

# Fiscal Year 2020 Budget


## Town Manager's Proposed Budget



# Budget Overview

	FY2018	FY2019	FY2020	Change
<b>General Government</b>				
Salaries	\$ 275,035	\$ 279,550	\$ 294,885	\$ 15,335
Expenses	\$ 248,900	\$ 248,900	\$ 215,900	\$ (33,000)
<b>Finance Department</b>				
Salaries	\$ 776,016	\$ 846,506	\$ 897,976	\$ 51,470
Expenses	\$ 165,293	\$ 206,542	\$ 204,362	(\$2,180)
<b>Community Services</b>				
Salaries	\$ 1,426,047	\$ 1,578,948	\$ 423,536	\$ (1,155,412)
Expenses	\$ 475,128	\$ 407,008	\$ 179,910	\$ (227,098)
<b>Community Development</b>				
Salaries			\$ 686,781	\$ 686,781
Expenses			\$ 43,400	\$ 43,400
<b>Library</b>				
Salaries			\$ 440,643	\$ 440,643
Expenses			\$ 165,800	\$ 165,800
<b>Police</b>				
Salaries	\$ 3,591,810	\$ 3,836,820	\$ 3,968,190	\$ 131,370
Expenses	\$ 254,887	\$ 273,151	\$ 264,869	\$ (8,282)
<b>Fire</b>				
Salaries	\$ 2,724,985	\$ 2,963,914	\$ 3,083,741	\$ 119,827
Expenses	\$ 270,754	\$ 279,791	\$ 276,686	\$ (\$3,105)
<b>Hanover Public Schools</b>	\$ 26,665,115	\$ 28,082,846	\$ 29,218,627	\$ 119,827
<b>South Shore Vo Tech</b>	\$ 797,804	\$ 763,328	\$ 750,000	\$ (13,328)
<b>Public Works</b>				
Salaries	\$ 1,231,699	\$ 1,326,862	\$ 1,369,554	\$ 42,692
Expenses	\$ 1,356,305	\$ 1,461,116	\$ 1,527,917	\$ 66,801
<b>Facilities</b>				
Salaries	\$ 1,952,274	\$ 2,030,967	\$ 2,071,917	\$ 40,950
Expenses	\$ 1,720,876	\$ 1,586,151	\$ 1,485,979	\$ (100,172)
<b>Snow &amp; Ice</b>	\$ 387,000	\$ 550,000	\$ 550,000	
<b>Debt</b>	\$ 5,013,619	\$ 5,362,200	\$ 6,199,544	\$ 837,344
<b>Town Wide Expenses</b>	\$ 7,647,487	\$ 8,175,897	\$ 8,492,259	\$ 316,362
<b>Transfers</b>	\$ 167,702	\$ 277,700	\$ 227,700	\$ (50,000)
<b>Total</b>	<b>\$ 57,148,736</b>	<b>\$ 60,538,197</b>	<b>\$ 63,040,176</b>	<b>\$ 2,501,979</b>

# Budget Summary

<u>Source</u>	<u>Amount</u>
Fiscal Year 2019 Tax Levy	\$45,435,680
Estimated New Growth for FY2020	\$500,000
FY2019 Tax Levy + FY2020 New Growth	\$45,935,680
FY2020 Non Property Tax Revenue	\$15,965,542
FY2020 Free Cash Appropriation to Operating Budget	\$750,000
Total Revenue	\$62,651,222
Total Operating Budget	\$63,040,176
Total <u>Increase</u> Tax Exempt Debt Service (Center School)	\$555,172
Total FY2020 Operating Budget + Center School Debt	\$63,595,348
Decrease to FY2020 Overlay + Cherry Sheet Adjustments	\$57,400
Total Amount Required to Fund FY2020	\$64,070,160
<b>Increased Revenue Required from Property Tax Payers </b>	<b>\$1,418,938</b>

