



Fiscal Year 2023 Budget Initial Budget Presentation



January 3, 2022



Town of Hanover Budget Timeline

<u>Date</u>	<u>Event</u>
December 10	Department Heads Submit Budgets to Finance Director
January 3	Initial Budget Presentation
January 3 – January 31	Selectboard Review
February 1	Town Manager Submits Budget
February - April	Advisory Committee Review
May 2	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**



Town of Hanover Budget 'Levers'

(Decisions for Elected Policy Makers)

- Service Level
- Property Taxes
- Free Cash





Town of Hanover Budget 'Levers'

(Decisions for Elected Policy Makers)

<u>"Lever"</u>	<u>FY19 (actual)</u>	<u>FY20 (actual)</u>	<u>FY21 (actual)</u>	<u>FY22 (actual)</u>	<u>FY23 (Est.)</u>
Service Level (total expenditures)	\$61,634,049	\$64,070,160	\$65,005,712	\$66,227,630	\$68,615,487
New Growth	\$684,000	\$525,000	\$510,000	\$600,000	\$500,000
Increase to Tax Levy	\$990,000	\$580,000	\$750,000	\$1,000,000	\$0
Total Increase Tax Revenue	<u>\$1,574,000</u>	<u>\$1,005,000</u>	<u>\$1,260,000</u>	<u>\$1,600,000</u>	<u>\$500,000</u>
Free Cash Applied	\$680,000	\$750,000	\$1,548,000	\$1,000,000	\$0
Fees/Other Revenues	\$3,600,000	\$3,900,000	\$4,200,000	\$4,800,000	\$4,696,000



Budget “Gap”

(How do Elected Policy Makers want to Set the Levers?)

<u>“Lever”</u>	<u>FY23</u>
Service Level (total expenditures)	\$68,615,487
New Growth	\$500,000
Increase to Tax Levy	\$0
Total Increase Tax Revenue	<u>\$500,000</u>
Free Cash Applied	\$0
Fees/Other Revenues	\$4,696,000
“Gap”	\$3,200,000



Budget “Gap”/Tax Levy

(How do Elected Policy Makers want to Set the Levers?)

<u>Tax Levy</u>	<u>FY23 (Gap)</u>	<u>Impact to Average Homeowner</u>
No Increase to Tax Levy	\$3,200,000	\$0
Apply “Excess” Levy (Unused for FY22)	\$2,313,432	\$186
Increase Levy by 2.5%	\$2,096,813	\$231
Apply “Excess” Levy + Increase Levy by 2.5%	\$1,159,985	\$417



Budget “Gap”/Free Cash

(How do Elected Policy Makers want to Set the Levers?)

<u>Fiscal Year</u>	<u>Certified Free Cash</u>	<u>Applied to Operating Budget</u>	<u>Total Used</u>	<u>Remaining</u>
2012	\$2,394,387	\$1,447,366	\$2,394,387	\$0
2013	\$2,204,388	\$840,682	\$2,067,238	\$137,149
2014	\$3,049,716	\$460,166	\$1,924,421	\$1,125,294
2015	\$2,074,285	\$250,000	\$1,526,923	\$547,361
2016	\$2,784,497	\$0	\$2,141,750	\$642,747
2017	\$1,734,005	\$0	\$1,270,962	\$463,043
2018	\$2,543,589	\$500,000	\$1,938,335	\$605,254
2019	\$3,219,470	\$680,000	\$2,118,679	\$1,100,791
2020	\$3,010,477	\$750,000	\$1,583,021	\$1,427,456
2021	\$4,293,469	\$1,548,000	\$1,827,000	\$2,466,469
2022	\$3,933,629	\$1,000,000	\$2,240,600*	\$1,693,029
2023	\$4,000,000	????	????	????



Budget “Gap”/Free Cash

(How do Elected Policy Makers want to Set the Levers?)

