



# Fiscal Year 2022 Budget Initial Budget Presentation



January 4, 2021



# Town of Hanover Budget Timeline

Date	Event
December 4	Department Heads Submit Budgets to Finance Director
January 4	Initial Budget Presentation
January 4 – January 29	Selectmen Review
February 1	Town Manager Submits Budget
February - April	Advisory Committee Review
May 3	Town Meeting
July 1	FY2022 Budget Becomes Effective



# Town of Hanover Budget Goals & Objectives

- **Simplicity**
- **Highlight Policy Decisions for Policy Makers**
- **Focus on the Impact to Property Tax Payer**

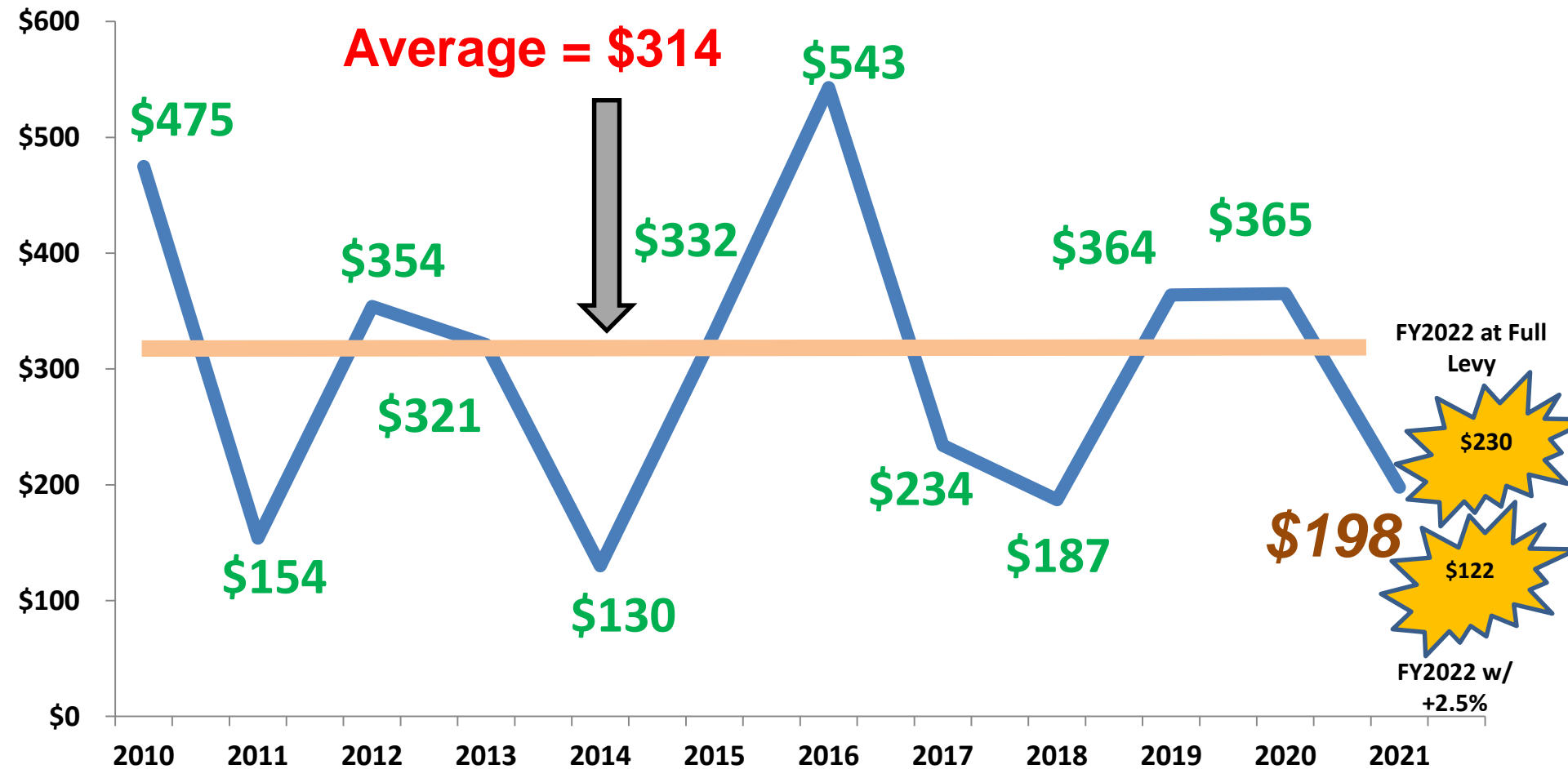


# Budget Summary

	FY2021 Budget	Proposed FY2022	Change (\$)	Change (%)
General Government	\$479,506	\$457,400	(\$22,106)	-4.6%
Finance Department	\$1,111,218	\$1,146,587	\$35,369	3.2%
CDMI	\$578,927	\$685,437	\$106,510	18.4%