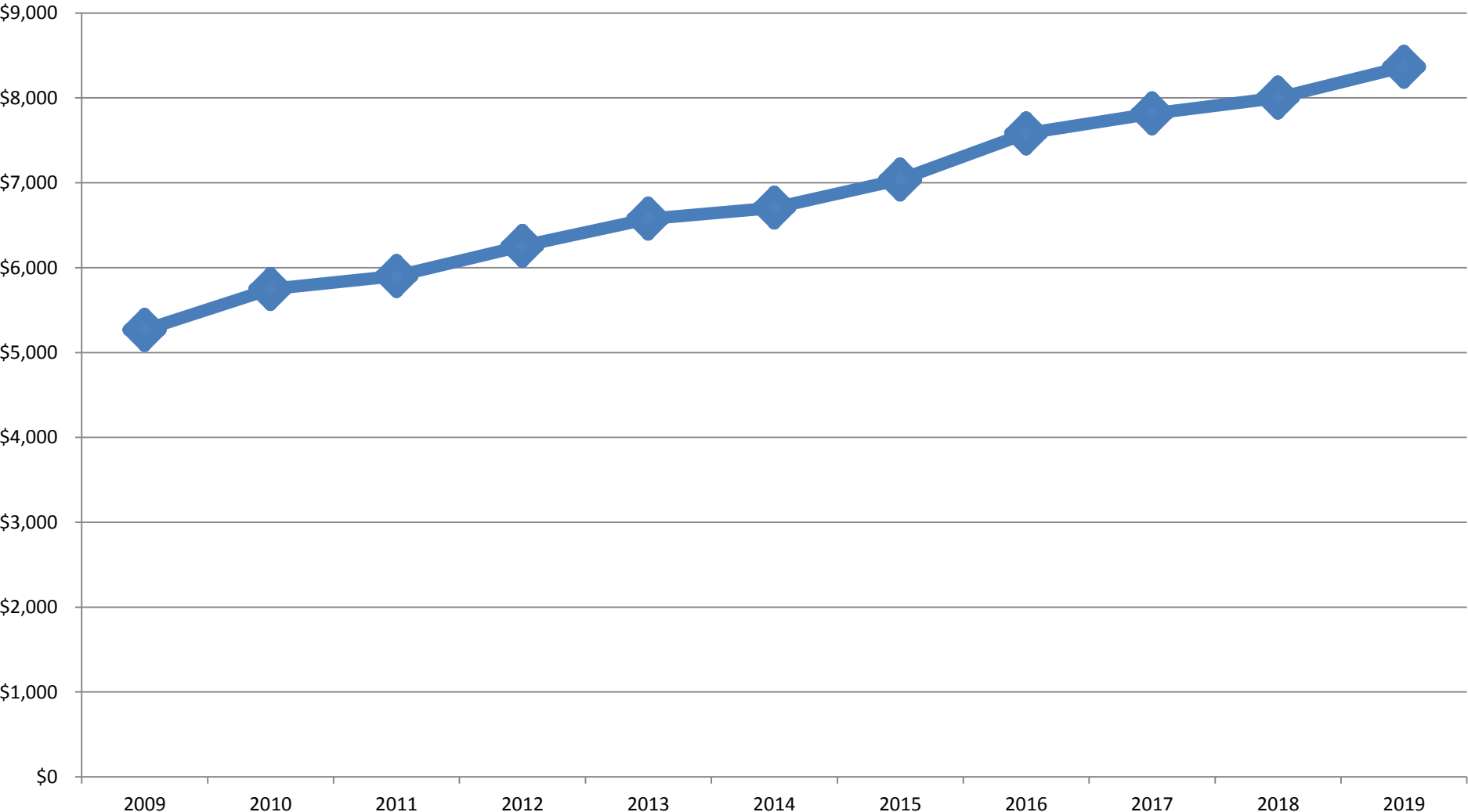
# FY2020 Major Drivers

<u>Item</u>	<u>Increase</u>
Center School Debt Service	\$555,172
All Other Debt Service	\$282,162
Pension Obligation	\$233,534
Total Major Increases (Items 1,2,3 above)	\$1,070,868
All Other Increases Combined	\$348,070
Increased Revenue Required from Property Tax Payers	\$1,418,938

