



# Fiscal Year 2024 Budget Initial Budget Presentation





# Budget Schedule

Date	Event
December 9	Department Heads Submit Budgets to Finance Director
January 3	Initial Budget Presentation
January 3 – January 30	Select Board Review
January 31	Town Manager Submits Budget
February - April	Advisory Committee Review
May 1	Town Meeting
July 1	FY2024 Budget Becomes Effective



# Select Board Budget Review

Date	Event
January 3	Initial Budget Presentation
January 9	Budget Review
January 17	Budget Review
January 23	Budget Review
January 30	Budget Review
January 31	Town Manager Budget Due



# Budget Process Goals & Objectives

- **Simplicity**
- **Transparency**
- **Highlight Policy Decisions**
- **Focus on Impact to Property Tax Payer**



# 'Initial' Budget

- **Presentation of Scenarios**
- **Highlight Decision Points**
- **Solicit Feedback and Obtain Direction from Select Board**
- **Work Towards Consensus for Formal Budget Submission on January 31**
- **The 'Initial' Budget Presentation is NOT a Budget Proposal**



# Budget 'Levers'

- Tax Levy
- Free Cash
- Service Level/Expenditures
- **ARPA** (FY23, FY24 & FY25)





# Tax Levy

- The property tax levy is the amount the community can raise through property taxes. The levy can be set at any amount up to the levy limit.
- Levy Limit = previous year's limit + 2.5% + prior voted debt exclusions + new growth.
- Tax Levy accounts for  $\approx 73\%$  of revenue(s)
  - next largest source of revenue is State Aid  $\approx 14\%$



# Tax Levy

<u>2024 Tax Levy Applied</u>	<u>2024 Tax Levy Revenue</u>	<u>Increase to Tax Levy Revenue from FY2023</u>	<u>% Levy Used</u>	<u>% Levy Unused</u>
Current Tax Levy	\$47,020,090	\$0		
0.0% Increase to Levy; New Growth Only	\$47,420,090	\$400,000	95.46%	4.54%
2.5% Increase to Levy	\$48,595,592	\$1,575,502	97.83%	2.17%
3.0% Increase to Levy	\$48,830,692	\$1,810,602	98.30%	1.70%
4.0% Increase to Levy	\$49,300,894	\$2,280,804	99.25%	0.75%
Full Use of Levy (4.8%)	\$49,673,696	\$2,653,606	100%	0.00%





# Tax Levy (History)

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Excess Levy</u>	<u>% Levy Applied</u>	<u>% Levy Available</u>
2014	\$36,955,968	\$1,018,561	97.32%	2.68%
2015	\$38,674,362	\$596,383	98.48%	1.52%
2016	\$41,505,402	\$52,649	99.87%	0.13%
2017	\$42,395,351	\$1,738	99.99%	0.01%
2018	\$43,261,291	\$614,610	98.60%	1.40%
2019	\$45,476,555	\$53,352	99.88%	0.12%
2020	\$47,320,007	\$193,002	99.59%	0.41%
2021	\$48,591,082	\$515,159	98.95%	1.05%
2022	\$49,021,701	\$913,979	98.17%	1.83%
2023	\$50,707,606	\$1,078,104	97.92%	2.08%



# Free Cash

- **Free Cash is the remaining, unrestricted funds from operations of the previous fiscal year, including the unexpended free cash from the previous year.**
- **DOR must certify Free Cash before a town can appropriate.**



# Free Cash (2023 ATM Warrant)

<u>Project</u>	<u>Amount</u>	<u>Project</u>	<u>Amount</u>
Town Event Funding	\$50,000	Four (4) DPW Vehicles	\$490,000
Dog Park	\$87,130	Transfer Station Compactor	\$75,000
Cedar School Vestibule	\$600,000	Transfer Station Fencing	\$35,000
Special Education Reserve Fund	\$400,000	Fire Cardiac Monitors	\$200,000
Middle School Lockers	\$50,000	Fire Utility Vehicle	\$60,000
HS Emergency Circuit Upgrades	\$60,000	Fire Command Vehicle	\$80,000
Basketball Court Renovations	\$100,000	Three (3) Police Cruisers	\$210,000
Ellis Fields Improvements	\$75,000	E-Code Software	\$18,000
Town Hall Elevator	\$100,000	COA Feasibility Study	\$40,000
DPW Fuel Canopy	\$50,000	HS Auditorium Lights	\$130,000
Sidewalk Repairs	\$250,000	TOTAL	\$3,160,130