Community Services	\$505,541	\$501,150	(\$4,391)	-0.9%
Library	\$541,996	\$625,112	\$83,116	15.3%
Police	\$4,417,066	\$4,243,662	(\$173,404)	-3.9%
Fire	\$3,615,253	\$3,886,912	\$271,659	7.5%
Public Works	\$7,076,703	\$7,631,120	\$554,417	7.8%
Transfers	\$424,938	\$424,938	\$0	0.0%
TOTAL MUNICIPAL	\$18,751,148	\$19,602,318	\$851,170	4.5%
Debt	\$5,817,057	\$4,447,568	(\$1,369,489)	-23.5%
Town-Wide Expenses	\$8,965,828	\$9,484,727	\$518,899	5.8%
Overlay Reserve	\$400,000	\$450,000	\$50,000	12.5%
State & County Charges	\$826,087	\$767,850	(\$58,237)	-7.0%
TOTAL FIXED COSTS	\$16,008,972	\$15,150,145	(\$858,827)	-5.4%
Hanover Public Schools	\$29,816,940	\$31,521,915	\$1,704,975	5.7%
SS Vocational Technical HS	\$728,050	\$970,050	\$242,000	33.2%
TOTAL BUDGET	\$65,305,110	\$67,244,428	\$1,939,318	3.0%