<u>FY2023 Capital Project</u>	<u>Amount</u>
HS Emergency Generator	\$600,000
Police Cruisers	\$160,000
DPW Dump Truck	\$220,000
DPW F-250	\$45,000
DPW F-450	\$70,000
Transfer Station Wheel Loader	\$50,000
Transfer Station Trash Trailer	\$70,000
Roadway Improvements Walnut Hill	\$150,000
RT 139/Town Center Roadway Improvements	\$250,000
Broadway and Elm Street Improvements	\$500,000
School Department Upgrades	\$53,000
IT Capital	\$137,000
Pavement Management	\$400,000
Fire Ballistic Gear	\$60,000
5-Year Revaluation	\$75,000
SPED Reserve	\$500,000
Total	<u>\$3,840,000</u>



Budget “Gap”/Possible Debt

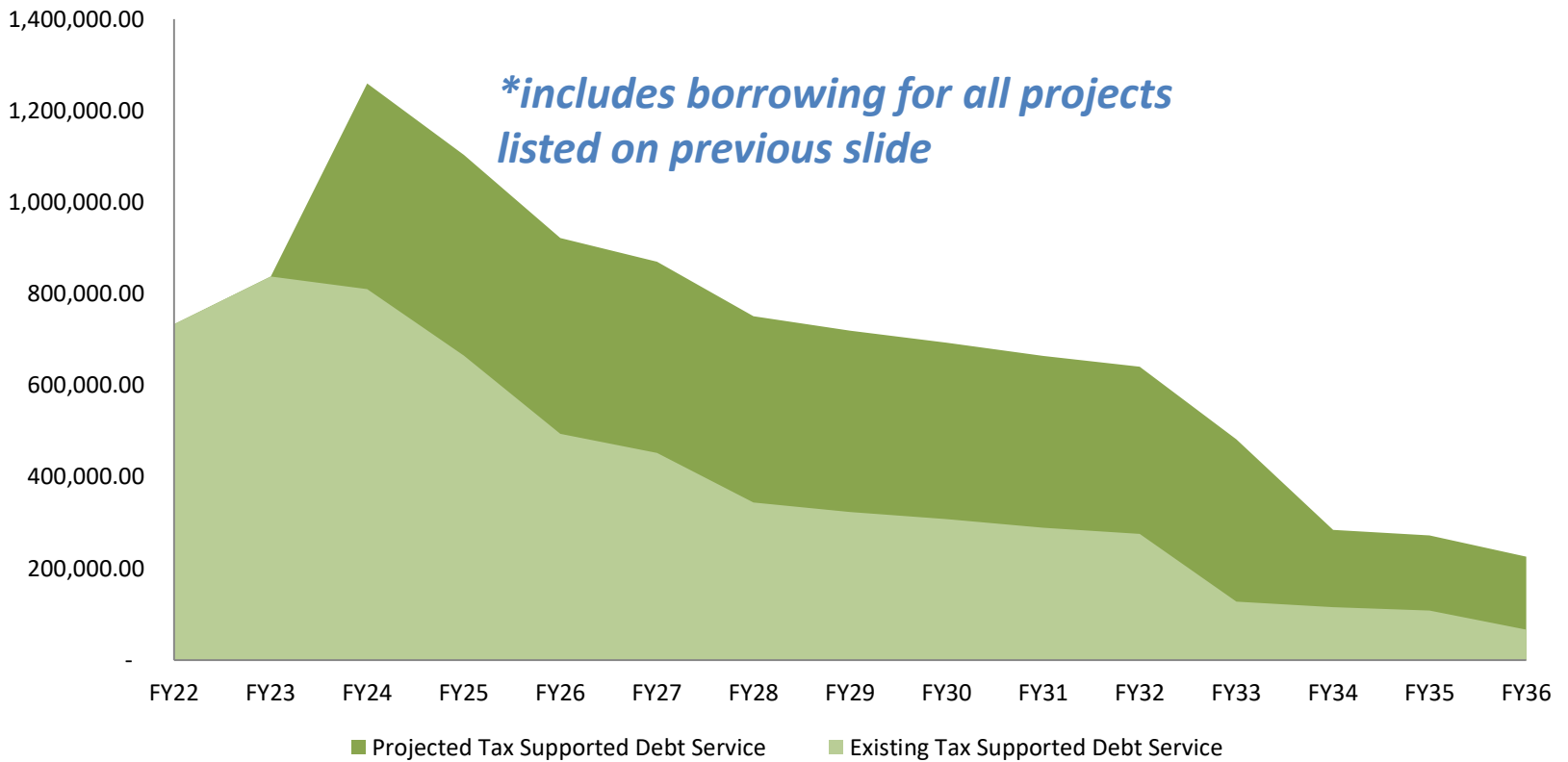
(How do Elected Policy Makers want to Set the Levers?)