# Tax Levy + Free Cash “Options” for FY24

<u>2024 Tax Levy Applied</u>	<u>Tax Levy Revenue Increase</u>	<u>Free Cash Applied</u>	<u>Free Cash Change from FY23</u>	<u>Change from FY2023</u>
2.5%	\$1,575,502	\$1,000,000	\$(1,388,681)	\$186,821
2.5%	\$1,575,502	\$1,250,000	\$(1,138,681)	\$436,821
2.5%	\$1,575,502	\$1,750,000	\$(638,681)	\$936,821
2.5%	\$1,575,502	\$2,250,000	\$(138,681)	\$1,436,821
3.0%	\$1,810,602	\$1,000,000	\$(1,388,681)	\$421,921
3.0%	\$1,810,602	\$1,250,000	\$(1,138,681)	\$671,921
3.0%	\$1,810,602	\$1,750,000	\$(638,681)	\$1,171,921
3.0%	\$1,810,602	\$2,250,000	\$(138,681)	\$1,671,921
4.0%	\$2,280,804	\$1,000,000	\$(1,388,681)	\$892,123
4.0%	\$2,280,804	\$1,250,000	\$(1,138,681)	\$1,142,123
4.0%	\$2,280,804	\$1,750,000	\$(638,681)	\$1,642,123
4.0%	\$2,280,804	\$2,250,000	\$(138,681)	\$2,142,123
Full Levy (4.8%)	\$2,653,606	\$1,000,000	\$(1,388,681)	\$1,264,925
Full Levy (4.8%)	\$2,653,606	\$1,250,000	\$(1,138,681)	\$1,514,925
Full Levy (4.8%)	\$2,653,606	\$1,750,000	\$(638,681)	\$2,014,925
Full Levy (4.8%)	\$2,653,606	\$2,250,000	\$(138,681)	\$2,514,925



# Tax Levy + Free Cash (History)

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
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	\$3,933,629	\$1,000,000	25%	\$640,000	\$600,600	\$2,240,600	56.96%	\$1,693,029
2023	\$6,812,892	\$2,388,681	35%	\$1,180,000	\$216,434	\$3,785,115	55.56%	\$3,027,777
2024	\$4,000,000*	\$1,750,000	37.5%	\$3,160,130	????	\$4,910,130	117%	\$(910,130)



# ARPA

- **American Rescue Plan Act of 2021 (ARPA)** provides funding to municipalities in support of the response and recovery from the COVID-19 pandemic.
- **Only certain costs are eligible for ARPA reimbursement.**



# FY2024 ARPA (Operating)

<u>Purpose</u>	<u>Amount</u>
Town Personnel*	\$390,913
VSO Mental Health Services	\$100,000
Schools	\$170,000
<u>Total</u>	<u>\$660,913</u>

*\*Town Personnel includes: Town Planner, Executive Assistant for CDMI, Executive Assistant for Town Manager, Financial Assistant, Assistant Town Clerk, and Housing Coordinator.*



# FY2024 ARPA (Capital)

<u>Project</u>	<u>Cost</u>
Middle School HVAC Asbestos Pipe Insulation Removal	\$75,000
Middle School Replace Rooftop Ventilation Units	\$300,000
Middle School HVAC Improvements for Inner Core	\$300,000
Fire HQ Interior Improvements	\$100,000
Police Station HVAC Improvements	\$100,000
Sylvester Fire Sprinklers	\$400,000
Sylvester Basement Access	\$70,000
<u>TOTAL</u>	<u>\$1,345,000</u>





