

Town of Hanover Proposed FY2022 Budget

Table of Contents

Budget Overview

Transmittal Letter from Town Manager.....	1
Budget Guidelines adopted by Selectboard.....	17
Budget Overview.....	20
Budget Departmental Summary.....	21
General Fund Tax Rate Calculations.....	25
Tax Rate Proposed and Actual Rates.....	26
Historic Tax Levies (Amounts of Taxes Raised).....	27
Undesignated Fund Balance Usage Guidelines.....	28
General Fund Undesignated Fund Balance Trend.....	30
Undesignated Fund Balances – All Funds.....	31
Lou and Ann Bressett Memorial Fund.....	34

Police Department

Organization Chart.....	40
Narrative.....	41
Proposed Budget.....	45
Departmental Supplement.....	48

Parking Operations

Narrative.....	49
Proposed Budget.....	51

Libraries

Howe Library

Organization Chart.....	54
Narrative.....	55
Proposed Budget.....	57
Departmental Supplement.....	58

Etna Library

Organization Chart.....	59
Narrative.....	60
Proposed Budget.....	61
Departmental Supplement.....	62

Town of Hanover Proposed FY2022 Budget

Table of Contents

General Government

Organization Chart.....	64
-------------------------	----

Information Technology

Organization Chart.....	65
-------------------------	----

Narrative.....	66
----------------	----

Proposed Budget.....	67
----------------------	----

Assessing

Organization Chart.....	68
-------------------------	----

Narrative.....	69
----------------	----

Proposed Budget.....	70
----------------------	----

Human Resources

Organization Chart.....	71
-------------------------	----

Narrative.....	72
----------------	----

Proposed Budget.....	73
----------------------	----

Planning and Zoning

Organization Chart.....	74
-------------------------	----

Proposed Budget.....	75
----------------------	----

Administrative Services

Organization Chart.....	77
-------------------------	----

Narrative.....	78
----------------	----

Proposed Budget.....	80
----------------------	----

Municipality-Wide Unallocated Activity

Narrative.....	81
----------------	----

Proposed Budget.....	84
----------------------	----

Departmental Supplement.....	86
------------------------------	----

Selectboard and Town Manager

Narrative.....	92
----------------	----

Proposed Budget.....	93
----------------------	----

Town of Hanover Proposed FY2022 Budget

Table of Contents

Health and Social Services

Organization Chart	94
Narrative	95
Proposed Budget	97
Departmental Supplement	98

Fire and Ambulance

Organization Chart	101
--------------------------	-----

Fire Department

Narrative	102
Proposed Budget	106

Hanover Ambulance Service

Narrative	110
Proposed Budget	112

Parks and Recreation

Organization Chart	114
Proposed Budget	115

Public Works

Organization Chart	119
Narrative	120
Proposed Budget	129

Capital Improvements Plan

Narrative	133
Capital Reserve Budget Activity Summary	135
Departmental Supplement-CIP Summary Schedule (10 Yrs)	136

Town of Hanover Proposed FY2022 Budget

Table of Contents

Town Properties

Organization Chart.....	155
Narrative.....	156
Proposed Budget.....	161

Sewer and Water

Water Reclamation Facility

Organization Chart.....	166
Narrative.....	167
Proposed Budget.....	172

Water Utility Fund

Organization Chart.....	175
Narrative.....	176
Proposed Budget.....	181



TO: Hanover Selectboard
FROM: Julia N. Griffin, Town Manager
DATE: February 12, 2021
SUBJECT: **Proposed Budget for Fiscal Year 2021-22**

The Town Manager's Proposed Budget for FY 2021-22 is attached, containing requests for the General Fund, Fire Fund, Ambulance Fund, Water Reclamation Facility Fund, Water Utility Fund, and Parking Fund.

Current Political and Fiscal Climate

Town staff has developed a FY 2021-2022 Proposed Budget for the Board and Town Meeting consideration amidst: 1) an ongoing COVID pandemic and related economic uncertainty which makes projecting revenues challenging; 2) a need to support a flurry of programs designed to ensure residents are vaccinated, supported on the public health front and provided new community services designed around COVID restrictions; and 3) a general lack of agreement regarding what the next 12-24 months will bring on all fronts – all while trying to maintain normal service levels and TO keep our employees healthy and supported. In essence, all around us, things continue in a somewhat topsy-turvy fashion which makes budget planning an interesting exercise in throwing darts. In that context, we generally opt for “conservative” on both revenue and expenditure fronts.

