



Fiscal Year 2022 Budget Town Manager's Budget Submission Presentation



February 1, 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 Summary

	FY2021 Budget	FY2022 Budget	Change
General Government	\$479,506	\$442,938	(36,568)
Finance Department	\$1,111,218	\$1,046,025	(65,193)
CDMI	\$578,927	\$646,191	\$67,264
Community Services	\$505,541	\$463,632	(41,909)
Library	\$541,996	\$600,612	\$58,616
Police	\$4,417,066	\$4,145,362	(271,704)
Fire	\$3,615,253	\$3,802,712	\$187,459
Public Works	\$7,076,703	\$7,496,160	\$419,457
Transfers	\$424,938	\$124,938	(300,000)
TOTAL MUNICIPAL	\$18,751,148	\$18,768,570	\$17,422
Debt	\$5,817,057	\$4,397,568	(1,419,489)
Town-Wide Expenses	\$8,965,828	\$9,484,727	\$518,899
Overlay Reserve	\$400,000	\$400,000	\$0
State & County Charges	\$826,087	\$767,860	(58,227)
TOTAL FIXED COSTS	\$16,008,972	\$15,050,145	(958,827)
Hanover Public Schools	\$29,816,940	\$31,521,915	\$1,704,975
SS Vocational Technical HS	\$728,050	\$887,000	\$158,950
TOTAL BUDGET	\$65,305,110	\$66,227,630	\$922,520

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Town of Hanover Budget Progression Over Past Month

	Original Proposed FY2022 Budget (01/04/21)	Proposed FY2022 (on 01/11/21)	Proposed FY2022 (on 01/25/21)	Final Proposed FY2022	Difference from Original to Final Budget
General Government	\$457,400	\$457,400	\$442,938	\$442,938	\$(14,462)
Finance Department	\$1,146,587	\$1,046,587	\$1,046,587	\$1,046,025	\$(100,562)
CDMI	\$685,437	\$651,693	\$637,231	\$646,191	\$(39,246)
Community Services	\$501,150	\$501,150	\$484,709	\$463,632	\$(37,518)
Library	\$625,112	\$585,112	\$580,612	\$600,612	\$(24,500)
Police	\$4,243,662	\$4,193,662	\$4,167,062	\$4,145,362	\$(98,300)
Fire	\$3,886,912	\$3,836,912	\$3,802,712	\$3,802,712	\$(84,200)
Public Works	\$7,631,120	\$7,631,120	\$7,525,120	\$7,496,160	\$(134,960)
Transfers	\$424,938	\$124,938	\$124,938	\$124,938	\$(300,000)
TOTAL MUNICIPAL	\$19,602,318	\$19,028,574	\$18,811,909	\$18,768,570	\$(833,748)
Debt	\$4,447,568	\$4,447,568	\$4,397,568	\$4,397,568	\$(50,000)
Town-Wide Expenses	\$9,484,727	\$9,484,727	\$9,484,727	\$9,484,727	\$0
Overlay Reserve	\$450,000	\$450,000	\$400,000	\$400,000	\$(50,000)
State & County Charges	\$767,850	\$767,850	\$767,850	\$767,850	\$0
TOTAL FIXED COSTS	\$15,150,145	\$15,150,145	\$15,050,145	\$15,050,145	\$(100,000)
Hanover Public Schools	\$31,521,915	\$31,521,915	\$31,521,915	\$31,521,915	\$0
SS Vocational Technical HS	\$970,050	\$970,050	\$970,050	\$887,000	\$(83,050)
TOTAL BUDGET	\$67,244,428	\$66,670,684	\$66,354,019	\$66,227,630	\$(1,016,798)

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Town of Hanover Budget Goals & Objectives

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



Town of Hanover Budget 'Levers' & 'Switches'

- Service Level
- Property Taxes
- Free Cash
- Fees/Revenues



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





Town of Hanover Budget Service Level

By and large the FY2022 budget proposal reflects the policy directive set by the Selectmen to continue current level of services.

In some areas staff increases will improve service delivery; in some areas staff decreases could result in *de Minimis* service delivery reductions.

Budget reflects the transition to regional e-911/emergency communications center.

Budget reflects the return of Construction & Demolition (C&D) debris at the Transfer Station.

Budget reflects discussions with School Department leadership for the needs of the school department, an increase to the Technology Department budget and a shift in IT costs from “town” to “schools”

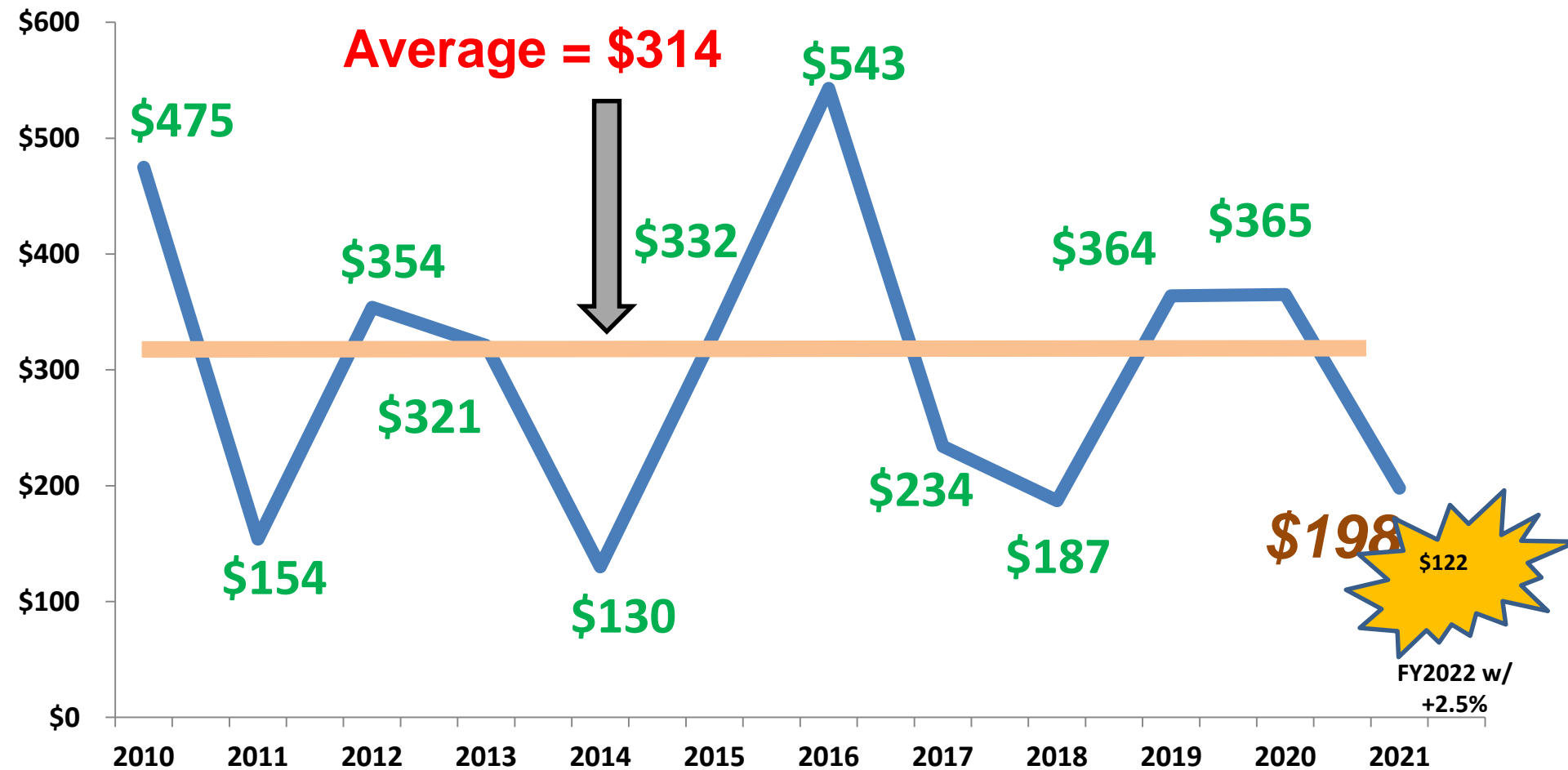


Town of Hanover Budget Property Taxes

The Town Manager's FY2022 budget reflects the Board of Selectmen directive to increase property taxes by 2.5% but NOT to the available excess levy capacity.

