



Fiscal Year 2025
3rd Draft Budget Presentation
January 29, 2024





Budget Development Schedule

<u>Date</u>	<u>Deliverable</u>
November 6	Initial Budget Presentation
November 20th	Select Board Discussion
December 4th	Select Board Discussion
December 13th	Budget Workshop Facilitated by Town Manager and School Superintendent
December 18th	Select Board Discussion
January 2nd	2nd Draft Budget Presentation
January 8th	Select Board Discussion
January 16th	Select Board Discussion
January 22nd	Select Board Discussion
January 29 th	Select Board Discussion*
February 5 th	Final Budget Presentation and Budget Submission*
February – April	Advisory Committee Review
May 6 th	Annual Town Meeting
May 18 th	Annual Elections
July 1 st	FY2025 Budget Effective



Fiscal Year 2025 Hanover Budget

Budget Drivers

Cost Driver	FY25 Increase Base Budget	FY25 Increase Override Budget
School Department Non-Recurring Revenue Sources*	\$1,220,000	\$1,220,000
Special Education*	\$987,080	\$987,080
Dispatch Contract*	\$400,000	\$800,000
No Fee Full Day Kindergarten (01-29-2024)	\$0	\$522,000
Reduced Fee Full Day Kindergarten (01-29-2024)	\$0	\$174,000
Updated School Budget Proposal (01-29-2024)	\$0	\$348,000
County Retirement*	\$434,212	\$434,212
ARPA Funded Personnel	\$155,000	\$310,000
Insurance(s)*	\$232,801	\$232,801
Veterans' Behavioral & Mental Health Services	\$0	\$100,000
South Shore Vo Tech* (01-29-2024)	\$260,000	\$260,000
Library Saturday Hours Extended	\$0	\$25,000
Reduction of Certified Free Cash Use	\$0	\$1,792,747
Total	<u>\$3,689,093</u>	<u>\$6,683,840</u>

*Mandated Costs



Updated School Budget Proposal*

- Add 2 reading teachers (primarily Center School)
- Add 1 Related Service Provider (Speech and Language or Occupational Therapy Specialist)
- Add 1 Special Education Teacher (primarily HMS)
- Add 1 Adjustment Counselor (primarily HHS)
- Reduce Full-Day Kindergarten Tuition as part of a multi-year plan to phase out Full-Day Kindergarten Tuition

*this is an overview of the updated HPS override budget proposal; details to be provided by HPS Leadership at tonight's School Committee budget public hearing and the 1/31/2024 Advisory Committee meeting.



Fiscal Year 2025 Hanover Budget

Levy Limit/Proposition 2 ½ Constraints

<u>2025 Full Tax Levy Within Prop 2 1/2</u>	<u>Property Tax Revenue Increase</u>	<u>Free Cash Applied</u>	<u>Free Cash Change from FY24</u>	<u>Change in Property Tax Revenue from FY2024</u>	<u>Estimated Average Residential Property Tax Bill Increase</u>
2.5% + New Growth	\$1,655,055	\$0	\$(1,792,747)	\$(137,692)	\$256
2.5% + New Growth	\$1,655,055	\$900,000	\$(892,747)	\$762,308	\$256
2.5% + New Growth	\$1,655,055	\$1,792,747	\$0	\$1,655,055	\$256