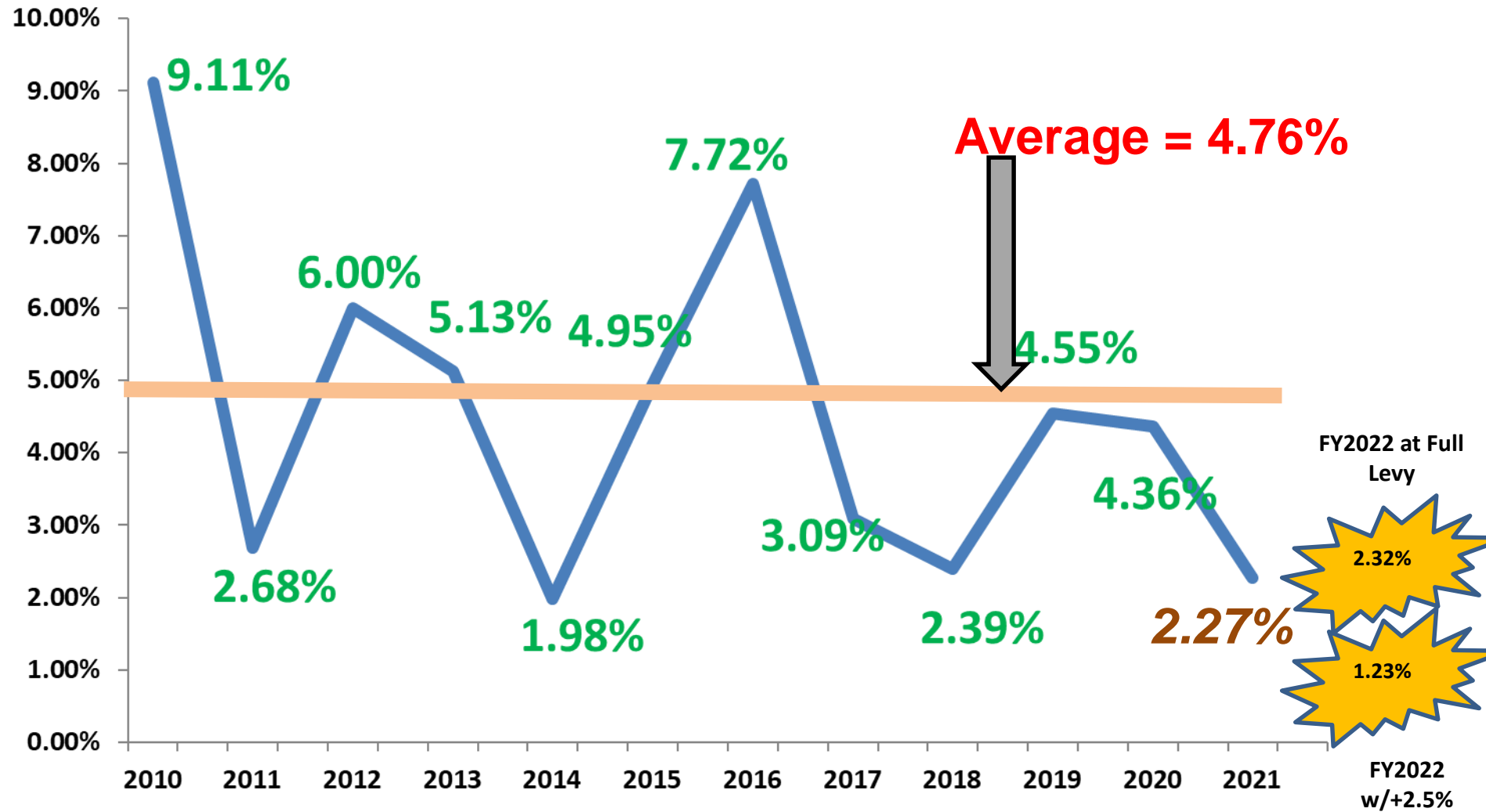


# Historical & Projected Average Residential Property Tax Bill Increase (\$)





# Historical & Projected Average Residential Property Tax Bill Increase (%)





# Budget “Gap” (as of January 4, 2021)

- \$3,682,622 “Gap” with no tax increase and no use of Free Cash
- \$2,600,000 “Gap” if Increase Taxes by 2.5% from FY2021
- \$2,000,000 “Gap” if Increase Taxes by 2.5% + Available Excess Levy Capacity.

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- Which “Levers” Should We Pull?
  - Which “Switches” Should We Flip?



# Town of Hanover Budget 'Levers'

- Service Level
- Property Taxes
- Free Cash
- Fees







# Town of Hanover Budget FY2022 'Switches'

- Dispatch
- Transfer Station
- Personnel/Org Chart
- Other Funds
- Debt & Capital Purchases
- Advisory Committee Reserve Fund
- Sylvester (& Salmond)
- Fire Station