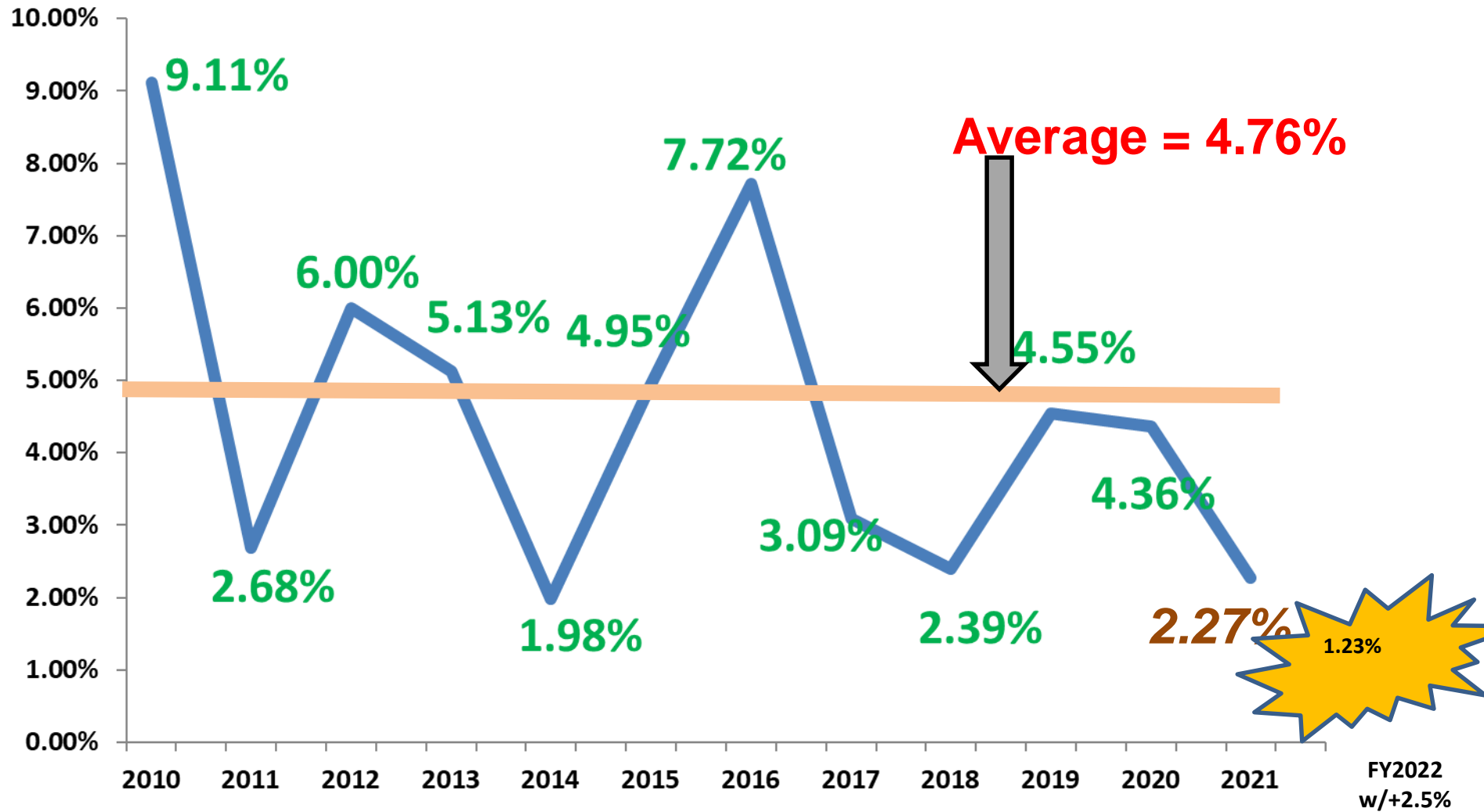


Historical & Projected Average Residential Property Tax Bill Increase (\$)





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



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Town of Hanover Budget

Residential 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
2021	\$2,290,967,337	4,213	\$543,785	\$16.33	\$8,880

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Town of Hanover Budget

Commercial and Personal Property Tax History

Fiscal Year	Commercial Levy Amount	Commercial % of Tax Levy	Personal Property Levy Amount	PP % of Tax Levy
2012	\$4,601,025	13.49%	\$736,422	2.16%
2013	\$4,847,490	13.47%	\$787,423	2.19%
2014	\$5,084,513	13.76%	\$812,548	2.20%
2015	\$5,108,117	13.21%	\$858,003	2.22%
2016	\$5,349,913	12.89%	\$914,726	2.20%
2017	\$5,206,708	12.28%	\$938,830	2.21%
2018	\$4,843,860	11.20%	\$927,450	2.14%
2019	\$4,956,998	10.90%	\$1,104,114	2.43%
2020	\$4,873,757	10.30%	\$1,110,356	2.35%
2021	\$4,990.994	10.27%	\$1,112,831	2.29%

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*FY22: Projecting commercial values to stay relatively the same and a slight decrease in personal property values



Town of Hanover Budget Free Cash

The Town Manager's FY2022 budget incorporates \$1,000,000 allocated from Free Cash to balance the operating budget. This is a reduction of \$500,000 from what was applied to the FY2021 budget.

Utilizing \$1,000,000 from Free Cash to balance the budget is not without precedent in terms of total dollar amount and percentage relative to the recent past.

It is anticipated the Town would remain within guidelines from the Department of Revenue (maintaining a Free Cash balance between 3-5%) for subsequent fiscal years if \$1,000,000 from Free Cash is applied towards the FY2022 budget.



Town of Hanover Budget

Free Cash

(Proposed) Use	(Proposed) Amount
FY2022 Certified Free Cash (forecast)	\$3,800,000
Operating Budget	\$1,000,000
Fiscal Year 2021 COVID (placeholder)	\$500,000
DPW Truck	\$215,000
SPED Reserve	\$350,000
IT Capital	\$75,000
TOTAL	<u>\$2,140,000</u>
Free Cash Balance End of FY2022	<u>\$1,660,000</u>
Expected FY2021 Excess Revenue	\$1,100,000
Available Amount FY2023	<u>\$2,760,000</u>



Town of Hanover Budget Free Cash

% Free Cash	Amount
4%	≈\$2,760,000
3%	≈\$2,000,000
5%	≈\$3,500,000



Town of Hanover Budget

Free Cash

Fiscal Year	Start Amount	\$ Used in Operating Budget	% Used in Operating Budget	\$ Used at ATM	\$ Used STM	\$ Total Used	% Total Used	End Amount
2011	\$1,710,066	\$1,598,827	93%	\$111,239	\$0	\$1,710,066	100%	\$0
2012	\$2,394,387	\$1,447,366	60%	\$947,021	\$0	\$2,394,387	100%	\$0
2013	\$2,204,388	\$840,682	38%	\$1,226,556	\$0	\$2,067,238	94%	\$137,149
2014	\$3,049,716	\$460,166	15%	\$1,022,960	\$441,295	\$1,924,421	63%	\$1,125,294
2015	\$2,074,285	\$250,000	12%	\$956,923	\$320,000	\$1,526,923	74%	\$547,361
2016	\$2,784,497	\$0	0%	\$1,977,100	\$164,650	\$2,141,750	77%	\$642,747
2017	\$1,734,005	\$0	0%	\$1,075,612	\$195,350	\$1,270,962	73%	\$463,043
2018	\$2,543,589	\$500,000	20%	\$1,147,700	\$290,635	\$1,938,335	76%	\$605,254
2019	\$3,219,470	\$680,000	21%	\$836,000	\$602,679	\$2,118,679	66%	\$1,100,791
2020	\$3,010,477	\$750,000	25%	\$725,531	\$107,490	\$1,583,021	43%	\$1,427,456
2021	\$4,293,469	\$1,548,000	36%	\$250,000	\$29,000	\$1,827,000	43%	\$2,466,469
2022	\$3,800,000	\$1,000,000	26%	\$640,000	\$500,000	\$2,140,000	56%	\$1,660,000
2023	\$2,760,000							