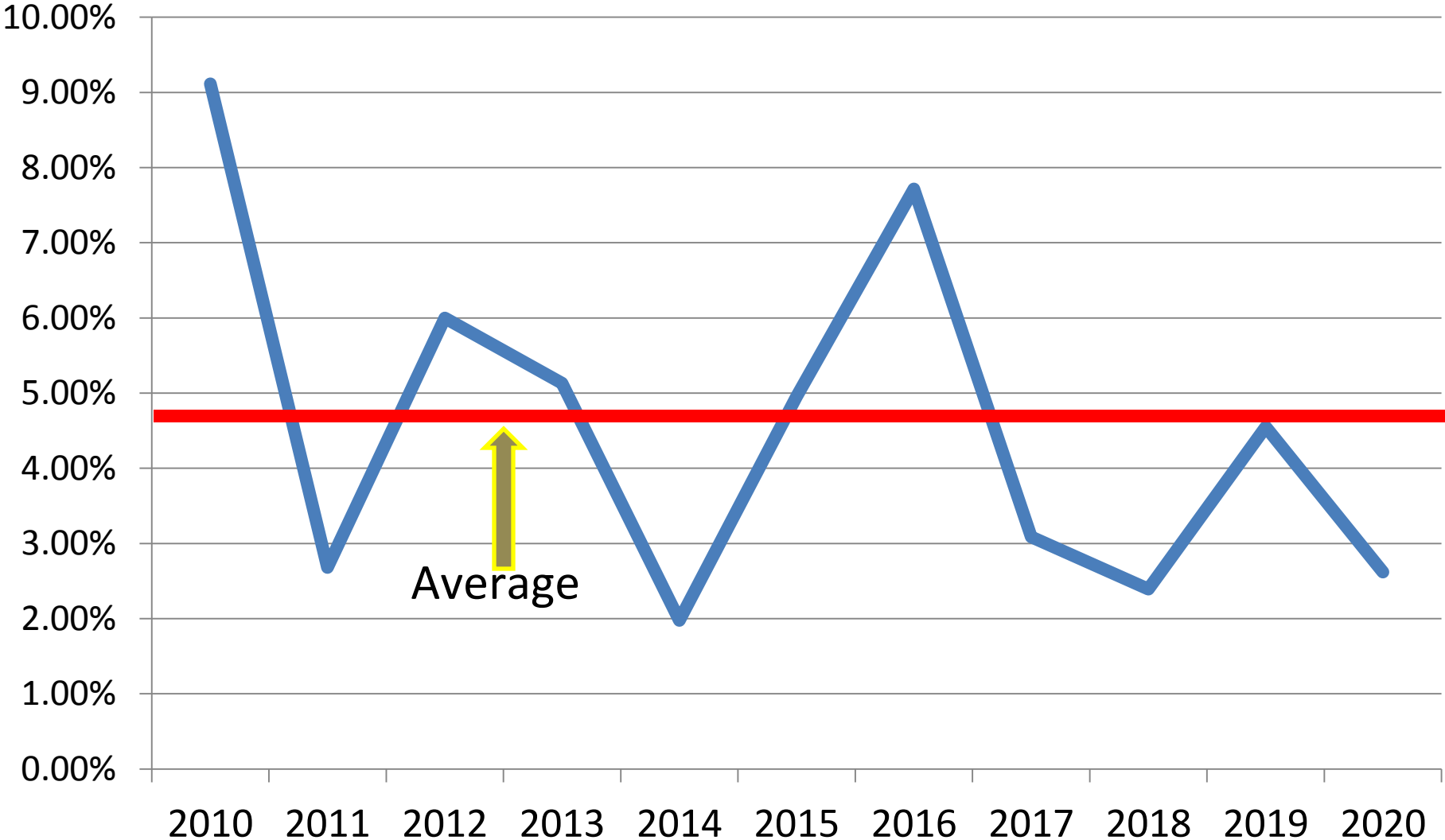
# Historical Property Tax Bill Increase

Fiscal Year	Total # Single Family Parcels	Average Single Family Home Value	Valuation Change year-over-year	Tax Rate per \$1K Valuation	Average Single Family Home Tax Bill	Average Single Family Home Tax Bill Increase
2009	4,075	\$447,906		\$11.76	\$5,267	
2010	4,090	\$428,538	-4.32%	\$13.41	\$5,747	9.11%
2011	4,110	\$416,145	-2.89%	\$14.18	\$5,901	2.68%
2012	4,118	\$417,033	0.21%	\$15.00	\$6,255	6.00%
2013	4,124	\$422,921	1.41%	\$15.55	\$6,576	5.13%
2014	4,143	\$413,681	-2.18%	\$16.21	\$6,706	1.98%
2015	4,159	\$435,797	5.35%	\$16.15	\$7,038	4.95%
2016	4,172	\$449,649	3.18%	\$16.86	\$7,581	7.72%
2017	4,176	\$473,071	5.21%	\$16.52	\$7,815	3.09%
2018	4,190	\$491,543	3.90%	\$16.28	\$8,002	2.39%
2019	4,207	\$509,801	3.71%	\$16.41	\$8,366	4.55%
<b>AVERAGE</b>						<b>4.76%</b>
<b>2020 (estimates)</b>	<b>4,220</b>	<b>\$531,570</b>	<b>4.27%</b>	<b>\$16.15</b>	<b>\$8,585</b>	<b>2.62%</b>