Fiscal Year 2025 Hanover Budget

Base Budget

Department	FY24 Budget	FY25 Base Budget	Difference (\$)	Difference (%)
General Government	\$438,765	\$458,364	\$19,599	4.5%
Finance Department	\$1,070,593	\$1,080,528	\$9,935	0.9%
CDMI	\$653,263	\$729,394	\$76,131	11.6%
Community Services	\$332,480	\$323,638	\$(8,842)	-2.7%
Library	\$634,736	\$643,584	\$8,848	1.4%
Police	\$4,405,699	\$4,515,841	\$110,142	2.5%
Fire	\$4,186,441	\$4,291,102	\$104,661	2.5%
Public Works	\$7,770,766	\$7,698,995	\$(71,771)	-1.0%
Transfers	\$115,000	\$115,000	\$0	0%
TOTAL MUNICIPAL	<u>\$19,607,743</u>	<u>\$19,856,446</u>	<u>\$248,703</u>	<u>1.3%</u>
Debt	\$4,248,170	\$4,177,820	\$(70,350)	-1.7%
Town-Wide Expenses	\$10,356,684	\$11,305,144	\$948,460	9.2%
Overlay Reserve	\$300,000	\$200,000	\$(100,000)	-33.3%
State & County Charges	\$766,074	\$788,444	\$22,370	2.9%
TOTAL SHARED COSTS	<u>\$15,670,928</u>	<u>\$16,471,408</u>	<u>\$800,480</u>	<u>5.1%</u>
Hanover Public Schools	<u>\$35,031,299</u>	<u>\$36,802,869</u>	<u>\$1,771,570</u>	<u>5.1%</u>
SS Vocational Technical HS	<u>\$1,165,696</u>	<u>\$1,425,696</u>	<u>\$260,000</u>	<u>22.3%</u>
TOTAL BUDGET	<u>\$71,475,666</u>	<u>\$74,556,419</u>	<u>\$3,080,753</u>	<u>4.3%</u>



Changes from 2nd Draft Budget Base Budget

- \$(15,000) from Finance Department
- \$25,000 to CDMI
- \$50,000 to Debt
- \$(111,715) from Town Wide Expenses
- \$201,715 to SS Vocational Technical HS
- Additional \$150,000 from Meals Tax



Fiscal Year 2025 Hanover Budget

Base Budget

	<i>FY2024 Appropriated</i>	<i>FY2025 Requested</i>	<i>\$ Change</i>	<i>% Change</i>
General Government:				
Salaries	\$ 272,843.00	\$ 287,579.00	\$ 14,736.00	5.40%
Expenses	\$ 165,922.00	\$ 170,785.00	\$ 4,863.00	2.93%
Finance Department:				
Salaries	\$ 860,723.00	\$ 869,519.00	\$ 8,796.00	1.02%
Expenses	\$ 209,870.00	\$ 211,009.00	\$ 1,139.00	0.54%
Community Development and Municipal inspections:				
Salaries	\$ 624,463.00	\$ 697,894.00	\$ 73,431.00	11.76%
Expenses	\$ 28,800.00	\$ 31,500.00	\$ 2,700.00	9.38%
Community Services:				
Salaries	\$ 121,816.00	\$ 135,631.00	\$ 13,815.00	11.34%
Expenses	\$ 210,960.00	\$ 188,007.00	\$ (22,953.00)	-10.88%
Library:				
Salaries	\$ 491,776.00	\$ 515,584.00	\$ 23,808.00	4.84%
Expenses	\$ 142,960.00	\$ 128,000.00	\$ (14,960.00)	-10.46%
Police:				
Salaries	\$ 4,135,932.00	\$ 4,244,049.00	\$ 108,117.00	2.61%
Expenses	\$ 269,767.00	\$ 271,792.00	\$ 2,025.00	0.75%
Fire:				
Salaries	\$ 3,920,759.00	\$ 4,015,950.00	\$ 95,191.00	2.43%
Expenses	\$ 265,682.00	\$ 275,152.00	\$ 9,470.00	3.56%
Hanover Public Schools	35,031,299.00	36,802,869.00	\$ 1,771,570.00	5.06%
South Shore Vocational High School	\$ 1,165,696.00	\$ 1,425,696.00	\$ 260,000.00	22.30%
Public Works:				
Salaries	\$ 3,873,035.00	\$ 3,796,128.00	\$ (76,907.00)	-1.99%
Expenses	\$ 3,497,731.00	\$ 3,502,867.00	\$ 5,136.00	0.15%
Snow & Ice	\$ 400,000.00	\$ 400,000.00	\$ -	0
Debt	\$ 4,248,170.00	\$ 4,177,820.00	\$ (70,350.00)	-1.66%
Town Wide Expenses	\$ 10,356,684.00	\$ 11,305,144.00	\$ 948,460.00	9.16%
Transfers	\$ 115,000.00	\$ 115,000.00	\$ -	0.00%
Overlay	\$ 300,000.00	\$ 200,000.00	\$ (100,000.00)	-33.33%
State/County	\$ 766,074.00	\$ 788,444.00	\$ 22,370.00	2.92%
Total General Fund Operating Budget	\$ 71,475,962.00	\$ 74,556,419.00	\$ 3,080,457.00	4.31%
Certified Free Cash	1,792,147.00	1,792,147.00	\$ -	0.00%
Cemetery Graves & Foundations	65,000.00	50,000.00	\$ (15,000.00)	-23.08%
Sale of Cemetery Lots	40,000.00	40,000.00	\$ -	0.00%
Title V Receipts Reserved Account	26,530.00	26,530.00	\$ -	0.00%
Ambulance Receipts Reserved Account	1,200,000.00	1,200,000.00	\$ -	0.00%
Wetlands Receipts Reserved Accounts	5,000.00	5,000.00	\$ -	0.00%
Less Total Transfers	3,128,677.00	3,113,677.00	\$ (15,000.00)	-0.48%
To be raised by the Fiscal Year 2025 Tax Levy and other sources	\$ 68,347,285.00	\$ 71,442,742.00	\$ 3,095,457.00	4.53%