<u>FY2023 Capital Project</u>	<u>Amount</u>	<u>(future) Annual Debt Payment</u>
HS Emergency Generator	\$600,000	\$41,000
High School Turf Field	\$1,750,000	\$208,500
Middle & Cedar School Parking Lots	\$1,000,000	\$68,500
Roadway Improvements Walnut Hill	\$150,000	\$10,250
RT 139/Town Center Roadway Improvements	\$250,000	\$17,000
Broadway and Elm Street Improvements	\$500,000	\$34,250
Total	<u>\$4,250,000</u>	<u>\$379,500</u>



Tax Supported Debt

Existing & Projected Tax Supported Debt Service

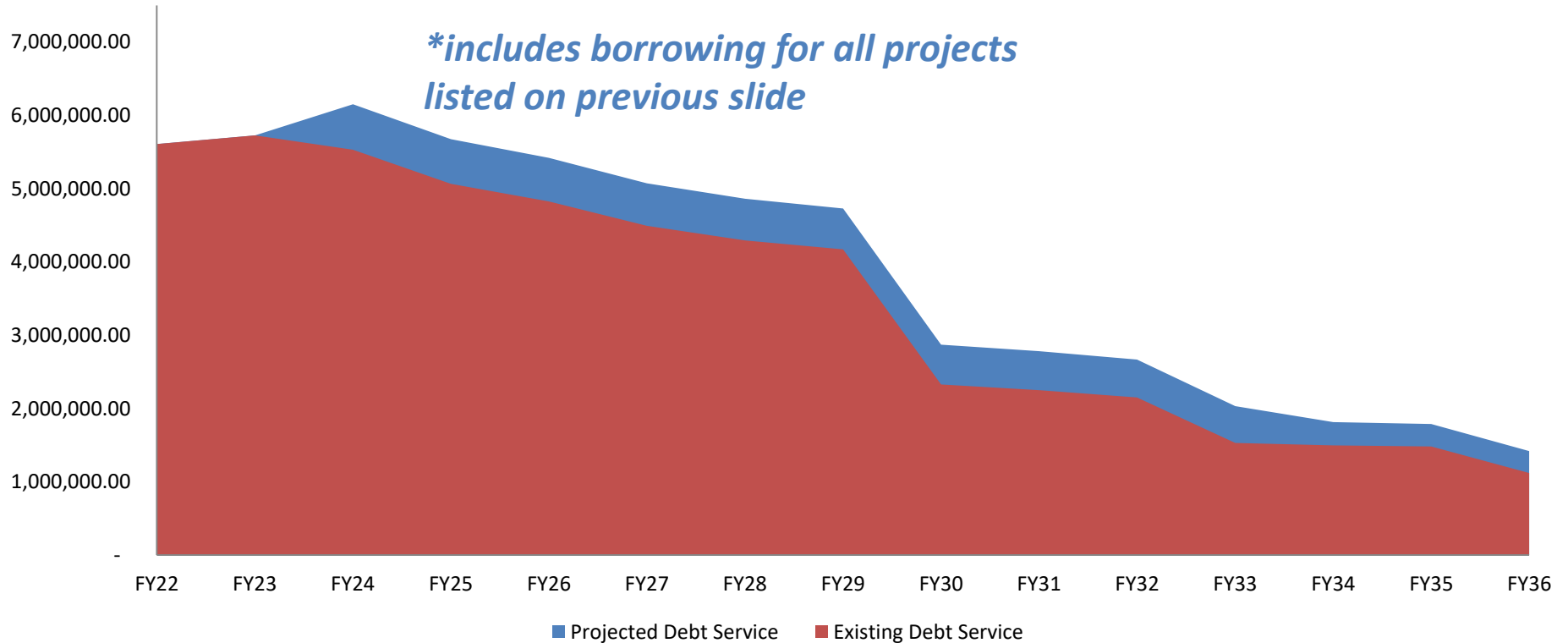




Existing & Projected Debt

Town of Hanover, Massachusetts Existing and Projected Debt Service (includes Water)