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Town of Hanover Budget Fees & Other Revenue

Revenue	FY2021 Estimate	FY2022 Estimate	Difference
Chapter 70 State Aid	\$6,321,491	\$7,023,879	\$702,388
Unrestricted Government Aid	\$1,799,545	\$2,136,962	\$337,417
Other State Aid	\$302,302	\$259,455	\$(42,847)
Motor Vehicle Excise	\$2,707,812	\$2,736,591	\$28,779
Penalties & Interest	\$130,000	\$130,000	\$0
Fees	\$346,814	\$765,556	\$418,742
Rental/Leases	\$35,942	\$40,883	\$4,941
Licenses & Permits	\$561,801	\$696,605	\$134,804
Fines and Forfeits	\$96,619	\$107,686	\$11,067
Investment Income	\$200,000	\$225,000	\$25,000
Miscellaneous - Recurring	\$150,000	\$150,000	\$0

*Level funded Ch. 70 and Other State Aid based on actuals for FY2021; Unrestricted cut by 10% based on actual for FY2021.



Town of Hanover Budget Dispatch

The Town Manager's Fiscal Year 2022 budget anticipates transitioning to the Regional Old Colony Communications Center (ROCCC/Duxbury). The goal is to transition by July 1, 2021; the proposed FY2022 budget provides some flexibility in the event the transition takes a few extra months.

The Town Manager's Fiscal Year 2022 budget provides for (new) civilian employees to staff the front desk of the police department.



Town of Hanover Budget Transfer Station

The Town Manager's Fiscal Year 2022 budget provides the option for the Selectmen to amend the Transfer Station Policy in order for Construction & Demolition (C&D) debris disposal to resume at the Transfer Station in FY2022.

• Total Expenditure	\$265,320
• Total Revenue	\$450,000
• Proposed Fee	\$0.23/lbs
• Capital Improvements:	\$0

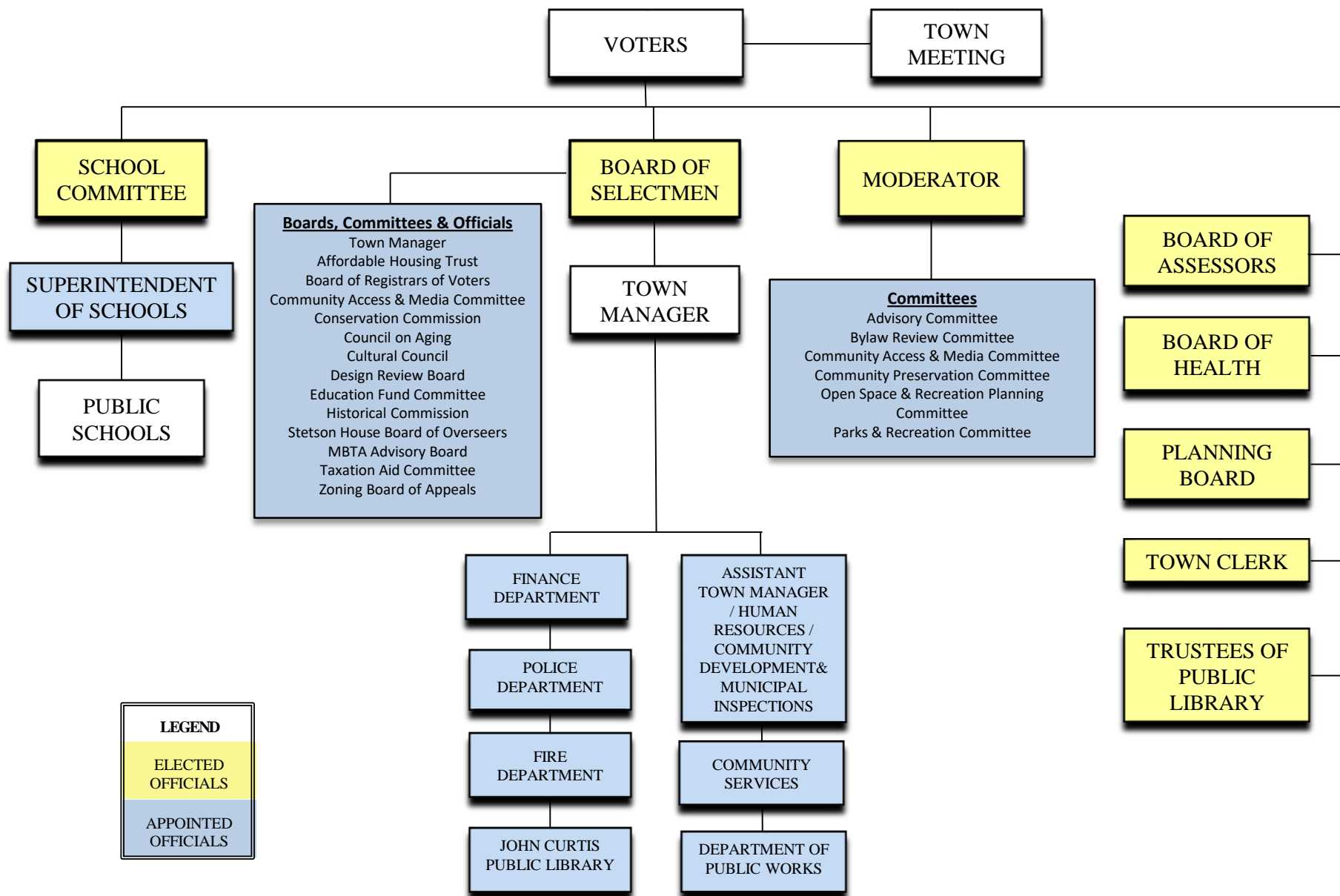


Town of Hanover Budget Personnel/Org Charts

Fiscal Year	Employee Change	Reason
FY2020	-1.0FTE	Aggregate Change
FY2021	-4.5FTE	Aggregate Change
FY2022	+0.5 FTE	Town Planner
FY2022	+0.5FTE*	Administrative Assistant CDMI
FY2022	-1.0FTE	Aggregate Changes in Finance Department
FY2022	-1.0FTE	Reduction in DPW
FY2022	-3.0/4.0FTE*	Transition from e911/dispatch to administrative staff at HPD
FY2022 TOTAL	-4.0FTE*	Aggregate Change FY2022
FY2020 – FY2022 TOTAL	-9.5FTE	Aggregate Changes past 3 years