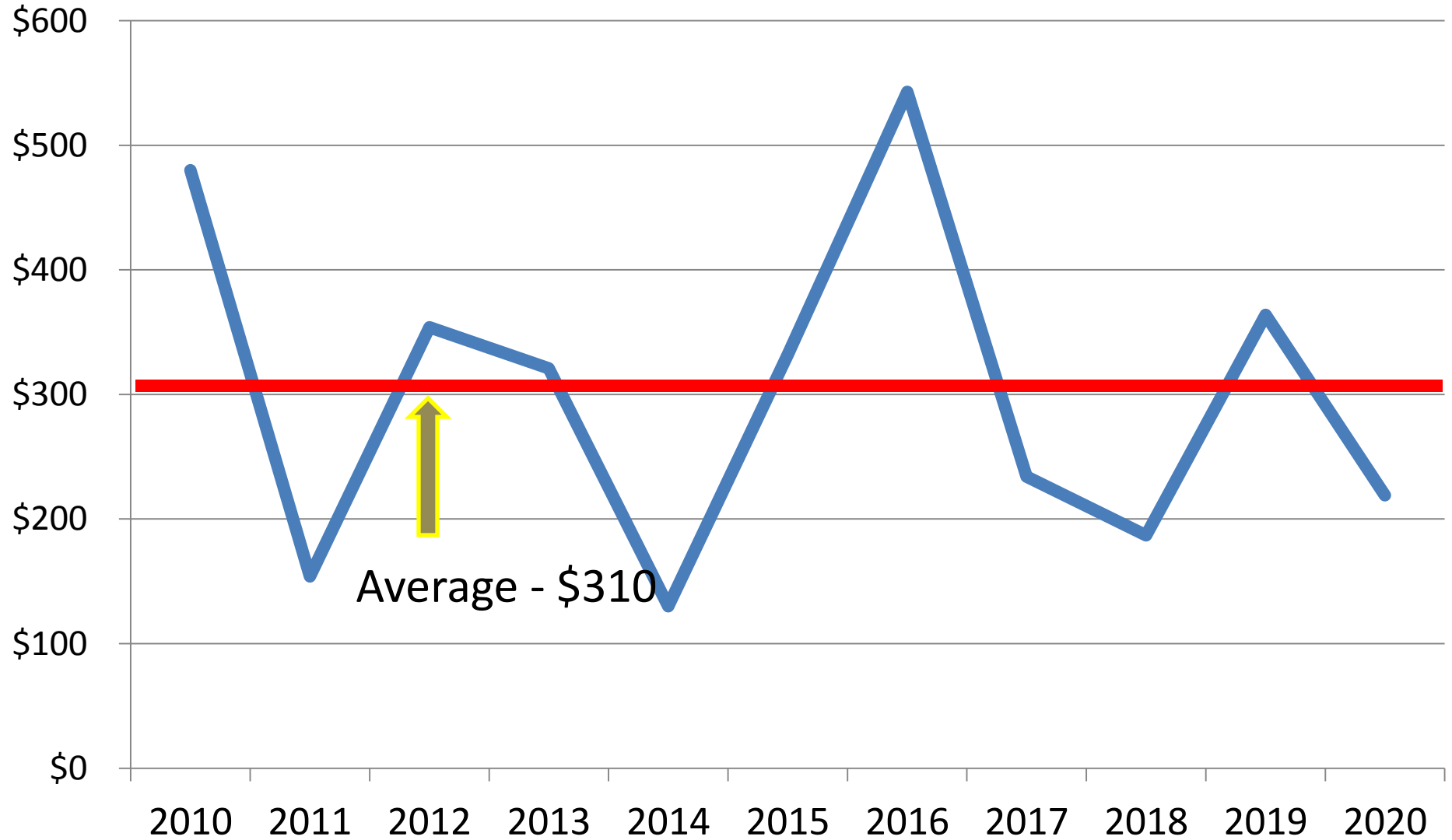
# Average Property Tax Bill



# Annual % Property Tax Bill Increase

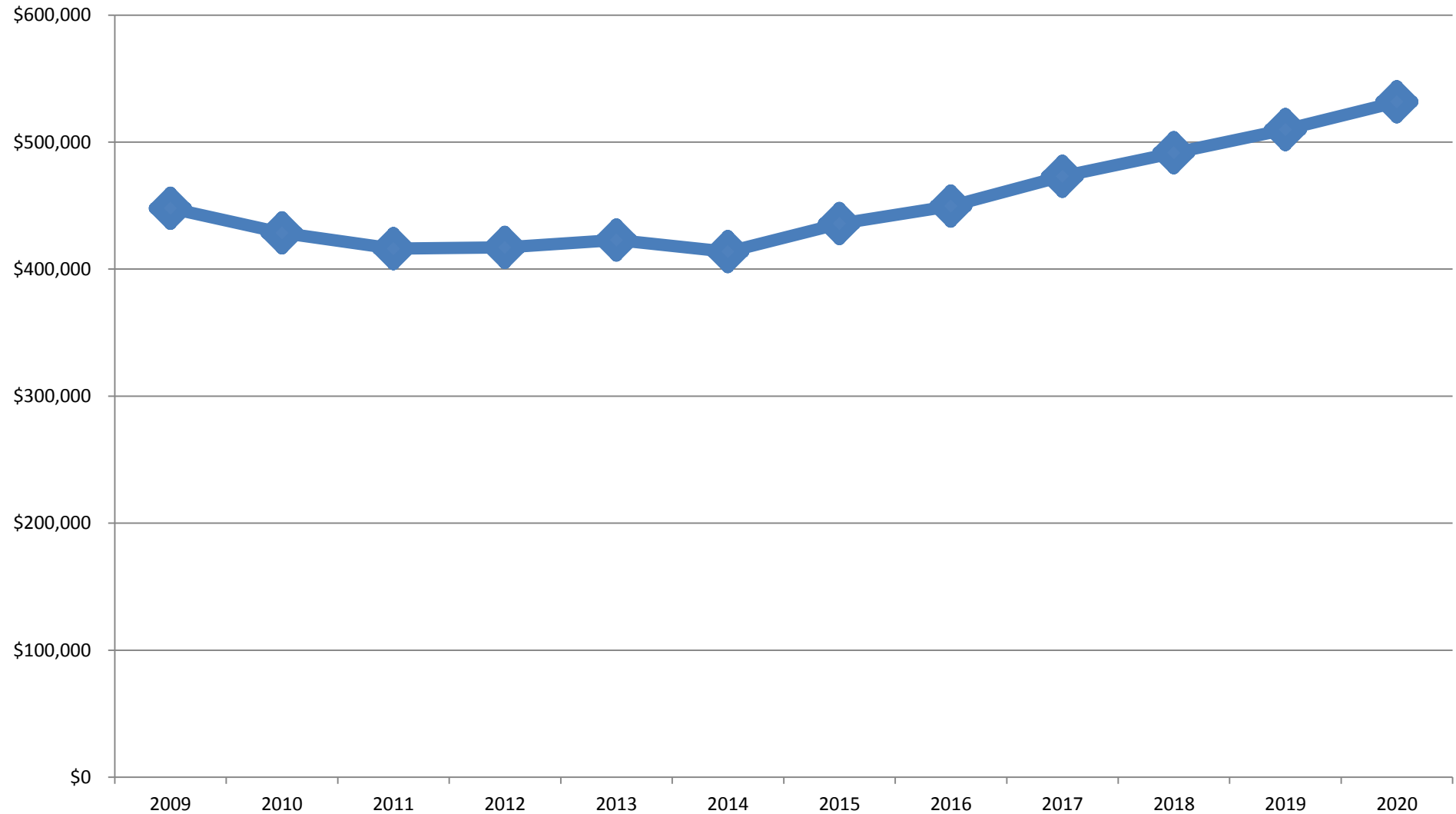


# Annual Average Property Tax Bill Increase

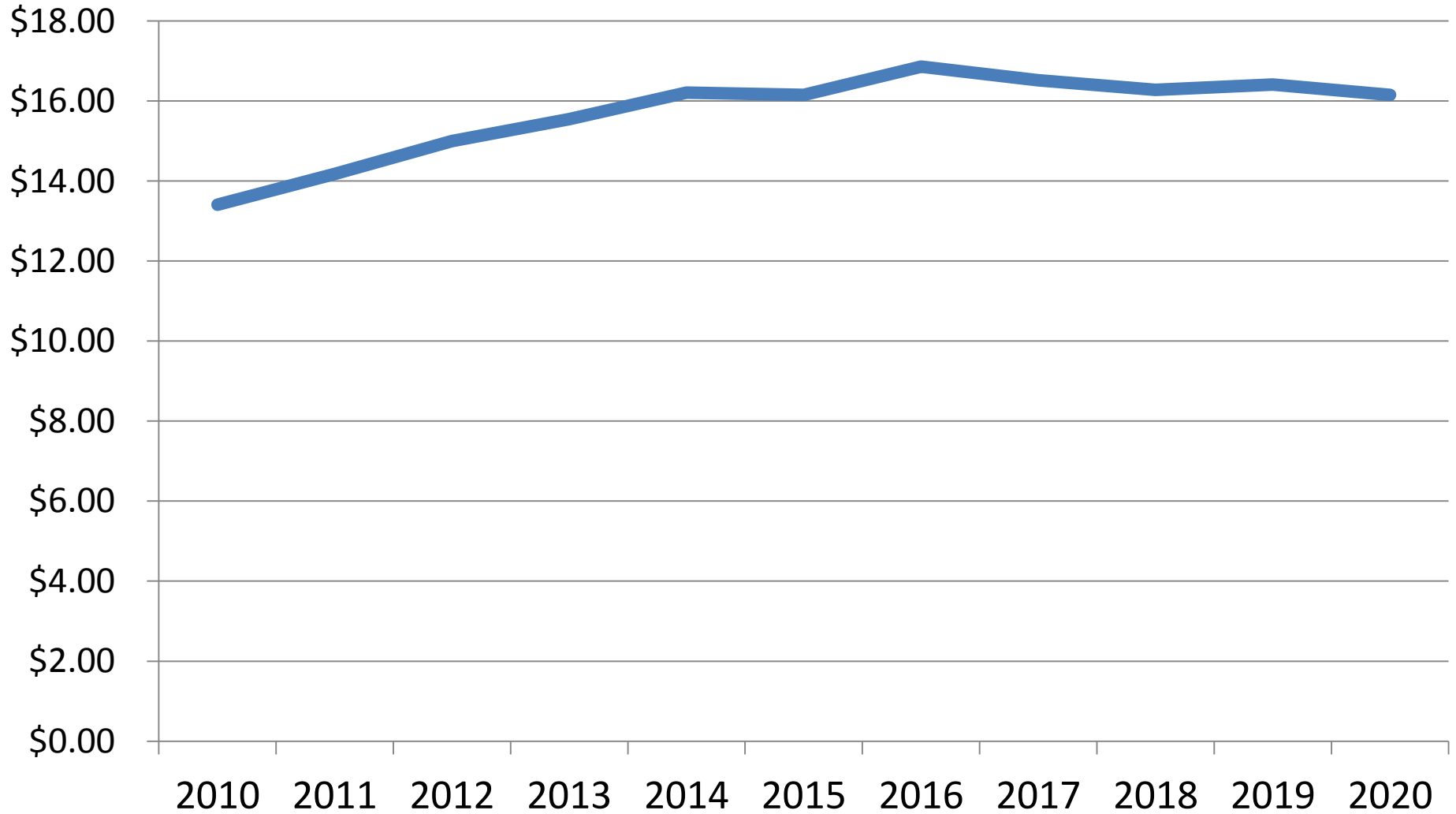




# Average Home Value



# Annual Tax Rate per \$1,000 of Value



# Example Property Tax Bill Changes

**FY2019**                      **\$600,000 x (\$16.41/1000) = \$9,846**

**FY2020**                      **\$615,000 x (\$16.15/1000) = \$9,932**

**\$86.25**

*The property tax bill for a home in Hanover that appreciates in value from \$600,000 to \$615,000 will owe \$86.25 more in support of the FY2020 budget.*

# Tax Rate Comparisons

<u>Town</u>	<u>FY2019 Tax Rate</u>
<b>Cohasset</b>	<b>\$12.90</b>
<b>Hanover</b>	<b>\$16.41</b>
<b>Hingham</b>	<b>\$11.81</b>
<b>Marshfield</b>	<b>\$13.38</b>
<b>Norwell</b>	<b>\$16.40</b>
<b>Pembroke</b>	<b>\$14.60</b>
<b>Rockland</b>	<b>\$17.92</b>
<b>Scituate</b>	<b>\$13.74</b>

# Tax Rate Comparisons

<u>Town</u>	<u>Average % Increase Past 9 Years</u>
<b>Cohasset</b>	<b>1.574</b>
<b>Hanover</b>	<b>2.310</b>
<b>Hingham</b>	<b>1.077</b>
<b>Marshfield</b>	<b>2.519</b>
<b>Norwell</b>	<b>2.931</b>
<b>Pembroke</b>	<b>1.420</b>
<b>Rockland</b>	<b>2.555</b>
<b>Scituate</b>	<b>3.041</b>
<i>Hanover (with FY2020 est.)</i>	<i>1.921</i>

# FY2020 Budget Focus



Restructure Debt



Use Some Free Cash to Off-Set FY2020 Debt Spike



Look Closely at Revolving Accounts, Trust Funds, and Others

- Recreation
  - PEG
  - Water
  - Library
  - CPC
- Affordable Housing
  - Others