Fiscal Year 2025 Hanover Budget

Override Budget

Department	FY24 Budget	FY2025 Override	Difference (\$)	Difference (%)
General Government	\$438,765	\$487,523	\$48,758	11.1%
Finance Department	\$1,070,593	\$1,197,340	\$126,747	11.8%
CDMI	\$653,263	\$729,394	\$76,131	11.6%
Community Services	\$332,480	\$455,991	\$123,511	37.1%
Library	\$634,736	\$669,492	\$34,756	5.5%
Police	\$4,405,699	\$4,609,669	\$203,970	4.6%
Fire	\$4,186,441	\$4,469,473	\$283,032	6.8%
Public Works	\$7,770,766	\$8,062,223	\$291,457	3.8%
Transfers	\$115,000	\$115,000	\$0	0.0%
TOTAL MUNICIPAL	<u>\$19,607,743</u>	<u>\$20,796,105</u>	<u>\$1,188,362</u>	<u>6.1%</u>
Debt	\$4,248,170	\$4,177,820	\$(70,350)	-1.7%
Town-Wide Expenses	\$10,356,684	\$11,827,343	\$1,470,659	14.2%
Overlay Reserve	\$300,000	\$200,000	\$(100,000)	-33.3%
State & County Charges	\$766,074	\$788,444	\$22,370	2.9%
TOTAL SHARED COSTS	<u>\$15,670,928</u>	<u>\$16,993,607</u>	<u>\$1,322,679</u>	<u>8.4%</u>
Hanover Public Schools	<u>\$35,031,299</u>	<u>\$39,550,594</u>	<u>\$4,519,295</u>	<u>12.9%</u>
SS Vocational Technical HS	<u>\$1,165,696</u>	<u>\$1,425,696</u>	<u>\$260,000</u>	<u>22.3%</u>
TOTAL BUDGET	<u>\$71,475,666</u>	<u>\$78,766,002</u>	<u>\$7,290,336</u>	<u>10.2%</u>