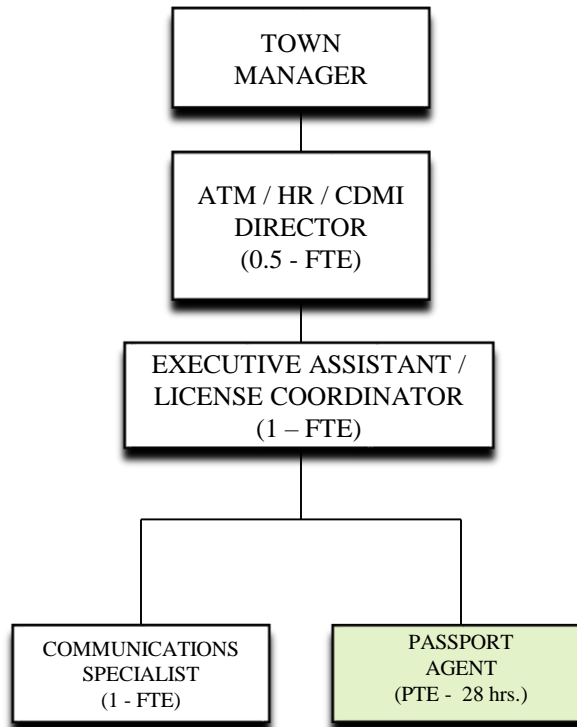


Town Organization Chart





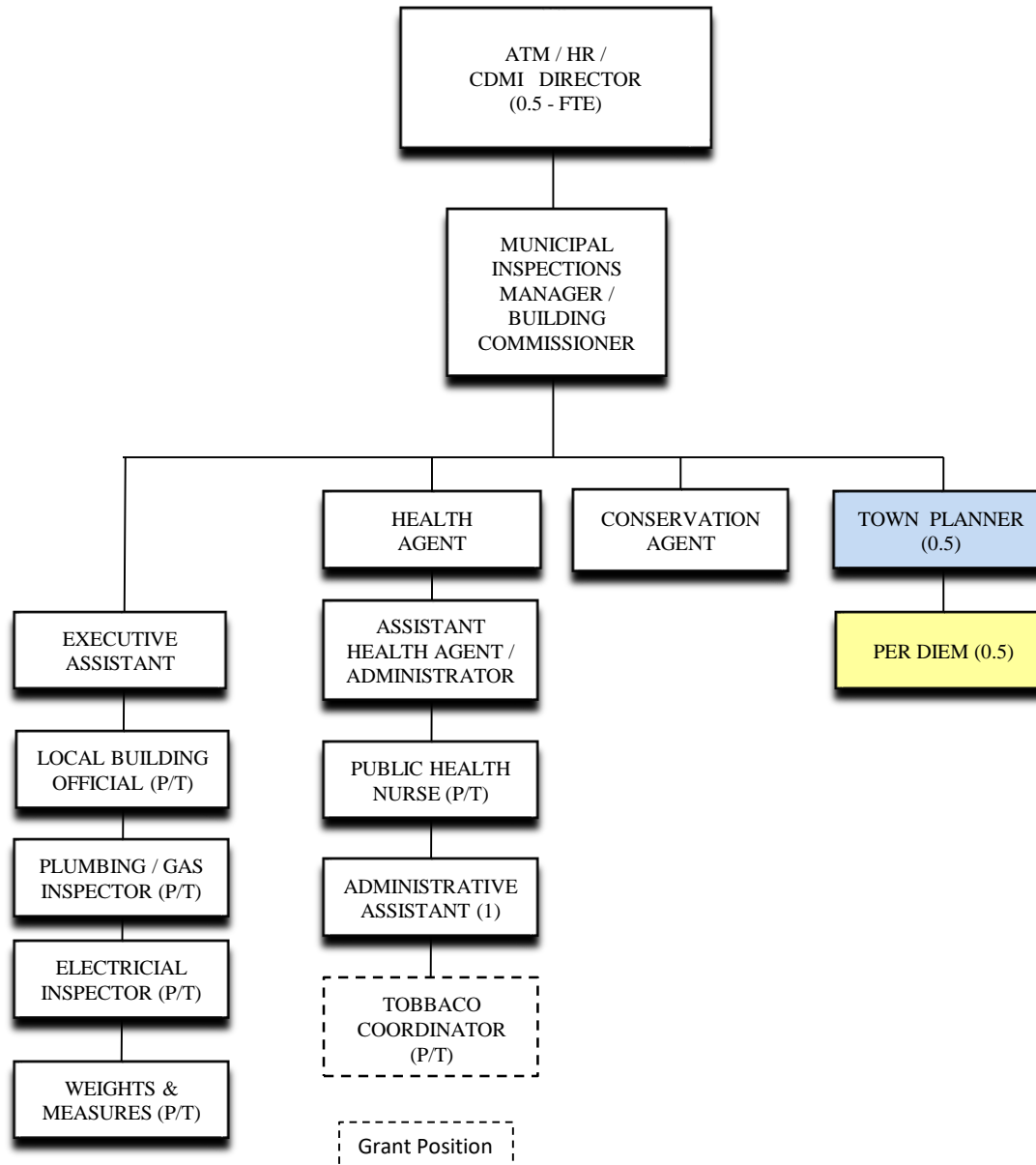
Town Manager's Office



- Change
- Remove
- Add



Community Development & Municipal Inspections