Tighten Non Property Tax Revenue Estimates



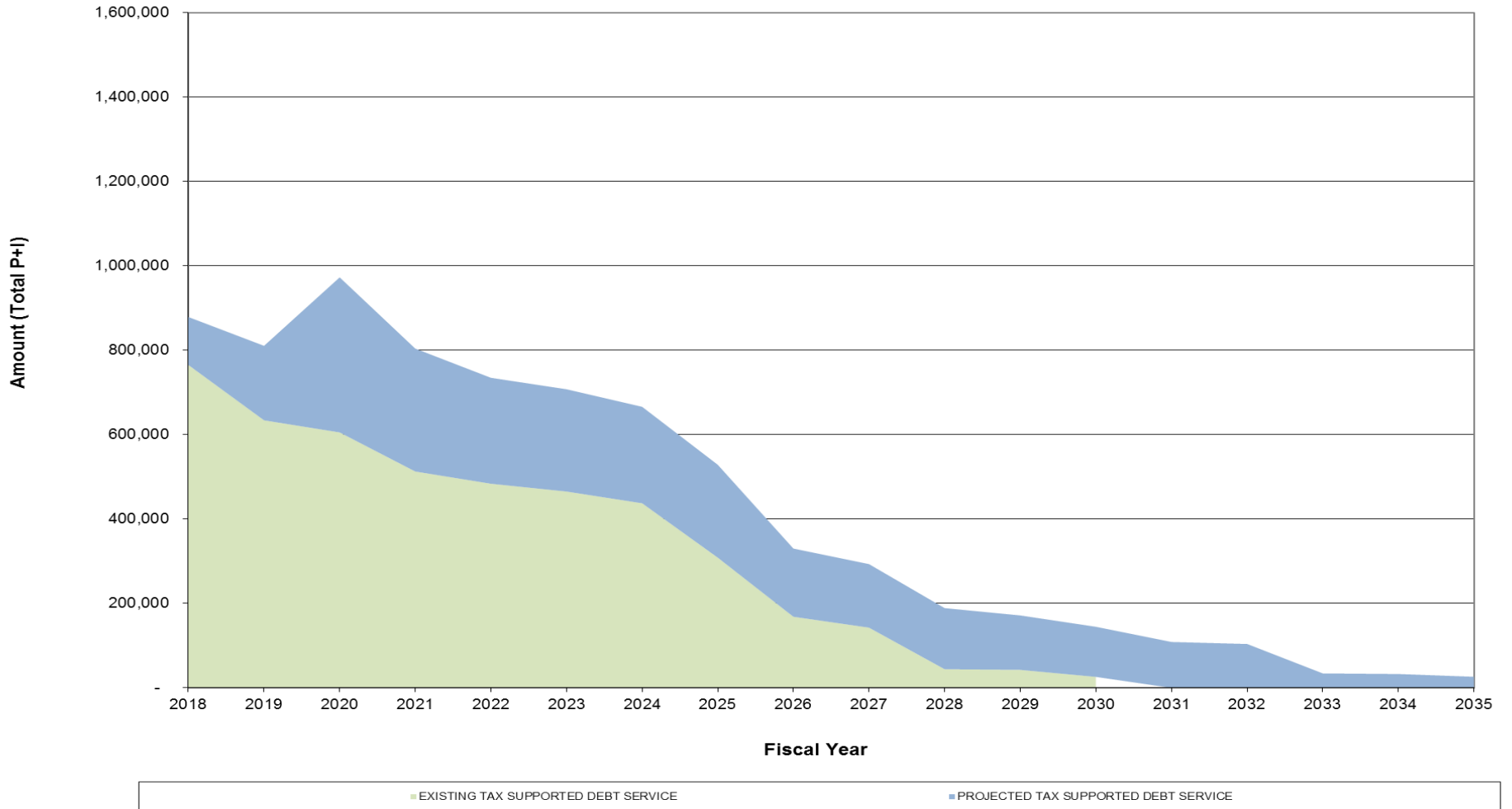
Look at Fee Increases Where Appropriate



Tighten Up Expenditure Estimates

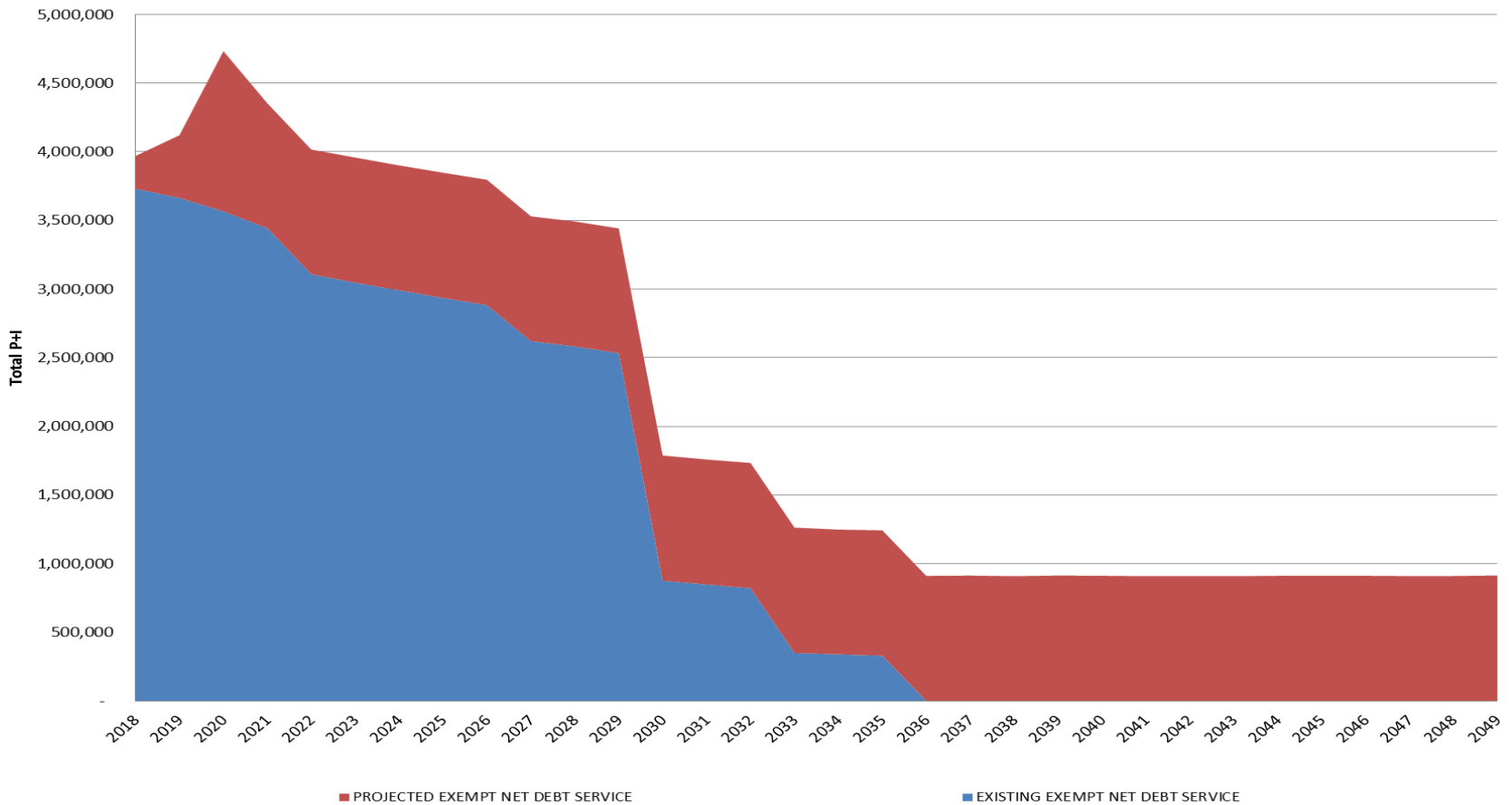
# Debt

## Existing & Projected Tax Supported Debt Service - BOND 2019



# Debt

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





# Historical Free Cash Use

Fiscal Year Budget	Amount Available	Amount Used in Operating Budget	% Used in Budget	Amount Used in Annual TM Articles	Amount Used in Special TM Articles	Total Used	Overall % Used	Amount Remaining at End of FY
FY20	\$ 2,850,000	\$ 750,000	26%	\$ 977,200	\$ -	\$ 1,727,200	61%	\$ 1,122,800
FY19	\$ 3,219,470	\$ 680,000	21%	\$ 836,000	\$ 602,679	\$ 2,118,679	66%	\$ 1,100,791