**includes borrowing for all projects
listed on previous slide*





Budget Summary

	FY2022 Budget	"Initial" FY2023	Change (\$)	Change (%)
General Government	\$442,938	\$454,835	\$11,897	2.7%
Finance Department	\$1,046,025	\$1,097,835	\$51,810	5.0%
CDMI	\$646,191	\$702,550	\$56,359	8.7%
Community Services	\$463,632	\$526,215	\$62,583	13.5%
Library	\$600,612	\$644,736	\$44,124	7.4%
Police	\$4,145,362	\$4,305,699	\$160,337	3.9%
Fire	\$3,802,712	\$3,878,577	\$75,865	2.0%
Public Works	\$7,496,160	\$7,733,042	\$236,882	3.2%
Transfers	\$124,938	\$125,000	\$62	0.1%
TOTAL MUNICIPAL	\$18,768,570	\$19,468,489	\$699,919	3.7%
Debt	\$4,397,568	\$4,451,052	\$53,484	1.2%
Town-Wide Expenses	\$9,484,727	\$9,752,640	\$267,913	2.8%
Overlay Reserve	\$400,000	\$400,000	\$0	0%
State & County Charges	\$767,850	\$834,391	\$66,541	8.7%
TOTAL FIXED COSTS	\$15,050,145	\$15,438,083	\$387,938	2.6%
Hanover Public Schools	\$31,521,915	\$32,771,915	\$1,250,000	4.0%
SS Vocational Technical HS	\$887,000	\$937,000	\$50,000	5.6%
TOTAL BUDGET	\$66,227,630	\$68,615,487	\$2,387,857	3.6%



Town of Hanover Budget FY2023 'Controls'

(Looking for Feedback from Elected Policy Makers)

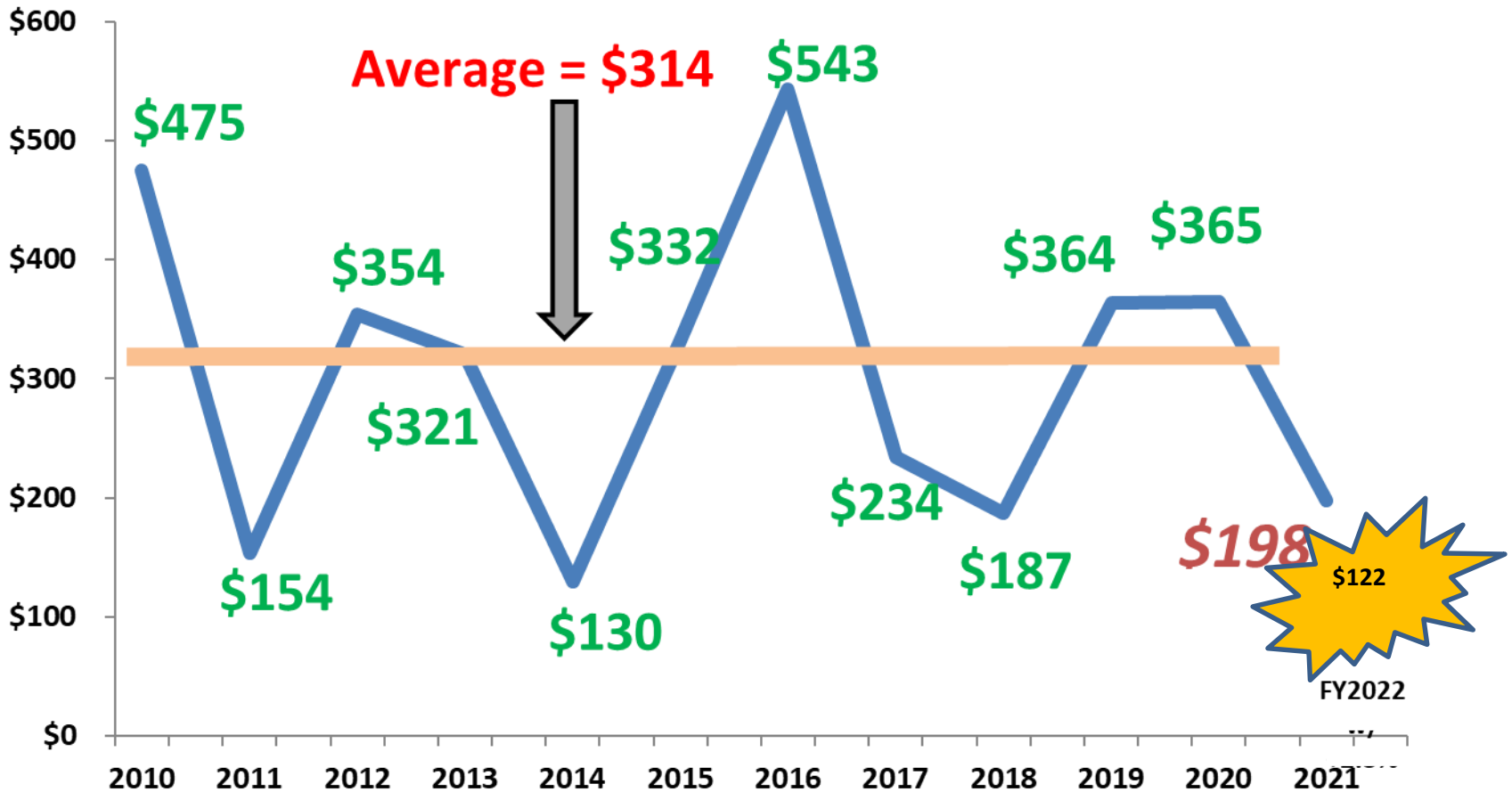
- Debt & Capital Purchases
- School Budget (COVID/Post-COVID Needs)
- Collective Bargaining Agreements
- Programs (including but not limited to...)
 - Library (add 0.5FTE)
 - Housing Coordinator
 - Veterans Services/Mental Health Services
 - Clerks (elections and assistant)
 - Planning
 - Potential Recreation Program merger with FACE
 - Fire Inspections/Code Enforcement
 - C&D
 - Gardner
 - Fuel Costs
 - Transition to ROCCC and Station Clerks
- Fees (including ARPA)