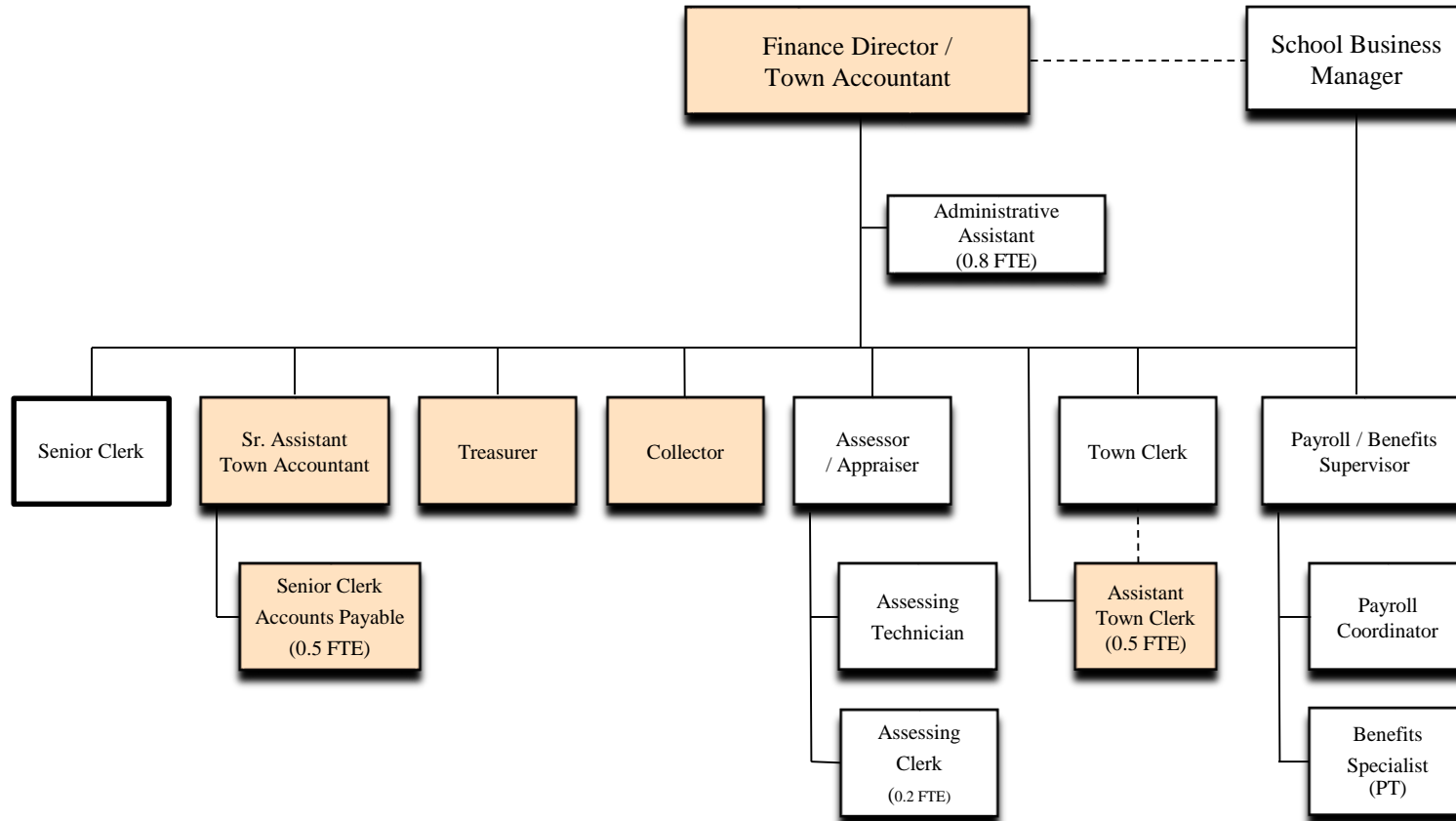
Change
Remove
Add
Funded

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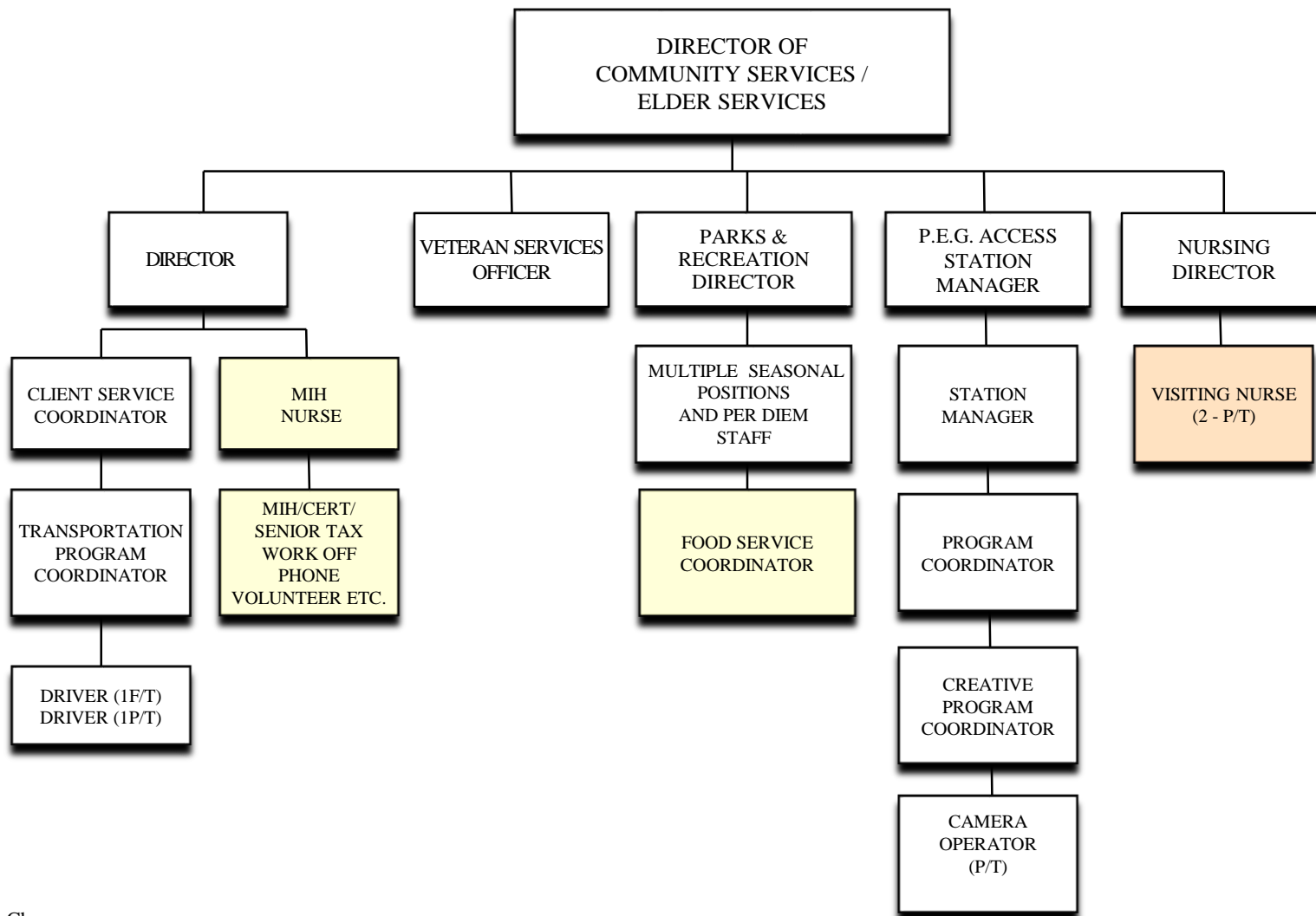
Municipal Finance