FY18	\$ 2,543,589	\$ 500,000	20%	\$ 1,147,700	\$ 290,635	\$ 1,938,335	76%	\$ 605,254
FY17	\$ 1,734,005	\$ -	0%	\$ 1,075,612	\$ 195,350	\$ 1,270,962	73%	\$ 463,043
FY16	\$ 2,784,497	\$ -	0%	\$ 1,977,100	\$ 164,650	\$ 2,141,750	77%	\$ 642,747
FY15	\$ 2,074,285	\$ 250,000	12%	\$ 956,923	\$ 320,000	\$ 1,526,923	74%	\$ 547,361
FY14	\$ 3,049,716	\$ 460,166	15%	\$ 1,022,960	\$ 441,295	\$ 1,924,421	63%	\$ 1,125,294
FY13	\$ 2,204,388	\$ 840,682	38%	\$ 1,226,556		\$ 2,067,238	94%	\$ 137,149
FY12	\$ 2,394,387	\$ 1,447,366	60%	\$ 947,021	\$ -	\$ 2,394,387	100%	
FY11	\$ 1,710,066	\$ 1,598,827	93%	\$ 111,239	\$ -	\$ 1,710,066	100%	
FY10	\$ 1,546,768	\$ 1,248,929	81%	\$ 227,647	\$ 30,578	\$ 1,507,154	97%	\$ 39,613
FY09	\$ 2,739,686	\$ 1,557,020.	57%	\$ 405,096	\$ 38,515	\$ 2,000,631	73%	\$ 739,054

