



TOWN OF HANOVER
550 HANOVER STREET
HANOVER, MASSACHUSETTS 02339

Advisory Committee

Hanover Advisory Committee

550 Hanover Street

Hanover, MA 02339

Meeting Minutes

Wednesday, March 29, 2023 – 6:30 pm

In-Person and Remote

Committee Attendees:

Emmanuel Dockter, Chair

Mike Cianciola

Nancy Clinton

Steve Freedman

Sandy Hayes

Jim Hoyes

Rachael Hughes

Joan Port-Farwell

Greg Satterwhite

Other Attendees:

Joe Colangelo, Town Manager

Matthew Ferron, Superintendent of Schools

Libby Corbo, School Committee, Chair

Chelsea Stevens, Finance Director

Mike Perrone, Business Manager

Chair Emmanuel Dockter called the Advisory Meeting to order at 6:30 pm.

Chair Dockter asked if the members had had a chance to review the minutes for March 1st and 8th meeting. A motion was made to accept the minutes for March 1, 2023 meeting. The motion was seconded. The motion passed unanimously.

A motion was made to accept the minutes for the March 8, 2023 meeting. The motion was seconded. The motion passed with one abstaining due their absence from that meeting.

The next agenda item was to accept the Advisory Committee Town Report. There were a couple of updates that Chelsea will make. The AdCom decided to move the vote on the report to the April 5, 2023 meeting.

The Chair welcomed Superintendent Ferron, Business Manager Perrone and School Committee Chair Corbo to present their updates from the March 1st meeting. The Hanover Public School's team did not prepare a separate presentation but referred to the hard copy budget handout provided to the Advisory Committee. This handout, which was provided to the committee prior to the meeting, covered the FY23 budget overrun due to unanticipated Special Education costs and specific details related to the most recent FY24 budget request.

Matt Ferron shared that they have found that they have a FY '23 shortfall of \$642,318. The School Department will be requesting that an article be added to the Special Town Meeting Warrant to support this shortfall through the Select Board.

Chair Dockter suggested that the School Department focus discussion of the Special Town Meeting article first.

Matt Ferron explained that transportation costs are one of the big reasons for this shortfall. The Special Education Department is currently reviewing all of our transportation routes as those do change. We are hopeful that we can get some of this money back from the Extra Ordinary Relief Fund that is available. You become eligible when your costs exceed 1.25% of prior year costs, then you are eligible to apply. The portion that might be available to us could be from \$0 to \$250,000. This comes from a \$5M pool. The window to file starts at the end of March and they will be filing as soon as the window is open. The School Department will not know if we have qualified for the funds until after town meeting. The special pool is only for this fiscal year!

Question: What happens if we don't qualify for this money? *The town is on the hook for the \$642,318. If we get \$200,000, do you now use that portion of the warrant article? Yes, we would only use that portion above what we receive. The rest would be returned to free cash.*

There was a discussion about Free Cash. Free Cash is only to be used for one-time expenses. We have \$1.8M projected to remain in Free Cash before this article passes. This new request would have to come from this \$1.8M.

The request for this addition to the Special Town Meeting Warrant has not yet been approved. It is on the Select Board agenda for Monday night, 4/3/23.

Don't we like to keep Free Cash at a particular number? *Chelsea shared that we want to generate 3-5% of the following year's total budget in free cash. We would have to generate about \$900,000 because we are below the 3% and we would have to generate that amount in free cash on top of the normal 3-5%!*

Free cash amounts and free cash usage is part of bond / credit rating analysis. In the short term, draining free cash doesn't immediately impact bond ratings. However, using free cash to consistently balance the Operating Budget does not meet DOR guidance and

could affect future bond rating although there are several factors considered in this rating analysis.

Doesn't the DOR have a priority of using free cash for one-time capital expenses for replenishment of reserve funds and then try to minimize its used-to replenish in operating budget? Yes. Another consideration is that over half the budget isn't creating free cash, so the 3-5% target is really 6-10%! We do try to budget conservatively for that *reason*.