# FY2025 ARPA (Operating)

<u>Purpose</u>	<u>Amount</u>
<b>Town Personnel*</b>	<b>\$181,683</b>
<b>VSO Mental Health Services</b>	<b>\$50,000</b>
<b>Schools</b>	<b>\$86,050</b>
<b><u>Total</u></b>	<b><u>\$317,733</u></b>

*\*Town Personnel includes: Town Planner, Executive Assistant for CDMI, Executive Assistant for Town Manager, Financial Assistant, Assistant Town Clerk, and Housing Coordinator. In Fiscal Year 2025, ARPA funding ends on December 31, 2024.*



# FY2025 ARPA (Capital)

<u>Project</u>	<u>Cost</u>
Center Wheelchair Lift Replacement (FY25)	\$60,000
Fire HQ Interior Improvements (FY25)	\$100,000
Library HVAC Upgrades (FY25)	\$35,000
<u>TOTAL</u>	<u>\$195,000</u>



# ARPA Totals

<u>ARPA</u>	<u>Cost</u>
ARPA Available	\$4,355,073
ARPA Used thru end of FY23	\$1,562,622
Remaining Balance end of FY23	\$2,792,451
FY24 Total ARPA Costs	\$2,005,913
FY25 Total ARPA Costs	\$512,733
<u>Ending ARPA Balance*</u>	<u>\$273,805</u>

*\*Estimate*



# Service Level/Expenditures

Department	FY2023 Budget	FY2024 Initial*	Change (\$)	Change (%)
General Government	\$438,938	\$448,056	\$9,118	2.08%
Finance Department	\$1,057,053	\$1,092,878	\$35,825	3.39%
CDMI	\$639,075	\$680,766	\$41,691	6.52%
Community Services	\$474,799	\$339,784	\$(135,015)	-28.44%
Library	\$622,736	\$634,139	\$11,403	1.83%
Police	\$4,325,699	\$4,439,431	\$113,732	2.63%
Fire	\$3,937,577	\$4,200,534	\$262,957	6.68%
Public Works	\$7,717,247	\$7,983,380	\$266,133	3.69%
Transfers	\$125,000	\$125,000	\$0	0.00%
TOTAL MUNICIPAL	<u>\$19,338,124</u>	<u>\$19,853,968</u>	<u>\$515,844</u>	<u>2.67%</u>
Debt	\$4,328,274	\$4,248,170	\$(80,104)	-1.85%
Town-Wide Expenses	\$9,725,140	\$10,356,684	\$631,544	6.49%
Overlay Reserve	\$400,000	\$300,000	\$(100,000)	-25.00%
State & County Charges	\$766,074	\$766,074	\$0	0.00%
TOTAL SHARED COSTS	<u>\$15,219,488</u>	<u>\$15,670,928</u>	<u>\$451,440</u>	<u>2.97%</u>
Hanover Public Schools	<u>\$33,571,915</u>	<u>\$34,480,969</u>	<u>\$909,054</u>	<u>2.71%</u>
SS Vocational Technical HS	\$1,054,852	\$1,054,852	\$0	0.00%
TOTAL BUDGET	<u>\$69,184,379</u>	<u>\$71,060,717</u>	<u>\$1,876,338</u>	<u>2.71%</u>



# Service Level/Expenditures: History

<u>Fiscal Year</u>	<u>Total Budget</u>	<u>Budget Increase</u>	<u>% Increase from Prior FY</u>
2015	\$52,958,502	\$1,735,593	3.45%
2016	\$55,402,678	\$2,444,176	4.62%
2017	\$57,010,844	\$1,608,166	2.90%
2018	\$58,619,438	\$1,608,166	2.82%
2019	\$61,634,049	\$3,014,611	5.14%
2020	\$64,070,160	\$2,436,111	3.95%
2021	\$65,005,172	\$935,012	1.46%
2022	\$66,227,630	\$1,222,458	1.88%
2023	\$69,184,379	\$3,117,844	4.46%
2024	\$71,060,717	\$1,876,338	2.71%
Average	\$62,117,357	\$1,983,781	3.34%