Andrew Blanchard

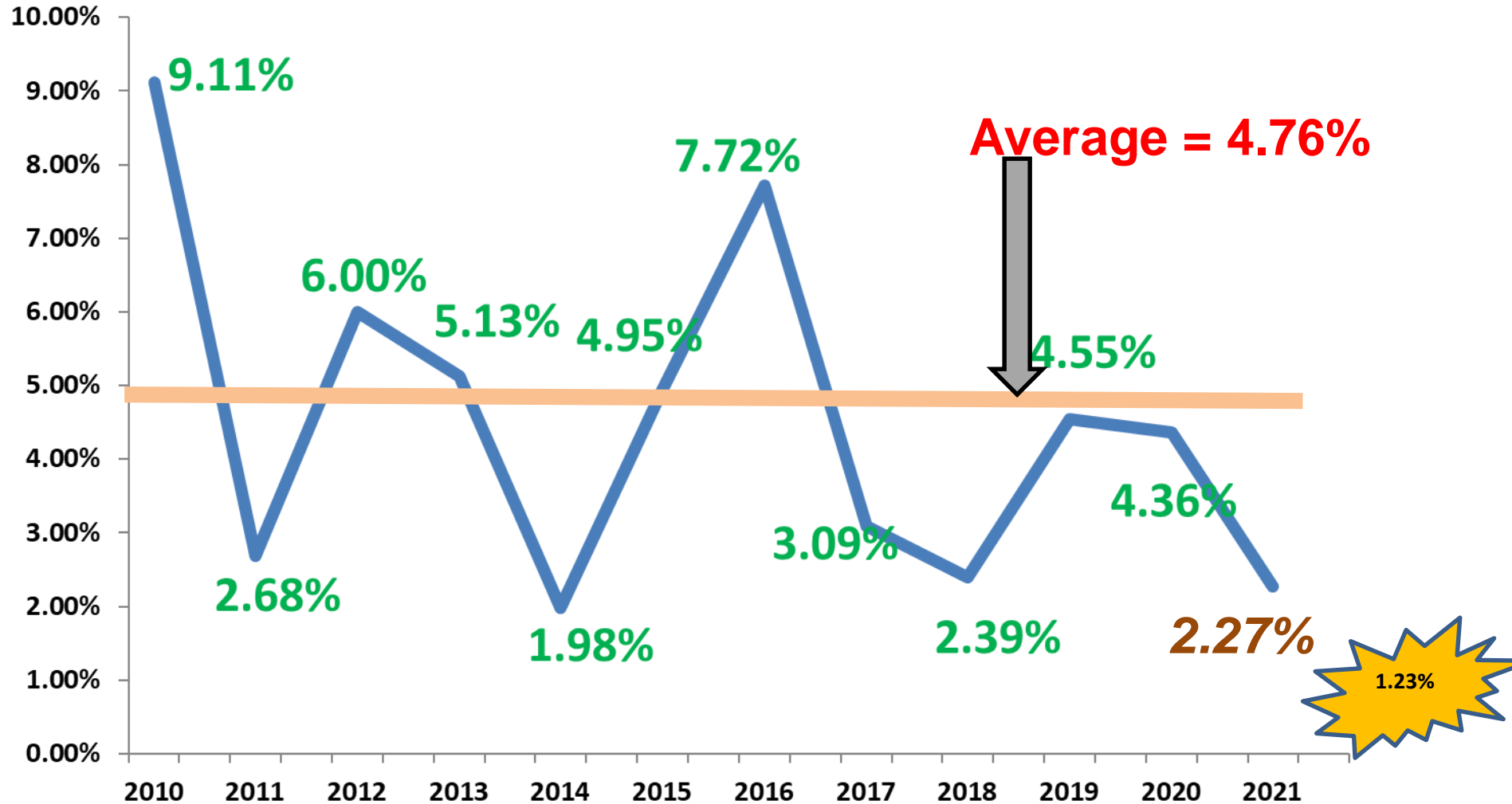


Historical & Projected Average Residential Property Tax Bill Increase (\$)