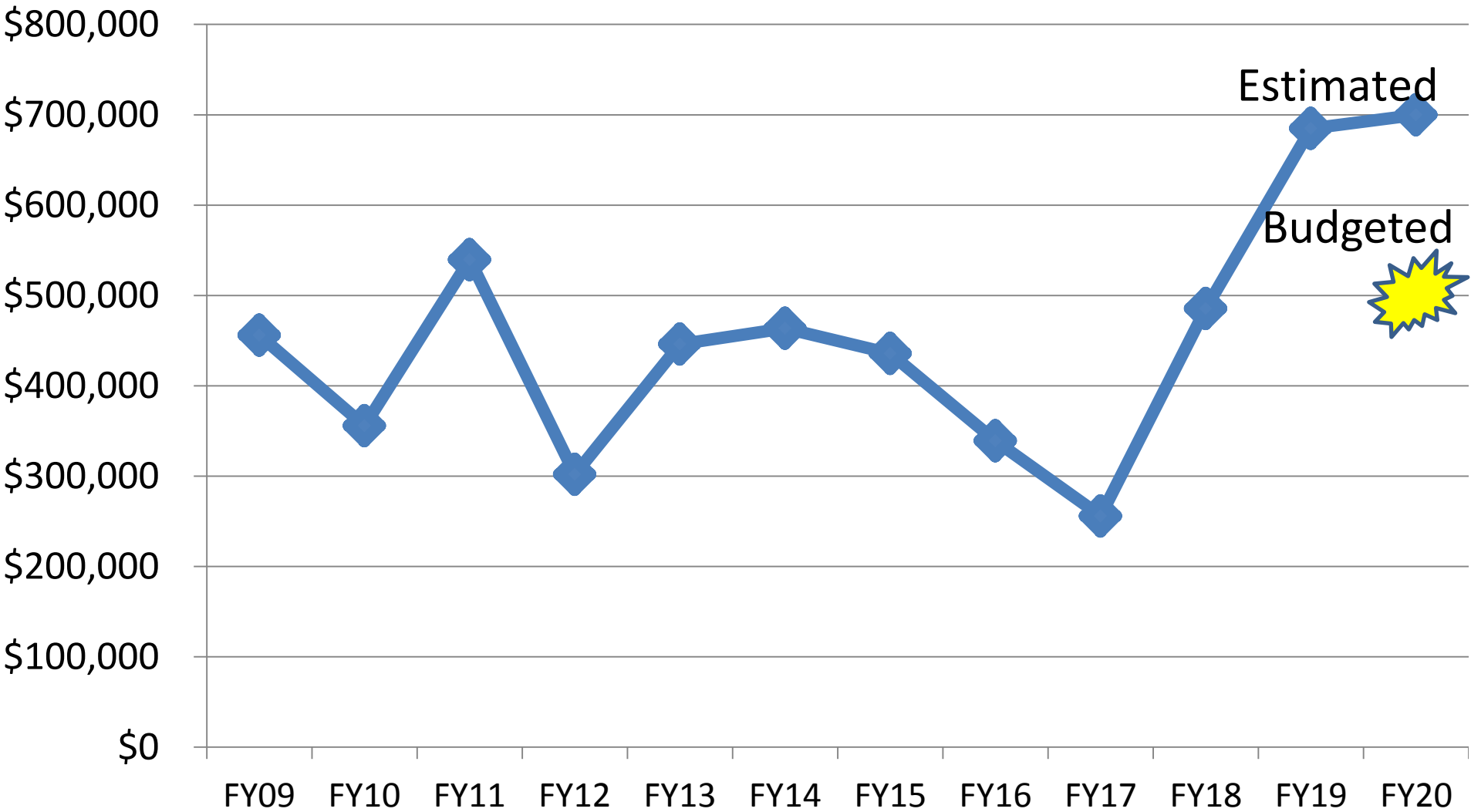
# Amended FY2020 Requests from Free Cash

<u>Item</u>	<u>FY2020 – Original</u>	<u>FY2020 - Amended</u>
Library Sign	\$10,000	\$0
Jail Cell Toilets	\$35,000	\$17,500
Cedar – Security	\$300,000	\$290,000
Cedar – Bathrooms	\$130,000	\$70,000
Curtis Dam Repairs	\$100,000	\$0
2005 Cemetery Truck	\$70,000	\$35,000
1998 Dump Truck	\$190,000	\$0
Rte 139 Engineering	\$100,000	\$0
Police Cruisers	\$130,000	\$0
SPED Reserve Fund	\$0	\$210,000
<b>TOTAL</b>	<b><u>\$1,065,000</u></b>	<b><u>\$622,500</u></b>

# Revolving Accounts, Trusts, Others

<u>FUND</u>	<u>USE / NEW USE</u>
Water Enterprise	Transfer to General Fund
Cemetery Graves/Foundations	Transfer to General Fund
Sale of Cemetery Lots	Transfer to General Fund Purchase Cemetery Truck
Title V Receipts Reserved	Transfer to General Fund
Ambulance Receipts Reserved	Transfer to General Fund
Cable/PEG Receipts Reserved	CAM Employees CAM Expenses Community Services Director
Hanover Mall Police Fund	Mall Officers' Salaries & Expenses Purchase of 2 Police Cruisers
Police State Forfeited Funds	Partial Payment for Police Cruiser
Recreation Revolving	Part-Time Employee Wages Recreation Expenses Partial Payment for Rec. Director Partial Payment for Dir. of Comm. Serv Some Irrigation and Field Maint. Costs
Community Preservation Fund	Administrative Costs Capital Items
Affordable Housing Trust	Partial Payment for CDMI Salaries

# Certified New Growth



# **Property Tax Payment Assistance for Seniors on Fixed Incomes**

**\$1,000 Tax Exemption in FY19 for single Seniors with less than \$30K income, \$40K assets; expected in FY20**

**\$1,000 Tax Exemption in FY19 for married Seniors with less than \$36,942 income, \$55K assets; expected in FY20**

**\$350 Tax Exemption available for Seniors with less than \$40K in assets**

**Increase in Senior Tax Work-off program from 83 to 125 hours annually**

**Exemption from Community Preservation surcharge for single Seniors with less than \$75,460 in income; \$86,240 for married Seniors**

# Next Steps

<u>Activity</u>	<u>Time/Date/Location</u>
<b>Review Cedar School Capital Requests Review Police Department Operating</b>	<b>7pm, February 13, Cedar School</b>
<b>Fire Department Library</b>	<b>7pm, February 26, Fire Headquarters</b>
<b>School Budget Information Technology</b>	<b>7pm, March 6, Hanover High School</b>
<b>Community Services Community Dev. &amp; Muni. Inspections Buildings &amp; Facilities Town Clerk</b>	<b>7pm, March 13, Council on Aging</b>
<b>Public Works Finance</b>	<b>7pm, March 20, Ames Way DPW Facility</b>
<b>Vote all articles, motions, and commentary</b>	<b>11am, March 23, Hanover Town Hall</b>