# Town of Hanover Budget Transfer Station – C&D

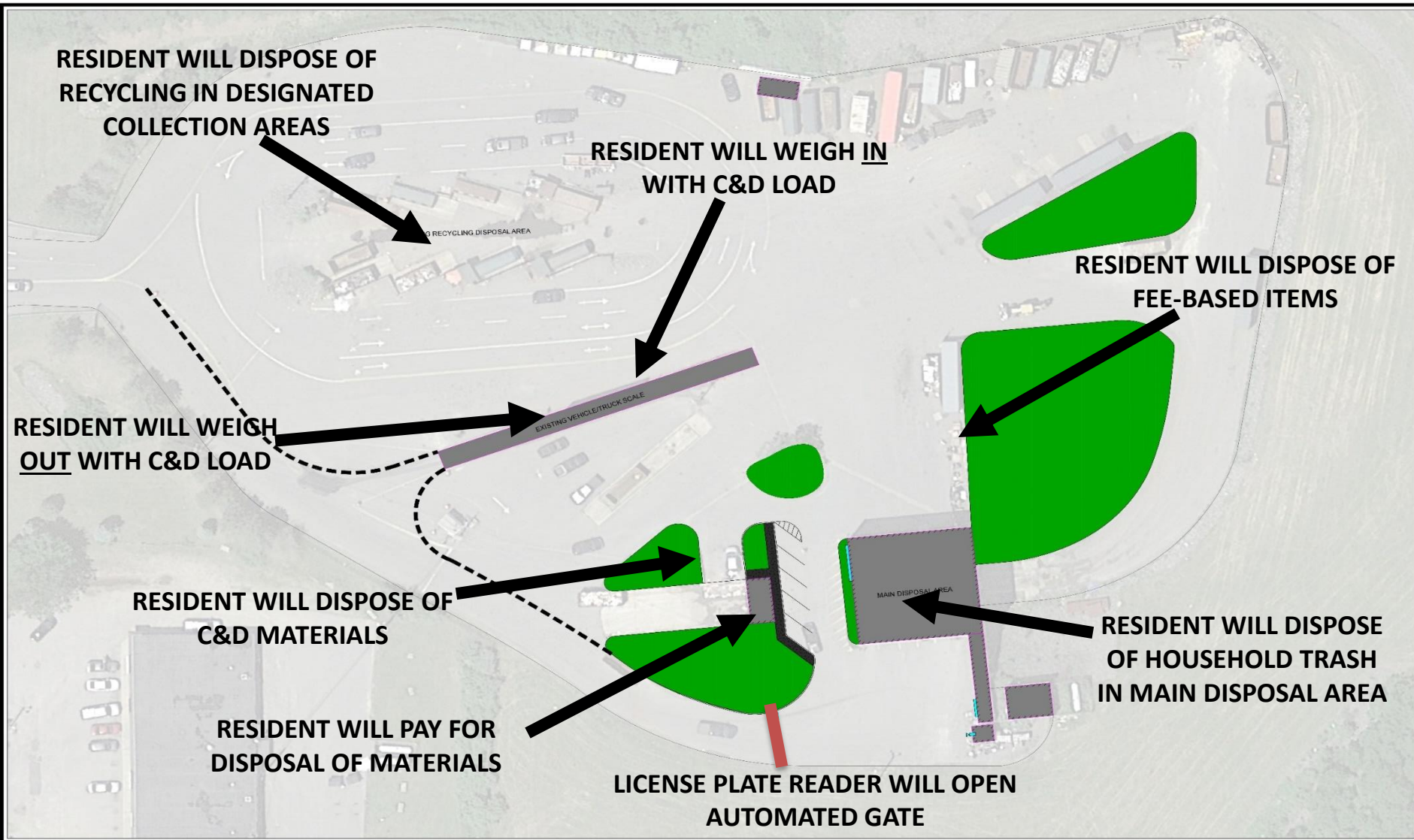
- **Total Expenditure** **\$265,320**
- **Total Revenue** **\$450,000**

Total Tons*	Cost/Ton	Cost/Pound	Cost for a Typical 8 ft 2x4	Cost for 4x8 Sheet ½ inch Plywood
500	\$900	\$0.450	\$4.95	\$20.25
600	\$750	\$0.375	\$4.13	\$16.88
700	\$643	\$0.322	\$3.53	\$14.47
800	\$563	\$0.282	\$3.09	\$12.67

\*5 Year Average = 1,000



# Town of Hanover Budget Transfer Station





# **Town of Hanover Budget Dispatch and E-911**

- **Transition to the Regional Old Colony Communications Center (ROCCC)**
- **Goal: July 1, 2021**
- **FY2022 Budget: January 1, 2022**
- **Challenge: Continue Providing Civilian Administrative Support for HPD after Transition**
- **Long-Term Annual Operating Costs Anticipated to be the Same**
- **Long-Term Budget Savings Realized in Capital Budget**



# Town of Hanover Budget Personnel & Org Chart Changes

FISCAL YEAR	FULL-TIME EMPLOYEE
FY2020	-1.0
FY2021	-4.5
FY2022	-2.0*



# Town of Hanover Budget

## State Aid & Fees

Revenue Source	FY2021	FY2022
State Aid	\$9,273,313	\$8,809,647
Fees	\$4,229,425	\$4,635,371



# **Town of Hanover Budget Advisory Committee Reserve Fund**

	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>
<b>Advisory Committee Reserve Fund</b>	<b>\$177,700</b>	<b>\$424,938</b>	<b>\$424,938</b>



