county gets 15% of your property tax bill. How many county services can you name?