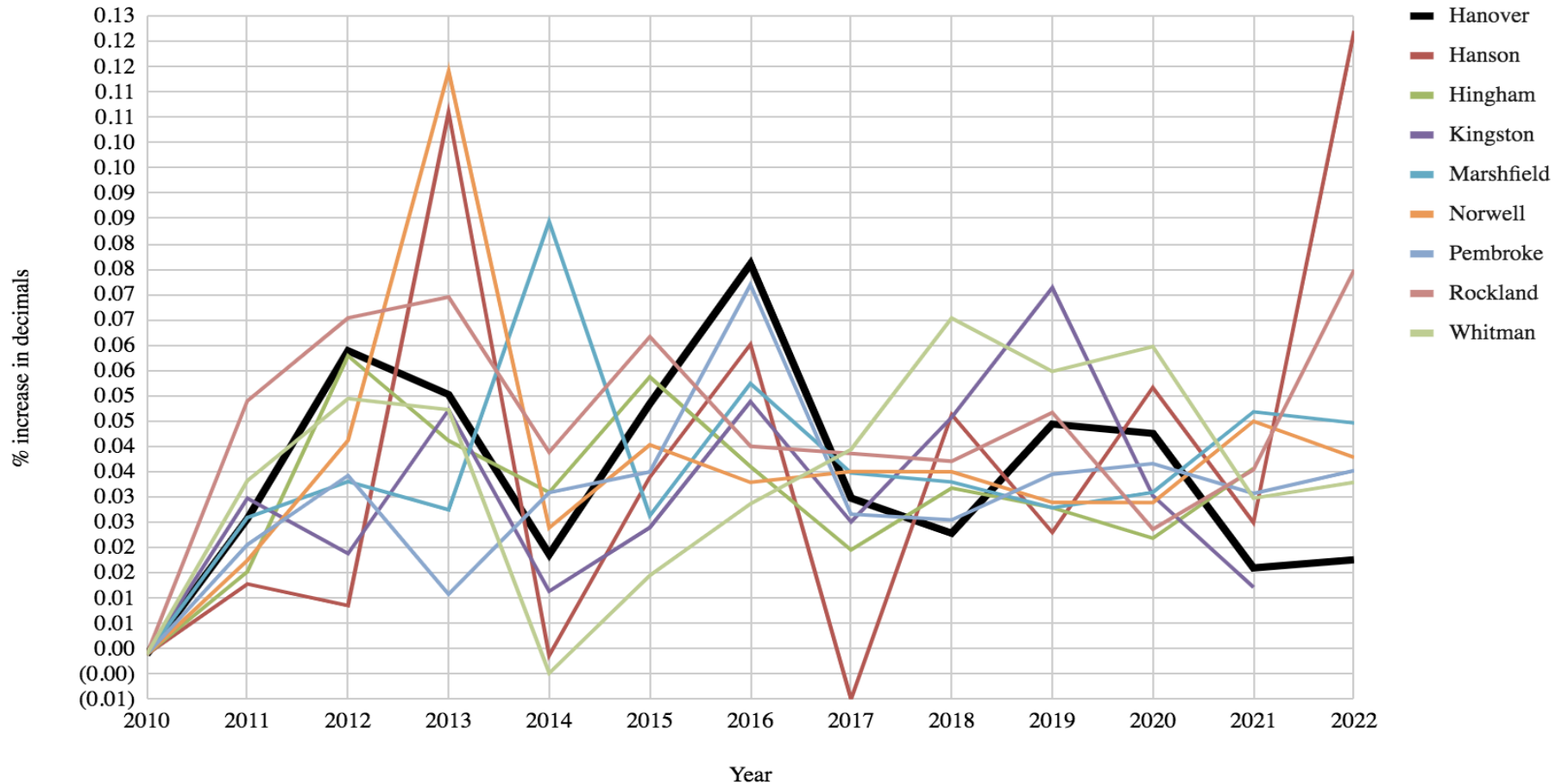
Historical & Projected Average Residential Property Tax Bill Increase (%)