On the Federal Front

January kicked off the year with a riot on Capitol Hill as Trump supporters reacted to his election loss, followed in short order by the inauguration of Joe Biden and the second impeachment of Trump resulting from his incitement of said riot. Shortly thereafter, the Biden Administration announced plans to take a \$1.9 trillion COVID aid proposal to Congress for funding approval, including almost \$350 billion in aid to cities and towns now suffering from revenue shortfalls and increased service demands. As of **literally this morning as I put the finishing touches on this transmittal memo**, we have received some additional information about what is included in the package:

- \$1.5 billion will flow to NH
- \$966 million will go to the State for their use and dissemination
- \$559 million will go to cities, towns, and counties to be divided evenly
- \$279.5 million will, therefore, be distributed to cities and towns on a population basis
- This translates to up to \$2.74 million allocated to Hanover - although there is some confusion around whether or not we will receive that much based on our CDBG eligibility

There is still no word on the fate of the federal funding package or of the final distribution formula to communities – word which would help us to better plan for next fiscal year. Republicans are opposed to providing funds to municipalities because they are not supportive of local communities receiving funds solely due to under-realized revenue stemming from the pandemic; Democrats are determined to hold out for providing these funds. Our own NH Congressional delegation has asked for – and we have answered – responses to a comprehensive survey designed to better understand just how much municipalities have lost on the revenue side, have had to provide on the expenditure side and how insufficient the federal funding levels were that the State shared with cities and towns via the first round of CARES Act funding. Only time will tell although it appears that Vice President Harris may well lend the tie-breaking vote to jam this through the Senate if insufficient bipartisan support emerges. With luck, by the time the Selectboard conducts public hearings on this Proposed Budget, there may be some good news on the revenue front for next fiscal year.

In general, there is a collective sense that the Biden Administration is gradually getting things under control on multiple fronts. Given this Administration's stated priorities, I think it is entirely likely that municipalities may soon see grant or low-interest loan program funds available for a number of challenges we are facing, all of which were completely neglected under the Trump Administration, including: rural broadband deployment, energy efficiency and renewable energy initiatives, community mental health and mental health crisis response services, transportation infrastructure, climate change mitigation and criminal justice reforms. Hanover, our citizens, and this region would all benefit from this sort of federal funds injection. As such, we are in active listening mode right now.

On the State Front

The new combination of Republican Governor Sununu and a decidedly more libertarian-leaning Republican majority in the House and Senate signals that we should be worried about the extent that we will receive more help from the State at the municipal level during the upcoming biennium. In fact, we should be worried that we may receive even less support than we receive now. The Governors statement late last month that, "I do not intend to take federal funds (from the Biden Administration) to help the State budget" leads to more troubling questions on the part of those trying to read the fiscal tea leaves as we prepare municipal budgets for FY 2021-22. Does Governor Sununu have the sole authority to decline receiving federal funds that are offered for relief for NH cities and towns? It would appear, based on the most recent information received from Congresswoman Kuster this morning, that he would **not**, as the funds will be sent directly from Treasury to cities and towns. However, the State is also set to receive \$966 million directly if Congress passes the latest aid package, and it would appear the Governor is waffling on whether or not to accept those funds. Given that the federal funds allocated to states could then be used to support local grant and aid programs, all NH cities and towns should be pushing the Governor NOT to turn those funds away.

In addition, just yesterday, Governor Sununu announced his proposed budget for FY 22 and 23 which begins on July 1, 2021 and carries through June 30, 2023. What is the upcoming biennial State budget **not** going to provide cities and towns? The devil will be in the details and those are simply not available yet. Governor Sununu did announce that he is proposing a reduction in the Rooms and Meals tax, from the current 9% to 8.5%. Best case scenario is that a .5% decrease in the tax will incentivize more restaurant dining and hospitality stays in NH ... although I have my doubts about whether this will be the case. Unfortunately, given that cities and towns only receive about 20% of the State's Rooms and Meals tax revenues collected – even though state law requires that

NH share 40% of the proceeds with cities and towns given that we host all of these tax-generating entities – if the amount of total tax collected goes down as the tax rate is lowered, we can expect to see a concomitant decrease on the amount shared with cities and towns. My quick calculation of the impact of the tax rate decrease if we see no increase in Rooms and Meals tax generating activity points to a potential reduction of \$32,000 on the \$582,032 we are budgeting for FY 21-22.