# Town of Hanover Budget

## “Other” Funds

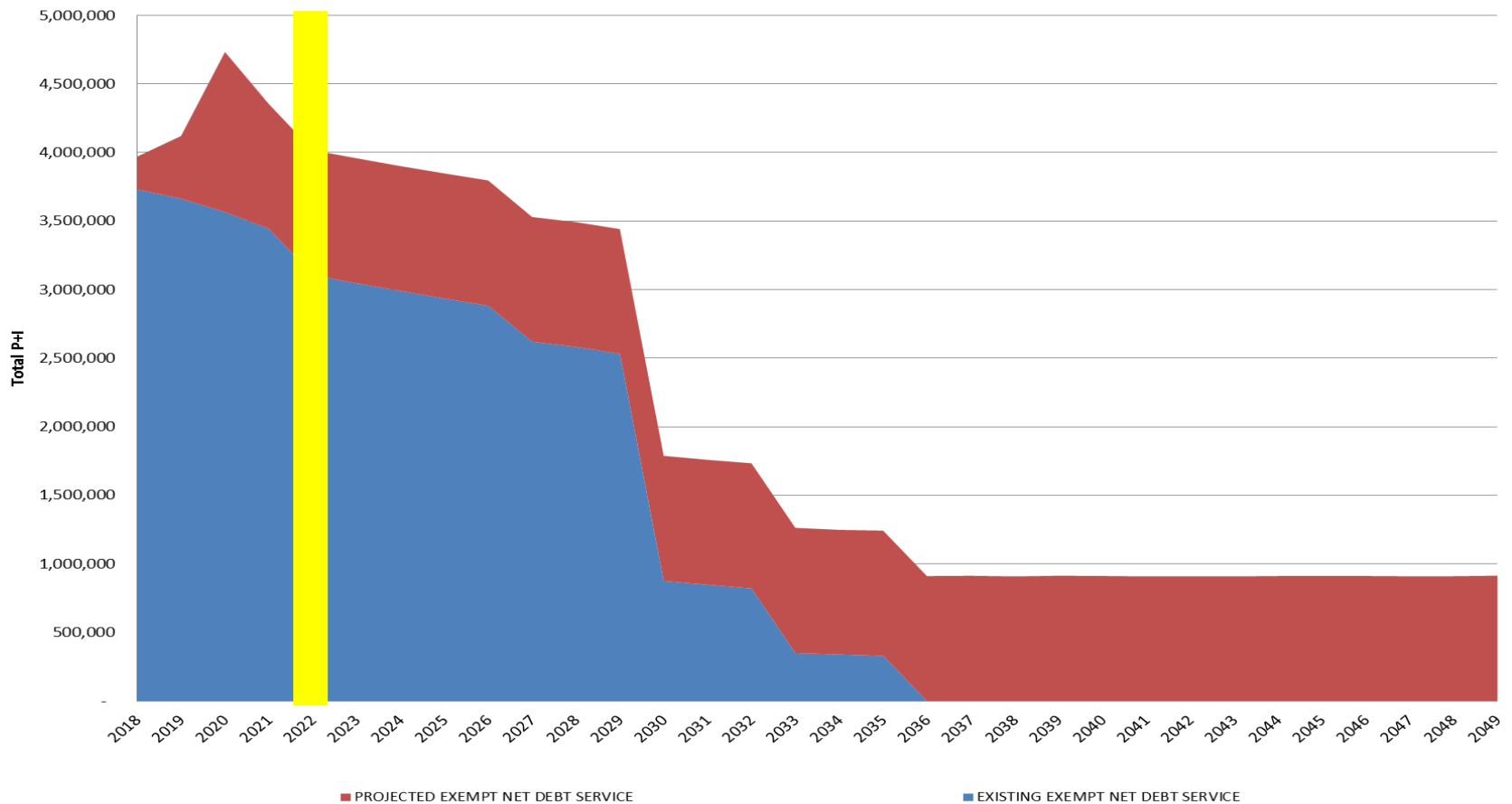
Fund	FY2021	FY2022
PEG	\$475,000	\$350,000
GATRA	\$103,000	\$115,000
CPC	\$66,000	\$67,732
Affordable Housing Trust	\$0	\$50,000
Parks & Rec Revolving	\$93,548	\$100,000
Wetlands Protection	\$0	\$5,000
Cemetery Graves & Foundations	\$65,000	\$65,000
Sale of Cemetery Lots	\$10,000	\$10,000
Ambulance Receipts Reserved	\$1,200,000	\$1,200,000