Historical & Projected Average Residential Property Tax Bill Increase (%) Compared with Other Area Towns

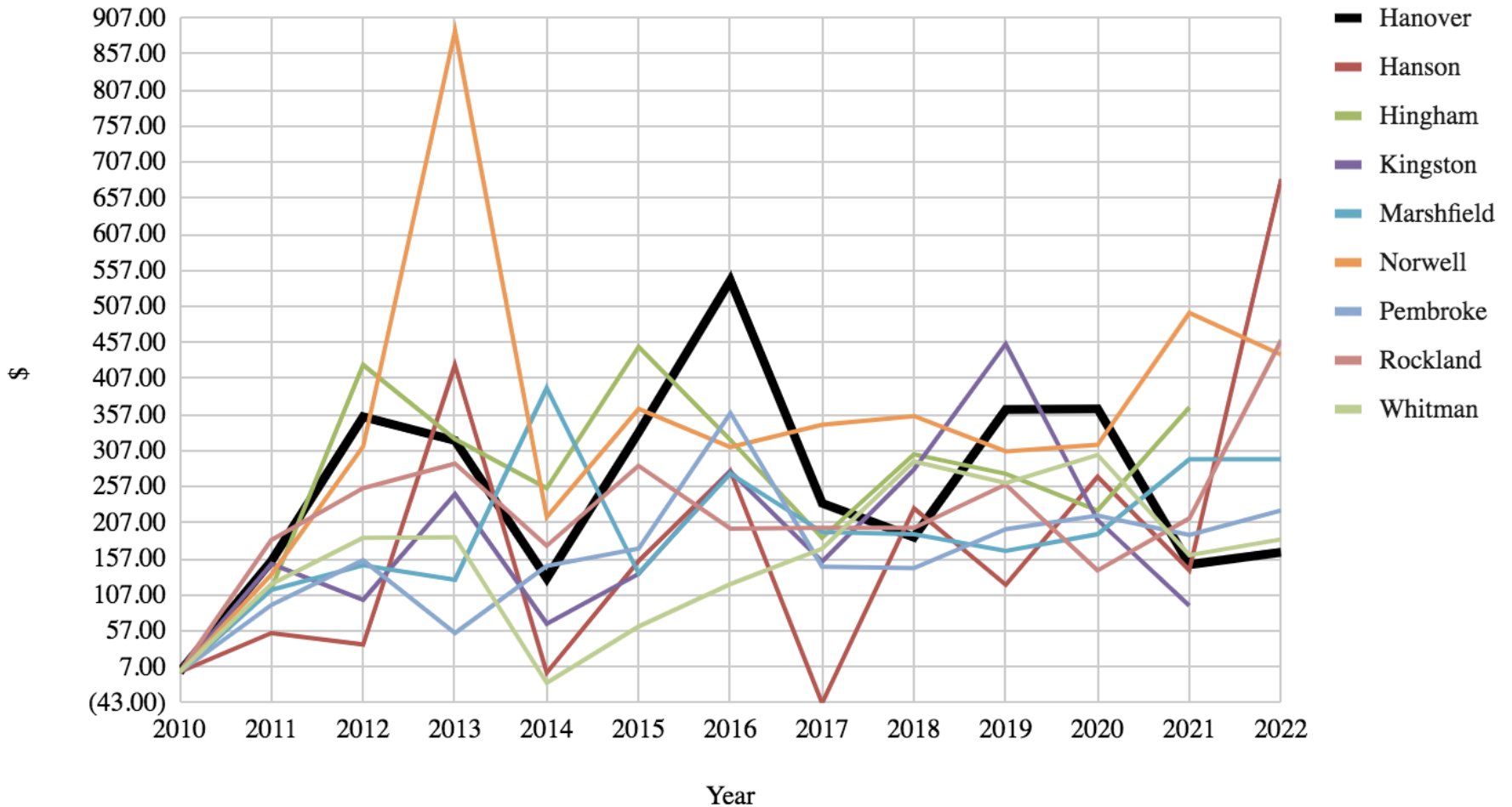
Increase %





Historical & Projected Average Residential Property Tax Bill Increase (\$) Compared with Other Area Towns