- Change
- Remove
- Add



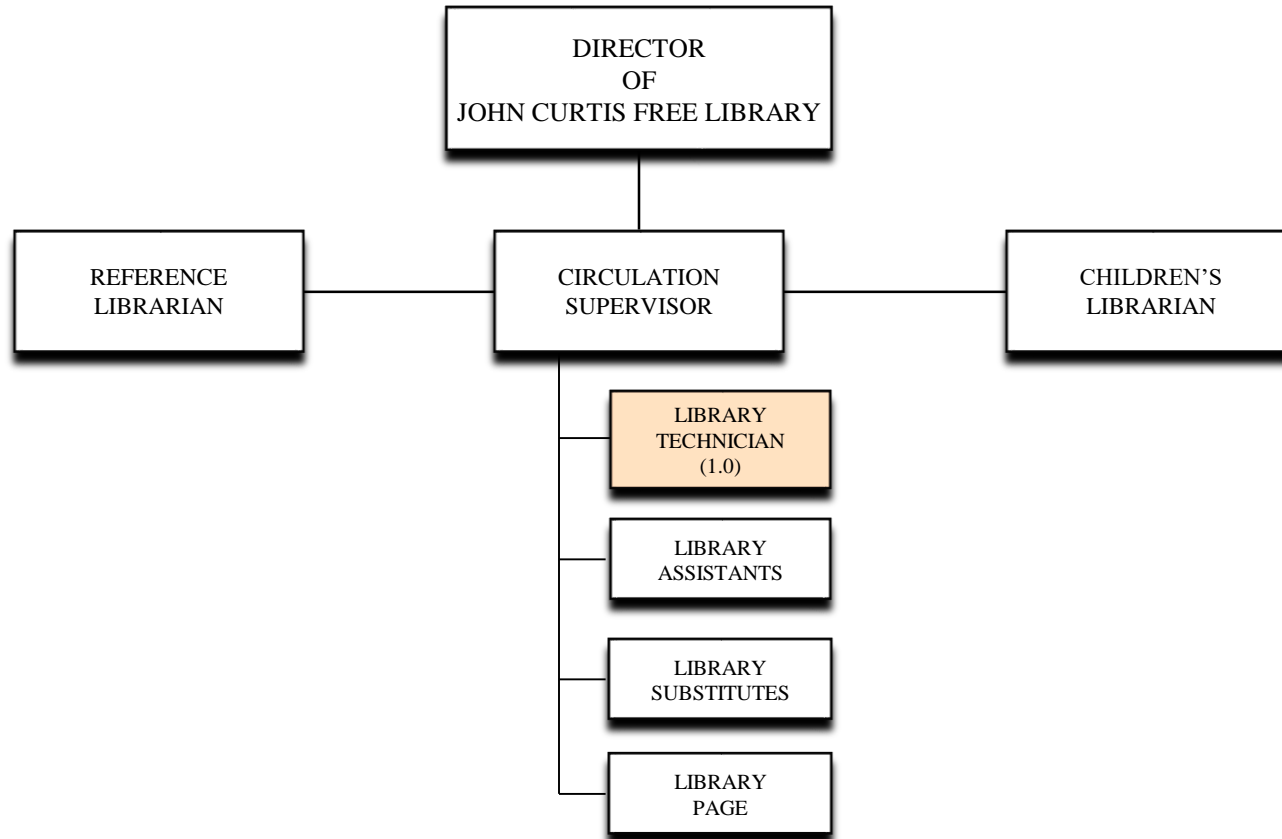
Community Services



Change
Remove
Add



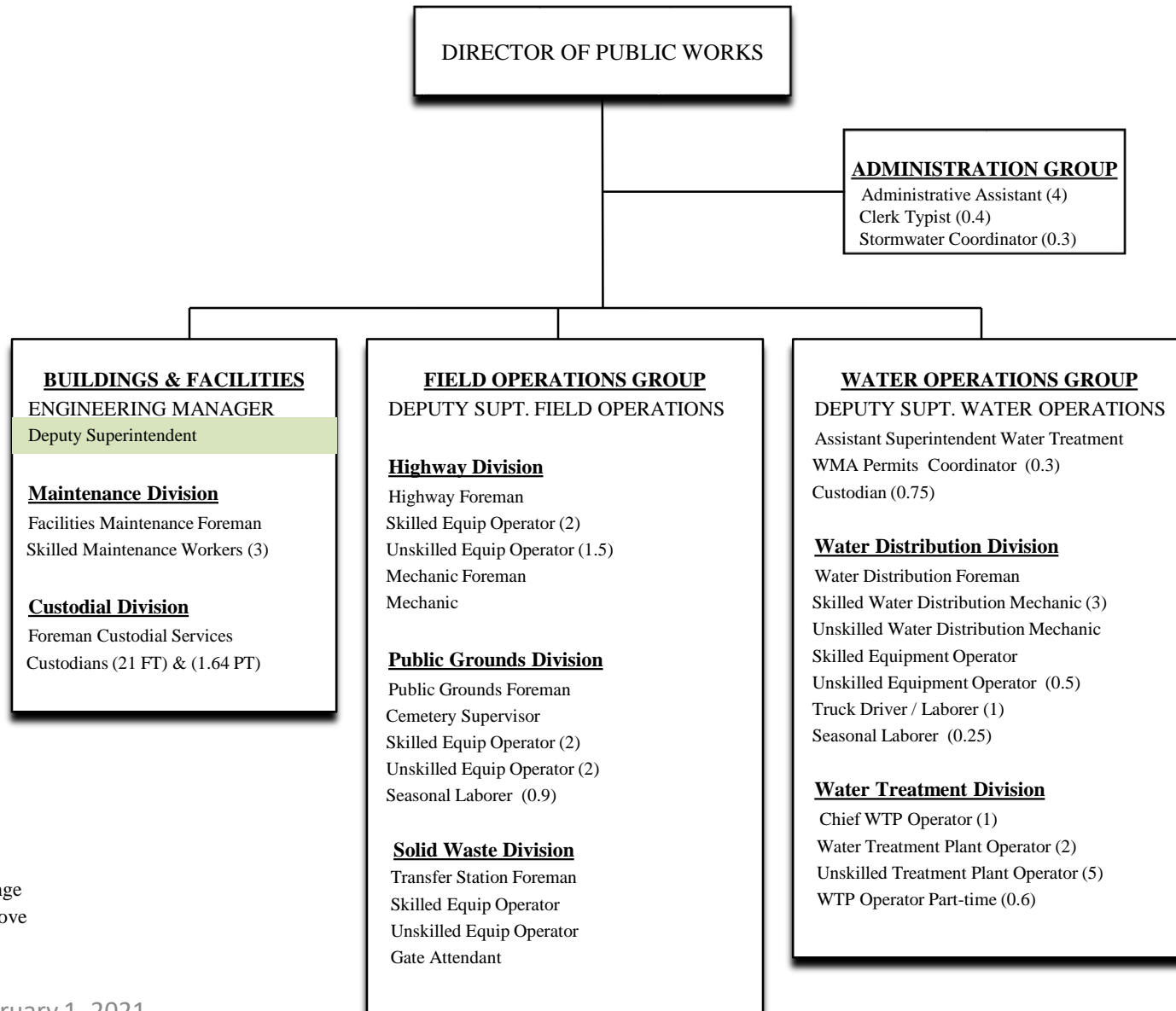
John Curtis Free Library



- Change
- Remove
- Add

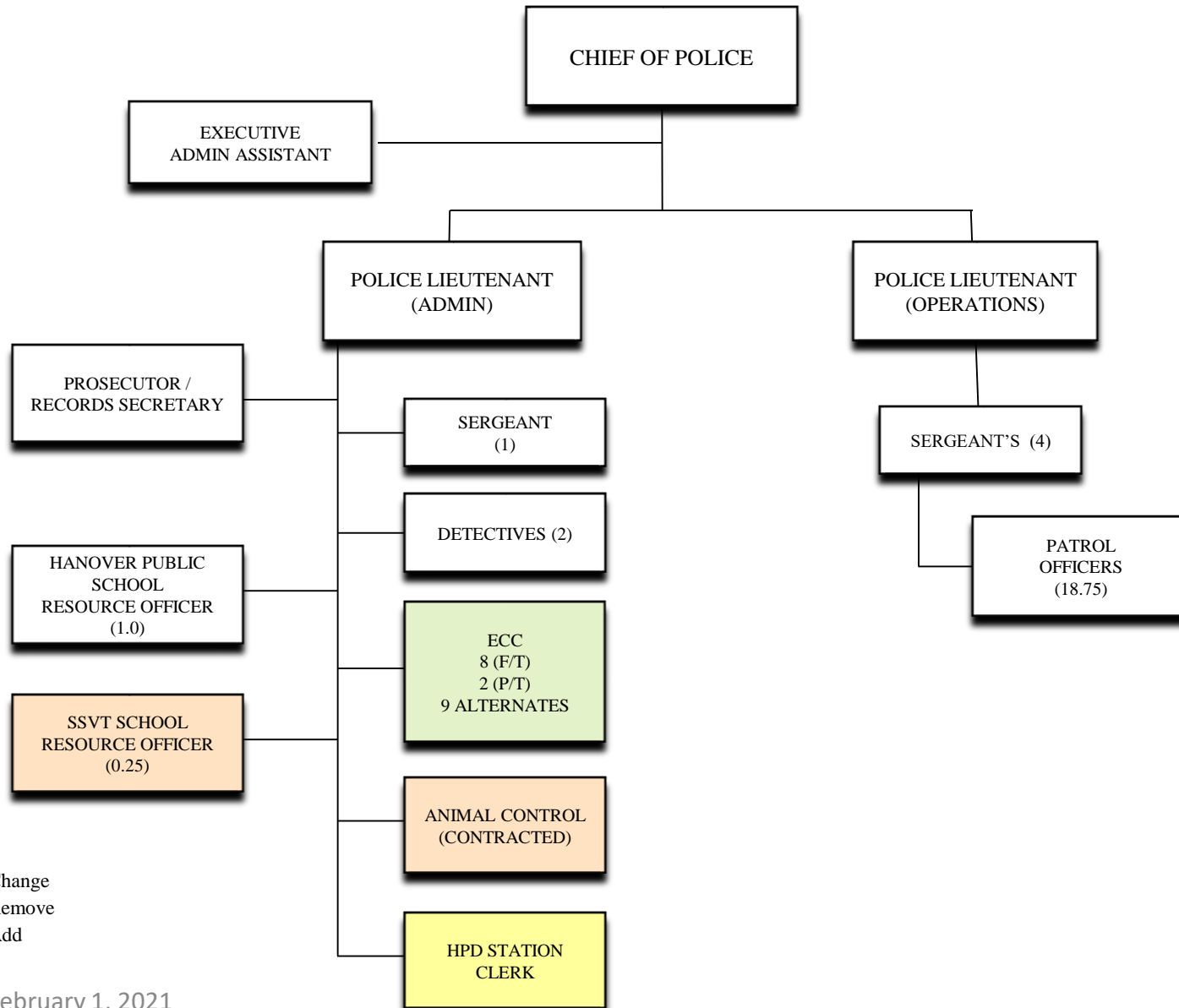


Department of Public Works





Police Department

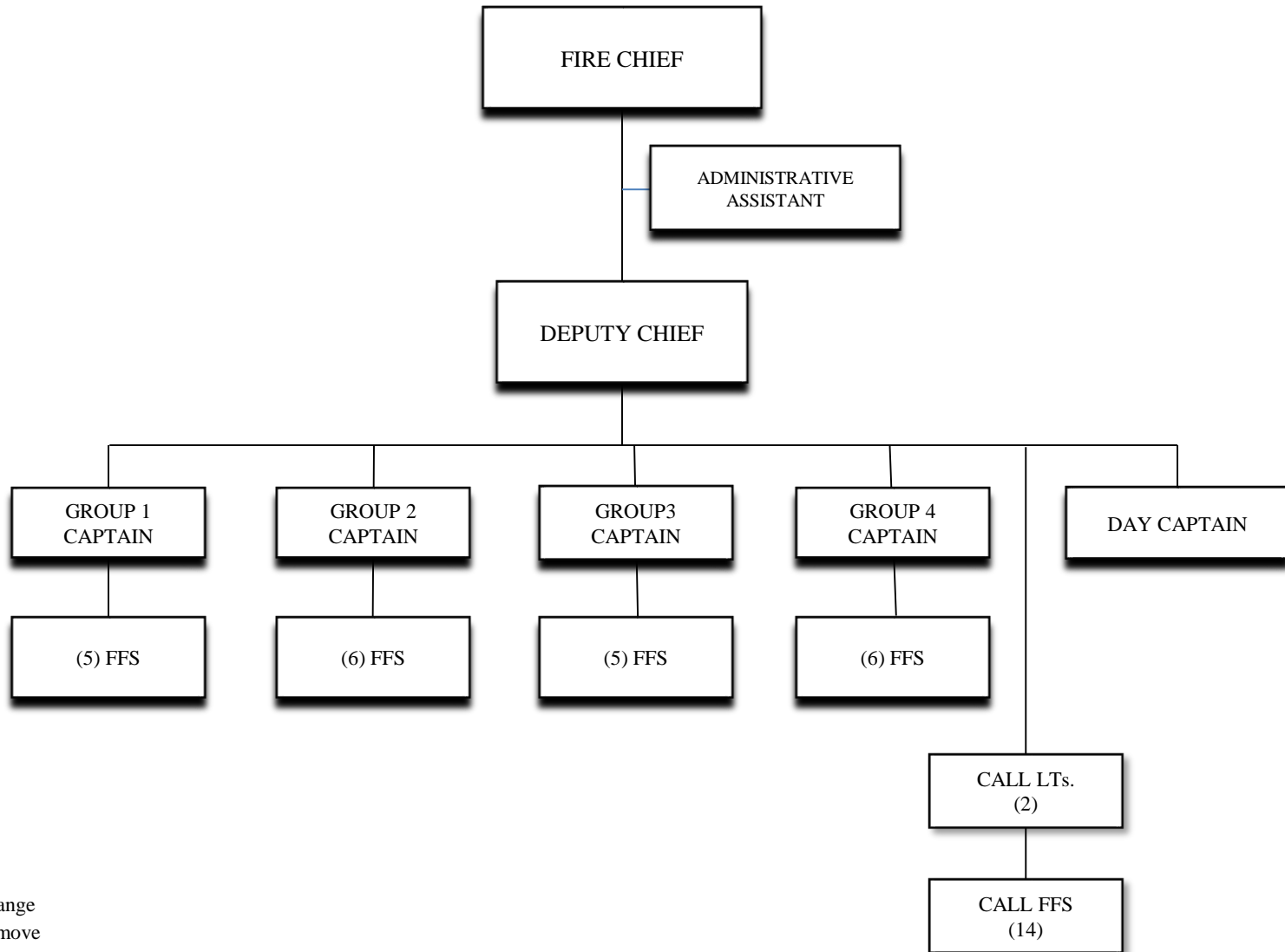


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Fire Department