# “Devil’s Horn” of Debt has Passed

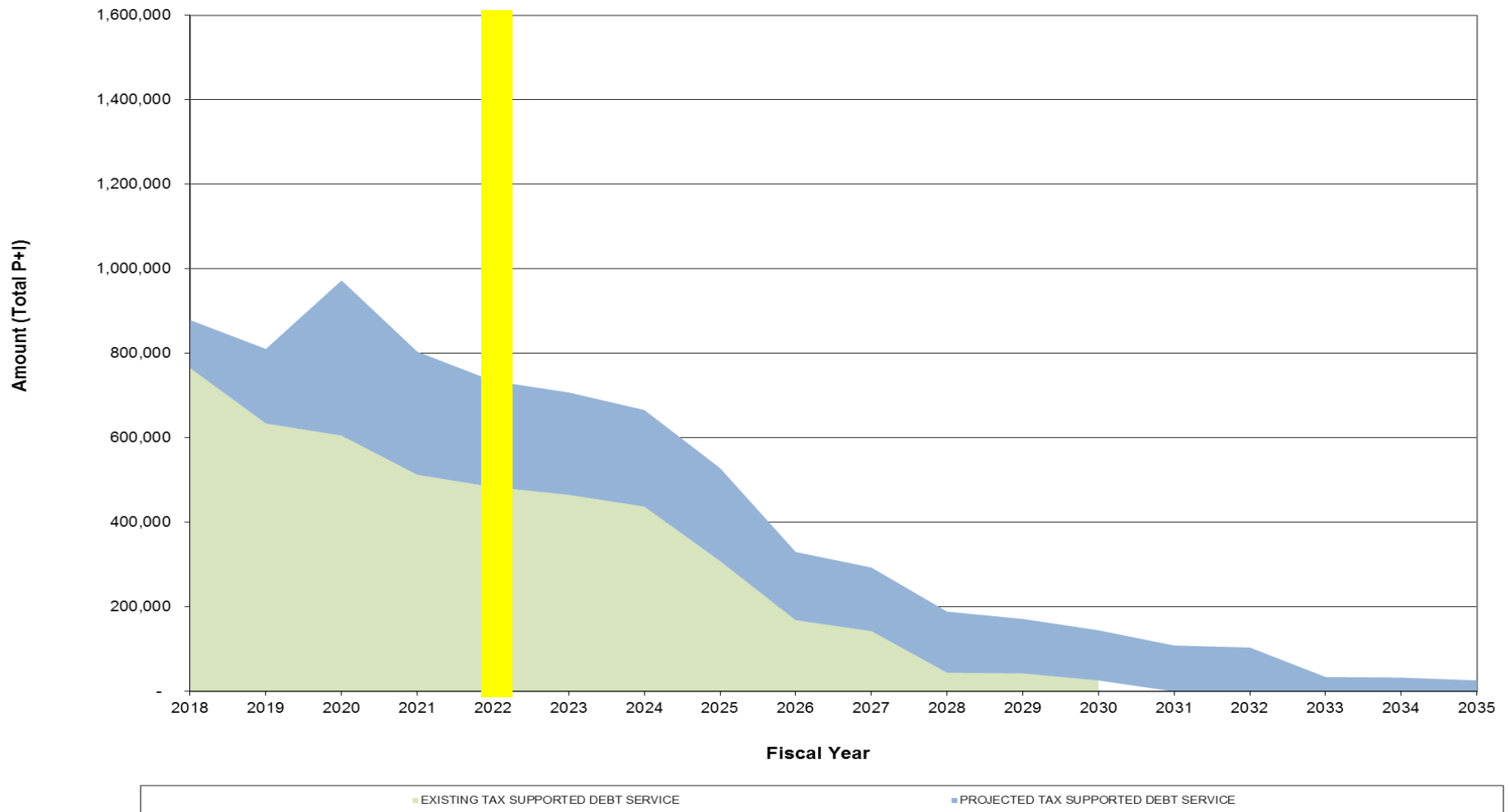
**Town of Hanover, Massachusetts  
Existing and Projected Exempt Debt Service  
Bond 2019**