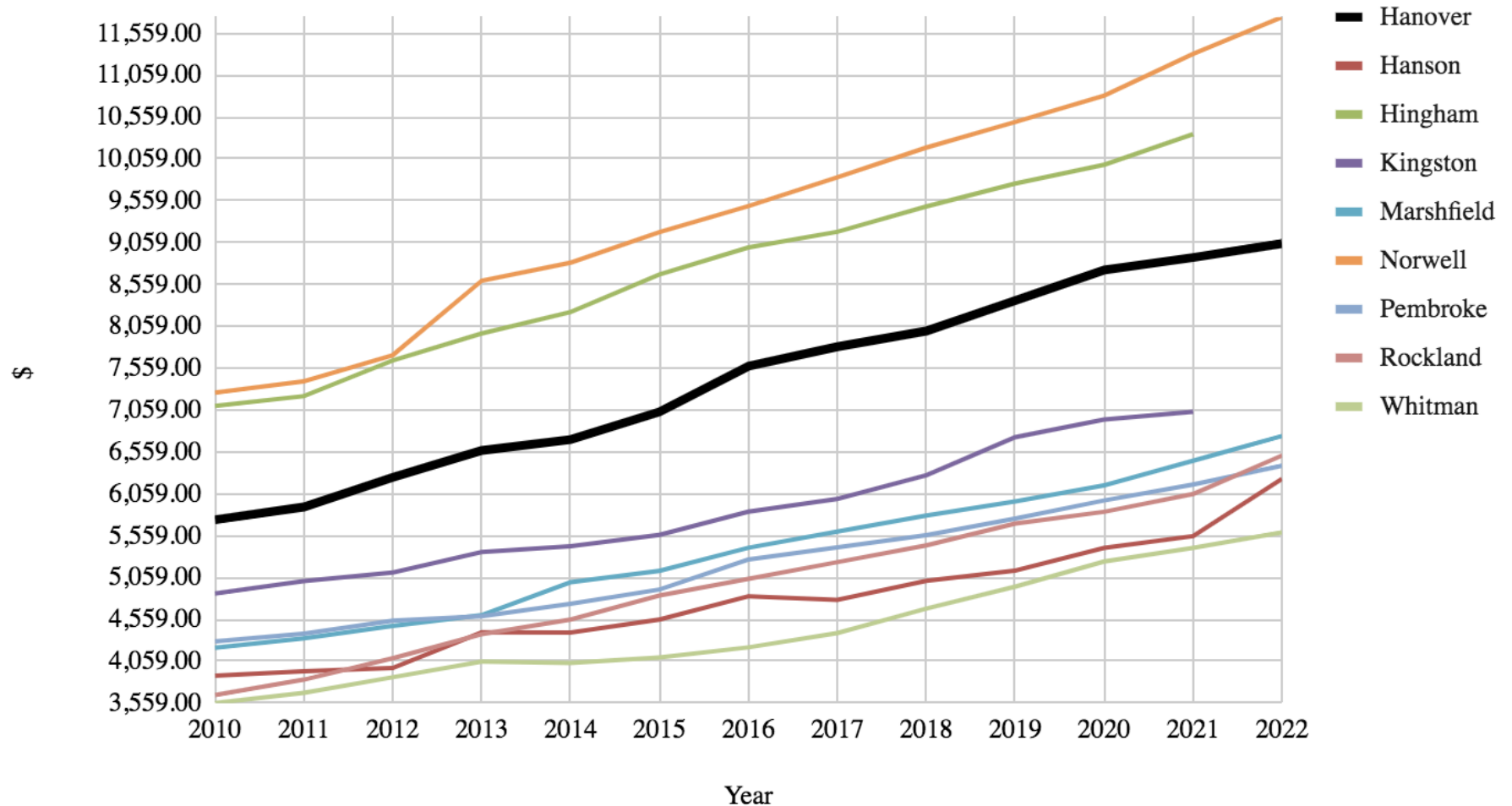
Increase \$





Historical & Projected Average Residential Property Tax Bills Compared with Other Area Towns

Average Bill





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