Change
Remove
Add



Town of Hanover Budget

“Other” Funds

Fund	FY2021	FY2022
PEG	\$475,000	\$450,000
GATRA	\$103,000	\$115,000
CPC	\$66,000	\$67,732
Affordable Housing Trust	\$0	\$25,000
Parks & Rec Revolving	\$93,548	\$120,000
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



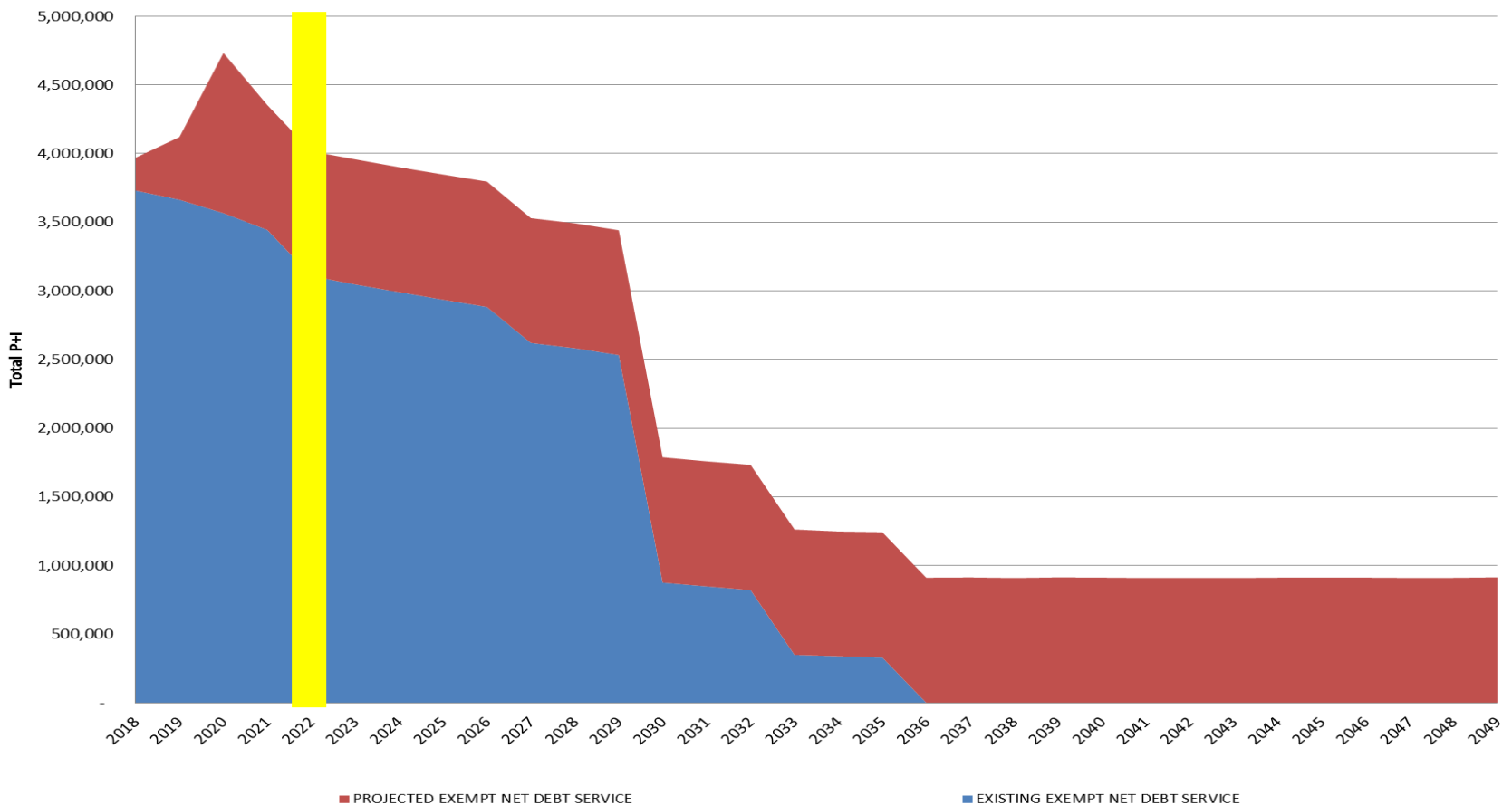
Town of Hanover Budget Debt & Capital Purchases