Fiscal Year 2025 Hanover Budget

Override Budget

	<i>FY2024 Appropriated</i>	<i>FY2025 Requested</i>	<i>\$ Change</i>	<i>% Change</i>
General Government:				
Salaries	\$ 272,843.00	\$ 311,601.00	\$ 38,758.00	14.21%
Expenses	\$ 165,922.00	\$ 175,922.00	\$ 10,000.00	6.03%
Finance Department:				
Salaries	\$ 860,723.00	\$ 969,078.00	\$ 108,355.00	12.59%
Expenses	\$ 209,870.00	\$ 228,262.00	\$ 18,392.00	8.76%
Community Development and Municipal inspections:				
Salaries	\$ 624,463.00	\$ 697,894.00	\$ 73,431.00	11.76%
Expenses	\$ 28,800.00	\$ 31,500.00	\$ 2,700.00	9.38%
Community Services:				
Salaries	\$ 121,816.00	\$ 235,023.00	\$ 113,207.00	92.93%
Expenses	\$ 210,960.00	\$ 220,968.00	\$ 10,008.00	4.74%
Library:				
Salaries	\$ 491,776.00	\$ 540,092.00	\$ 48,316.00	9.82%
Expenses	\$ 142,960.00	\$ 129,400.00	\$ (13,560.00)	-9.49%
Police:				
Salaries	\$ 4,135,932.00	\$ 4,336,951.00	\$ 201,019.00	4.86%
Expenses	\$ 269,767.00	\$ 272,718.00	\$ 2,951.00	1.09%
Fire:				
Salaries	\$ 3,920,759.00	\$ 4,171,629.00	\$ 250,870.00	6.40%
Expenses	\$ 265,682.00	\$ 297,844.00	\$ 32,162.00	12.11%
Hanover Public Schools	35,031,299.00	39,550,594.00	\$ 4,519,295.00	12.90%
South Shore Vocational High School	\$ 1,165,696.00	\$ 1,425,696.00	\$ 260,000.00	22.30%
Public Works:				
Salaries	\$ 3,873,035.00	\$ 3,889,499.00	\$ 16,464.00	0.43%
Expenses	\$ 3,497,731.00	\$ 3,772,724.00	\$ 274,993.00	7.86%
Snow & Ice	\$ 400,000.00	\$ 400,000.00	\$ -	0
Debt	\$ 4,248,170.00	\$ 4,177,820.00	\$ (70,350.00)	-1.66%
Town Wide Expenses	\$ 10,356,684.00	\$ 11,827,343.00	\$ 1,470,659.00	14.20%
Transfers	\$ 115,000.00	\$ 115,000.00	\$ -	0.00%
Overlay	\$ 300,000.00	\$ 200,000.00	\$ (100,000.00)	-33.33%
State/County	\$ 766,074.00	\$ 788,444.00	\$ 22,370.00	2.92%
Total General Fund				
Operating Budget	\$ 71,475,962.00	\$ 78,766,002.00	\$ 7,290,040.00	10.20%
Certified Free Cash	1,792,147.00	-	\$ (1,792,147.00)	-100.00%
Cemetery Graves & Foundations	65,000.00	50,000.00	\$ (15,000.00)	-23.08%
Sale of Cemetery Lots	40,000.00	40,000.00	\$ -	0.00%
Title V Receipts Reserved Account	26,530.00	26,530.00	\$ -	0.00%
Ambulance Receipts Reserved Account	1,200,000.00	1,200,000.00	\$ -	0.00%
Wetlands Receipts Reserved Accounts	5,000.00	5,000.00	\$ -	0.00%
Less Total Transfers	3,128,677.00	1,321,530.00	\$ (1,807,147.00)	-57.76%
To be raised by the Fiscal Year 2025 Tax Levy and other sources	\$ 68,347,285.00	\$ 77,444,472.00	\$ 9,097,187.00	13.31%

*Town-Wide Expenses includes \$481,283 transfer to Stabilization



Changes from 2nd Draft Budget Override Budget

- \$(30,916) from CDMI
- \$50,000 to Debt
- \$(70,799) from Town Wide Expenses
- \$201,715 to SS Vocational Technical HS
- Additional \$150,000 from Meals Tax