# “Devil’s Horn” of Debt has Passed

Existing & Projected  
Tax Supported Debt Service - BOND 2019





# Debt Service

**\$1,369,489 Projected  
Reduction**

**Final Figures will be known after the Town issues new  
Long Term Debt in January**



# Projected (Future) Debt

- **Large Dump Truck, Sander & Plow**

## 10-Year Long Term Debt Issuance

- Principal Cost: ~\$210,000
- Interest Cost: ~\$46,200
- Impact on Future Operating Budget ~\$25,000/yr

- **Fire Rescue Pumper**

## 20-Year Long Term Debt Issuance

- Principal Cost: ~\$675,000
- Interest Cost: ~\$148,500
- Impact on Future Operating Budget ~\$42,000/yr



# Projected (Future) Debt

- **Sylvester (CPC)**

## 10-Year Long Term Debt Issuance

- Principal Cost: ~\$200,000
- Interest Cost: ~\$45,000
- Impact on Future Operating Budget: ~\$25,000/yr\*

- **Fire Station**

## 20-Year Long Term Debt Issuance

- Principal Cost: ~\$750,000
- Interest Cost: ~\$165,000
- Impact on Future Operating Budget: ~\$45,000/yr



# Property Tax Bill History

Fiscal Year	Single Family Total Value	Single Family Parcels	Average Single Family Value	Tax Rate	Average Single Family Tax Bill
2012	\$1,717,342,100	4,118	\$417,033	\$15.00	\$6,255
2013	\$1,744,124,600	4,124	\$422,921	\$15.55	\$6,576
2014	\$1,713,881,600	4,143	\$413,681	\$16.21	\$6,706
2015	\$1,812,480,800	4,159	\$435,797	\$16.15	\$7,038
2016	\$1,875,933,700	4,172	\$449,649	\$16.86	\$7,581
2017	\$1,975,543,800	4,176	\$473,071	\$16.52	\$7,815
2018	\$2,059,566,300	4,190	\$491,543	\$16.28	\$8,002
2019	\$2,144,735,000	4,207	\$509,801	\$16.41	\$8,381
2020	\$2,254,317,145	4,211	\$535,340	\$16.31	\$8,731
<b>2021</b>	<b>\$2,290,967,337</b>	<b>4,213</b>	<b>\$543,785</b>	<b>\$16.33</b>	<b>\$8,880</b>



# Free Cash: Past, Present, Future

Fiscal Year	Amount Available	Amount Used in Operating Budget	% Used in Operating Budget	Amount Used ATM	Amount Used STM	Total Used	% Used Total	Amount Remaining at End of Fiscal Year
2011	\$1,710,066	\$1,598,827	93%	\$111,239	\$0	\$1,710,066	100.00%	\$0
2012	\$2,394,387	\$1,447,366	60%	\$947,021	\$0	\$2,394,387	100.00%	\$0
2013	\$2,204,388	\$840,682	38%	\$1,226,556	\$0	\$2,067,238	93.78%	\$137,149
2014	\$3,049,716	\$460,166	15%	\$1,022,960	\$441,295	\$1,924,421	63.10%	\$1,125,294
2015	\$2,074,285	\$250,000	12%	\$956,923	\$320,000	\$1,526,923	73.61%	\$547,361
2016	\$2,784,497	\$0	0%	\$1,977,100	\$164,650	\$2,141,750	76.92%	\$642,747
2017	\$1,734,005	\$0	0%	\$1,075,612	\$195,350	\$1,270,962	73.30%	\$463,043
2018	\$2,543,589	\$500,000	20%	\$1,147,700	\$290,635	\$1,938,335	76.20%	\$605,254
2019	\$3,219,470	\$680,000	21%	\$836,000	\$602,679	\$2,118,679	65.81%	\$1,100,791
2020	\$3,010,477	\$750,000	25%	\$725,531	\$107,490	\$1,583,021	52.58%	\$1,427,456
2021	\$4,293,469	\$1,548,000	36%	\$250,000	\$29,000	\$1,827,000	42.55%	\$2,466,469
2022	\$3,000,000	????		\$250,000**	????	????		



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