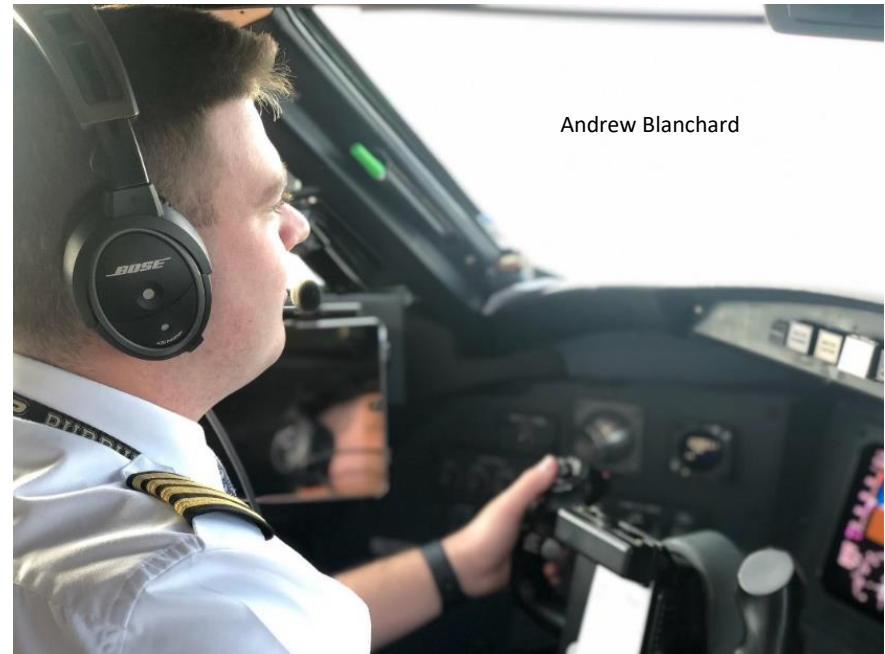
# Service Level/Expenditures: History

Change	FY19	FY20	FY21	FY22	FY23	FY24	Average
Municipal \$	\$1,144,239	\$225,820	\$71,464	\$317,369	\$569,554	\$515,844	\$474,048
Municipal %	6.7%	1.2%	0.4%	1.7%	3.0%	2.7%	\$2.6%
Shared \$	\$987,117	\$1,087,838	\$287,185	\$(958,827)	\$330,438	\$451,440	\$364,199
Shared %	7.2%	7.4%	1.8%	-6.0%	2.2%	3.0%	2.6%
SSVT \$	\$(34,476)	\$(13,328)	\$(21,950)	\$158,950	\$167,852	\$0	\$42,841
SSVT %	-4.3%	-1.7%	-2.9%	21.8%	18.9%	0%	5.3%
Schools \$	\$917,731	\$1,135,781	\$598,313	\$1,704,975	\$2,050,000	\$909,054	\$1,219,309
Schools %	3.4%	4.0%	2.0%	5.7%	6.5%	2.7%	4.1%
Total \$	\$3,014,611	\$2,436,111	\$935,012	\$1,222,458	\$3,117,844	\$1,876,338	\$2,100,396
Total %	5.1%	4.0%	1.5%	1.9%	4.7%	2.7%	3.3%



# Budget FY2024 'Controls'

- Borrowing/Free Cash Capital Purchases
- **ARPA**
- School Budget
  - Full Day Kindergarten \$592,330
  - Increased SPED costs \$400,000 (14% State Imposed Tuition Increase & Transportation Costs)
  - New positions for reading/SPED \$150,000
- Fire Department Budget
  - One new fire fighter \$70,000
  - VNA Moved from Community Services To Fire Department
- Police Department Budget
  - New police officer \$70,000
- DPW Budget
  - Increased costs/projects \$210,000
- Collective Bargaining Agreements



Andrew Blanchard



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







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





# Fiscal Year 2024 Budget Initial Budget Presentation