Fiscal Year 2025 Hanover Budget

Override Budget v. Base Budget

Department	FY2025 Override	FY2025 Base Budget	Difference (\$)	Difference (%)
General Government	\$487,523	\$458,364	\$(29,159)	-6.0%
Finance Department	\$1,197,340	\$1,080,528	\$(116,812)	-9.8%
CDMI	\$729,394	\$729,394	\$0	0%
Community Services	\$455,991	\$323,638	\$(132,353)	-29.0%
Library	\$669,492	\$643,584	\$(25,908)	-3.9%
Police	\$4,609,669	\$4,515,841	\$(93,828)	-2.0%
Fire	\$4,469,473	\$4,291,102	\$(178,371)	-4.0%
Public Works	\$8,062,223	\$7,698,995	\$(363,228)	-4.5%
Transfers	\$115,000	\$115,000	\$0	0.0%
TOTAL MUNICIPAL	<u>\$20,796,105</u>	<u>\$19,856,446</u>	<u>\$(939,659)</u>	<u>-4.5%</u>
Debt	\$4,177,820	\$4,177,820	\$0	0.0%
Town-Wide Expenses	\$11,827,343	\$11,305,144	\$(522,199)	-4.4%
Overlay Reserve	\$200,000	\$200,000	\$0	0.0%
State & County Charges	\$788,444	\$788,444	\$0	0.0%
TOTAL SHARED COSTS	<u>\$16,993,607</u>	<u>\$16,471,408</u>	<u>\$(522,199)</u>	<u>-3.1%</u>
Hanover Public Schools	<u>\$39,550,594</u>	<u>\$36,802,869</u>	<u>\$(2,747,725)</u>	<u>-6.9%</u>
SS Vocational Technical HS	\$1,425,696	<u>\$1,425,696</u>	\$0	0.0%
TOTAL BUDGET	<u>\$78,766,002</u>	<u>\$74,556,419</u>	<u>\$(4,209,583)</u>	<u>-5.3%</u>



Expenditures: History

Change	FY20	FY21	FY22	FY23	FY24	FY25 Base	Average
Municipal \$	\$225,820	\$71,464	\$317,369	\$569,554	\$279,619	\$248,703	\$283,804
Municipal %	1.2%	0.4%	1.7%	3.0%	1.9%	1.3%	1.5%
Shared \$	\$1,087,838	\$287,185	\$(958,827)	\$330,438	\$541,440	\$800,480	\$321,706
Shared %	7.4%	1.8%	-6.0%	2.2%	3.0%	5.1%	2.2%
SSVT \$	\$(13,328)	\$(21,950)	\$158,950	\$167,852	\$110,844	\$260,000	\$110,395
SSVT %	-1.7%	-2.9%	21.8%	18.9%	%10.5	22.3%	11.5%
Schools \$	\$1,135,781	\$598,313	\$1,704,975	\$2,050,000	\$1,459,384	\$1,771,570	\$1,453,337
Schools %	4.0%	2.0%	5.7%	6.5%	4.3%	5.1%	4.6%
Total \$	\$2,436,111	\$935,012	\$1,222,458	\$3,117,844	\$2,391,287	\$3,080,753	\$2,169,191
Total %	4.0%	1.5%	1.9%	4.7%	3.5%	4.3%	3.3%