The Chair asked if there were any more questions on this Special Town Meeting article. Chair Corbo asked if articles on the town warrant that are using free cash are voted down does that free up free-cash? *Yes!*

The Advisory Chair's goal was that tonight we could get information and at our next meeting we can deliberate.

Chair Corbo shared that they don't have any new information and they don't have a formal presentation. The Advisory Committee had questions:

Questions:

Is ARPA an offset? *\$170,000 is planned for next year. We are actually looked at our Capital projects and we found a \$300,000 HVAC project scheduled for next year that we are going to put off. We may have a larger project down the road!*

Impact of enrollment is dropping about 1%? *The number of children going to Private Schools is not jumping out at us! Our freshmen class is a smaller class, but that has been the class size throughout their school years. Our class enrollment is about 200 kids across all grades. The VoTech has a high demand, but they can only accept a specific number of students from Hanover. Percentage of kids going to private schools is the same.*

Have you considered increasing class sizes to eliminate a teacher? The student-teacher ratio follows current School Board policy.

We are just looking under every rock to potentially find some savings.

Have you looked at revenue sources (bus fees, athletic fees)? What would the revenue be from adding bus fees? *The majority of towns around us do have fees for transportation. The projection would be \$200,000 in saving. We have a family cap on athletic fees. Fees normally cover coaching costs; not even buses.*

Are we seeing anything from the State? *Our Chapter 70 money will be \$118,000 more than FY '23. This is unlikely to change.*

Emmanuel shared concerns about:

There was a lengthy discussion on Special Needs transportation. The costs are increasing.

There was a discussion on area towns and their budget increases over the last 5 years. The Chair asked for the data to be sent over to the committee.

Any FTE Changes? *Level Services! There are positions that we need to add and required to add.*

Line Item Document? *The stuff we zero budget we are going to have to live with!*

Teacher Assistant – We had to add that position. Student needs.

Technology Director – *Difference from new person and former position holder's salary.*

Page 6 of Line Item Document - \$894,000? *Jump in cost. Transportation cost are up 16%.*

Carry Forward to FY '24 – *State mandates = 14% increase in private tuition!*

Request was made to have the data behind the budget growth? *Years 2017 to 2020 - 19.6% increase?*

The \$612,253 is this increase in funding gap for your FY '24 Operating Budget. *This is an increase cost in Special Education and Special Education Transportation.*

Ingle bus contract - *We are in the 5th year. We will be negotiating a new contract next year.*

The Chair asked if there were any questions from the audience. There were none. The Chair thanked Matt, Mike and Libby for coming back to review their FY23 budget shortfall, budget request for FY24 and answer questions. Thank you for all the data you have shared.

The Advisory Committee then proceeded to review the Special Town Meeting Warrant. They moved to accept the Motion and Commentary. The only comment is that the DPW # may change. At this time there is only one article for the Special Town Meeting Warrant.

The Committee proceeded to the Annual Town Meeting Warrant.

The committee moved to accept the Motion and Commentary for articles:

1, 2, 3, 4, 5, 6, 12, 22, 23, 29 and 52 adding 611 Webster St. instead of the Map and Lot.

Article 7 is approved and Chelsea will plug in the numbers.

Article 8 – Operating Budget will be discussed next week 4/5.

The following articles will be reviewed at the 4/5 meeting – 9-11; 13-21; 24-28, 30-40; 43-51.

Question on Article 29 – Amount?

Questions on Articles 41 & 42?

Committee to discuss Free Cash prioritization.

Review Schools and Forge Pond Park.

Joe and Chelsea were asked to create projections.

Questions looking for Information on the TIF.

The committee discussed the tough budgetary situation the town of Hanover is in heading into FY24 and ATM.

There will be a need to have a meeting on Wednesday, April 12th.

Chair Dockter asked for a motion to adjourn the meeting. The motion was seconded and approved unanimously by the Advisory Committee. The meeting adjourned: 9:47 pm.