Town Manager's Fiscal Year 2022 budget reflects a decrease of \$1,400,000 in debt service, the use of debt to finance the Fire Station Planning and Pumper Truck, and the use of Free Cash for (i) DPW Truck (ii) IT Capital (iii) SPED Reserve



“Devil’s Horn” of Debt has Passed

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

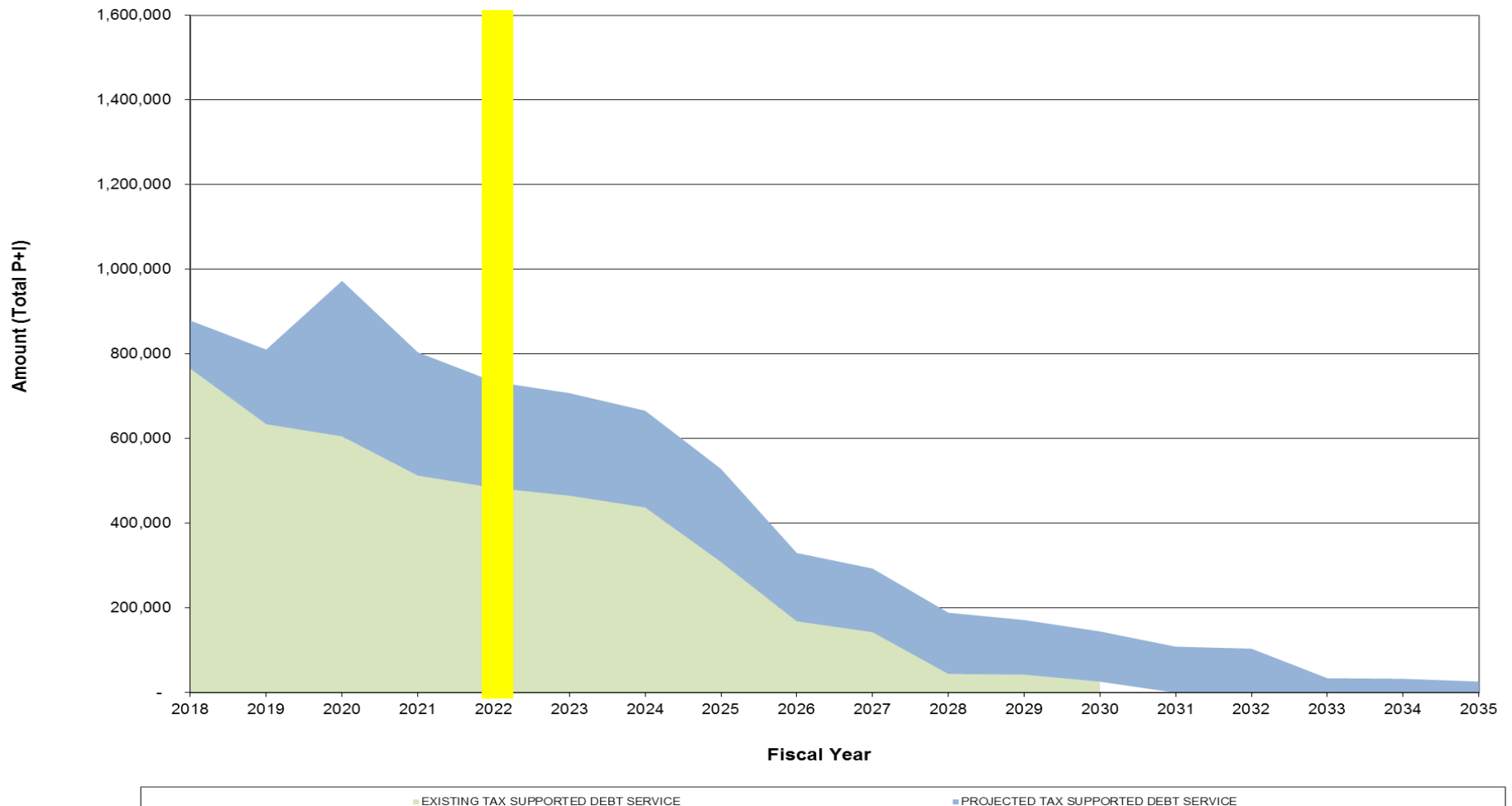


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“Devil’s Horn” of Debt has Passed

Existing & Projected
Tax Supported Debt Service - BOND 2019



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Fire Station Study Estimated Debt Schedule

Year	Principal	Interest	Total
1	\$150,000	\$26,250	\$176,250
2	\$150,000	\$21,000	\$171,000
3	\$150,000	\$15,750	\$165,750
4	\$150,000	\$10,500	\$160,500
5	\$150,000	\$5,250	\$155,250

*Debt costs could be rolled into new fire station project if approved. This would change this debt schedule.



Fire Pumper Estimated Debt Schedule

Year	Principal	Interest	Total	Year	Principal	Interest	Total
1	\$37,500	\$26,250	\$63,750	11	\$37,500	\$13,125	\$50,625
2	\$37,500	\$24,938	\$62,438	12	\$37,500	\$11,813	\$49,313
3	\$37,500	\$23,625	\$61,125	13	\$37,500	\$10,500	\$48,000
4	\$37,500	\$22,313	\$59,813	14	\$37,500	\$9,188	\$46,688
5	\$37,500	\$21,000	\$58,500	15	\$37,500	\$7,875	\$45,375
6	\$37,500	\$19,688	\$57,188	16	\$37,500	\$6,563	\$44,063
7	\$37,500	\$18,375	\$55,875	17	\$37,500	\$5,250	\$42,750
8	\$37,500	\$17,063	\$54,563	18	\$37,500	\$3,938	\$41,438
9	\$37,500	\$15,750	\$53,250	19	\$37,500	\$2,625	\$40,125
10	\$37,500	\$14,438	\$51,938	20	\$37,500	\$1,313	\$38,813



Town of Hanover Budget Advisory Committee Reserve Fund

The Town Manager's Fiscal Year 2022 budget reduces the Advisory Committee Reserve Fund allocation by \$300,000 (back to a historically consistent amount). This fund was increased in FY2021 in anticipation of COVID-19 costs and is currently being used to help continue the MIH testing program.



Town of Hanover Budget Sylvester & Salmond

The Town Manager's Fiscal Year 2022 budget includes \$20,000 additional for the maintenance of both buildings (\$40,000 total) in the DPW budget. The Long-term use/solution of these buildings is being investigated by the Community Preservation Act Committee (CPC).



Town of Hanover Budget Fire Station

The Town Manager's Fiscal Year 2022 budget does not include this as an impact to the operating budget and/or Free Cash.



Fiscal Year 2022 Budget Town Manager's Budget Submission Presentation



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