Expenditures: History

Change	FY20	FY21	FY22	FY23	FY24	FY25 Override	Average
Municipal \$	\$225,820	\$71,464	\$317,369	\$569,554	\$279,619	\$1,188,362	\$440,415
Municipal %	1.2%	0.4%	1.7%	3.0%	1.9%	6.1%	2.3%
Shared \$	\$1,087,838	\$287,185	\$(958,827)	\$330,438	\$541,440	\$1,322,679	\$408,739
Shared %	7.4%	1.8%	-6.0%	2.2%	3.0%	8.4%	2.7%
SSVT \$	\$(13,328)	\$(21,950)	\$158,950	\$167,852	\$110,844	\$260,000	\$110,395
SSVT %	-1.7%	-2.9%	21.8%	18.9%	10.5%	22.3%	11.5%
Schools \$	\$1,135,781	\$598,313	\$1,704,975	\$2,050,000	\$1,459,384	\$4,519,295	\$1,911,291
Schools %	4.0%	2.0%	5.7%	6.5%	4.3%	12.9%	5.9%
Total \$	\$2,436,111	\$935,012	\$1,222,458	\$3,117,844	\$2,391,287	\$7,290,336	\$2870,788
Total %	4.0%	1.5%	1.9%	4.7%	3.5%	10.2%	4.3%



'New' Source of Revenue

- Meals Tax
 - 5yr Annual Town Meeting OPEB Funding Sunsets This Year
 - Estimated \$600,000/Yr. +
- Recommendation
 - Use First \$450,000 Meals Tax Revenue Towards Operating Budget in FY2025; Use \$450,001 ↑ Towards OPEB
 - Use \geq \$450,000 Meals Tax Revenue Towards Operating Budget FY2026 - FY2029 (When County Retirement is Fully Funded)
 - Reassess FY2030
 - Town Credit Rating is Positively Impacted When Dedicated Monies go Towards OPEB



Fiscal Year 2025 Hanover Budget

Service Differences Base Budget v. Override Budget (Town Departments)

Fire Department

- Eliminating 1 Fire Fighter/Paramedic Position
- Reduction in Shift Strength (6 → 5) ≈ 15% of the Time
- Slight Reduction to Call Fire Fighter Program

Police Department

- One Less Officer on Patrol at Least 12hrs/Day
- Reduction of Civilian Clerk Personnel

CDMI

- Town Planner & Asst to Town Planner ½ Funded (ARPA 50%, Operating 50%) (\$65,190)
 - Added Pressure on FY2026 Operating Budget to Fully Fund These Positions

Finance

- Elimination of 1 FTE (\$63,836)
- Delay in Financial Reporting, Elimination of Any Back-Up Support in the Finance Department

Community Services

- Reduction to Veterans' Benefits (\$30,000)
- Loss of Behavioral and Mental Health Veterans Program (\$100,000)

DPW

- Stormwater Budget → Water Budget (\$161,939)
- \$50,000 Reduction in Transfer Station Budget
- \$40,000 Reduction to Fuel (gas/diesel)
- \$50,000 Reduction to electricity; \$15,000 reduction natural gas
- Slight Reductions to School Maintenance
- Zero Wiggle Room in DPW Budget for Unanticipated Costs, Events, etc.

Library

- No Increase Possible to Saturday Hours

General Government

- Administrative Assistant ½ Funded (50% ARPA) (\$33,540)
 - Added Pressure on FY2026 Operating Budget to Fully Fund

Town Wide Expenditures

- ½ Year Assessment for ROCCC (Regional Dispatch) Contract
 - Added Pressure on FY2026 Operating Budget to Fully Fund (\$400,000)



Fiscal Year 2025 Hanover Budget

Property Tax Impacts of an Override Budget

<u>2025 Tax Levy Applied</u>	<u>Tax Levy Revenue Increase</u>	<u>Free Cash Applied</u>	<u>Estimated Average Residential Property Tax Bill Increase</u>	<u>Levy Revenue Increase Above Levy Limit</u>	<u>Estimated Average Residential Property Tax Bill - Amount Greater Than Levy Limit Budget</u>
13.4% + New Growth	\$7,657,385	\$0	\$1,479	\$6,002,330	\$1,221



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Fiscal Year 2025 Budget Information & Further Review

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Budget Information Available

<https://www.hanover-ma.gov/finance-department/treasurer-collector/pages/annual-budget-information>