Interestingly, during his address the Governor also pledged to make \$15 million more available to cities and towns. I assume this is over the biennium, which translates to \$7.5 million per fiscal year. Once again, my quick calculation is that translates to an additional \$75,000 to Hanover in each of the two years. Make no mistake – from where I sit, this is just “hush money” for going quietly on a .5% decrease in the Rooms and Meals tax. In the end, we may be lucky to net \$43,000 each year if Rooms and Meals Tax revenue remains stagnant at best. And what was most ironic about the Governor’s budget address was his opening line, “My budget downshifts cash, not cost, to municipalities!” Accompanying that statement, what the Governor failed to note was that, since 2008, the State of NH has downshifted hundreds of thousands of dollars of cost onto cities, towns, and counties. Specifically, the NH Legislature and three Governors of both the Republican and Democratic variety, never shied away from withholding State-shared revenues or reducing or eliminating State funding normally distributed to cities and towns as a means of balancing their own State budget rather than tackle the 500-pound elephant in the room – the need for a broad-based tax. In reaction to the last recession in 2008, the State has eliminated 35% funding for municipal costs of Group II and teacher retirement contributions; eliminated Municipal Revenue Sharing; withheld Rooms and Meals Tax payments to municipalities and refused to fully fund the sharing formula outlined in State law; and raised the Gas Tax but refused to share a percentage of the increased proceeds with municipalities. As such, given the State’s past track record, NH’s future response to the current deep recession is anything but promising. A biennial hush money net payment of \$43,000 per year over the next two years simply does not constitute “downshifting cash, not cost” to municipalities over the biennium, particularly when you realize that this is simply a continuation of a similar hush money payment the Governor made to municipalities in the last biennial budget to make up for not sharing additional gas tax proceeds collected by the State.

I also worry that partisan politics will get in the way of our Governor, who has indicated his interest in running against Senator Hassan in 2022, working closely or effectively with any of the members of NH’s federal delegation given that they are all Democrats. I sincerely hope I am wrong in my assessment. With the election of President Biden, we took a step forward toward a more effective COVID response and increased fiscal stability. But, with the re-election of Governor Sununu and the loss of a Democratic majority in both the NH House and Senate, we took at least one step back. Not good when we are poised to be able to benefit from federal funding on multiple fronts – COVID response, economic recovery, renewable energy, broadband stimulus, affordable housing, etc.

As a result, on the State-shared revenues front, we make no bold predictions in terms of increases in categories like Rooms and Meals tax, State Highway aid, a restoration of State funding to offset municipal contributions to the NH Retirement System, or restoration of Municipal Revenue Sharing. There is a bill before the NH Legislature this term that would force the State to fully fund the 40% shared Rooms and Meals Tax revenue with cities and towns but, given the current fiscal and COVID situation, I think the fiscal conservatives will get their way and the State will opt not to share more revenue at the local level. This outlook may change somewhat if the State accepts the \$966 million in federal aid which is likely in the offing, but it is simply too early to read these tea leaves.

On the Regional and Local Front

It has been gratifying to see the extent to which our local business community has responded to the pandemic in the face of what initially felt like almost insurmountable odds. Retailers and restaurants were able to take advantage of the initial round of Payroll Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) funds provided by the federal government, and local and regional banks reported that they extended business loan and residential mortgage repayment forbearance across the board, particularly during the early months of the pandemic. By mid-summer, retailers and restaurants were reporting that business had returned to somewhat more normal levels and that their most challenging problem was re-staffing and keeping up with the frequently changing occupancy limits and public health safety protocols set by the State. Local and regional lending partners noted that there were far fewer requests for PPP during round two or for loan forbearance during the fall and early winter.

Larger institutional, manufacturing, and commercial employers experienced a myriad of challenges, from re-orienting their employees for work-from-home, to re-arranging in-person work shifts, implementing testing and quarantine protocols, securing purchased inputs required for their manufacturing processes and forecasting demand going forward. All-in-all, while 2020 was not good, it was not the absolute disaster we worried might emerge – in very large part due to just plain hard work on the part of many.

In general, as 2020 came to an end, local businesses reported being down by about 30-35% over 2019, whereas, if you had asked them in May, they would have projected being down by 60% year over year. Partial recovery prevailed for those who managed to stay afloat, and a myriad of local banks, regional entities, philanthropic individuals, state organizations, municipal leaders and staff all came together to lend many hands all ‘round.

On the municipal front, 2020 was certainly challenging and this trend continues as we begin 2021, albeit with a new administration at work at the federal level. Revenues have tended to under-perform in some categories, particularly in terms of short-term interest income, recreation user fees and parking revenues. Federal CARES Act funding, administered by the State as pass-through monies and which needed to be expended by December 31, 2020, did help to offset revenue losses in the General and Fire Funds when we could use them to directly offset public safety payroll. That partial revenue support combined with expenditure reductions made at the department level helped us finish out FY 2019-20 in the black and will do the same for us in FY 2020-21. Surprisingly, despite the pandemic impacts and the resulting fiscal stress experienced by many businesses, households and institutions, property tax payments flowed steadily in both June and December of 2020.

Local Initiatives Undertaken in FY 2020-21

In keeping with our desire over the past four years to focus our energy locally and regionally in the face of general pessimism about the state of our nation, the Town continued to move forward on many positive initiatives, even in the face of a pandemic. Some notable activities that have been particularly rewarding for residents, our wonderful volunteers and Town staff include:

Ready for 100 Campaign

The Town’s Energy Plan, adopted as part of our Ready for 100 Campaign, includes **four key elements** designed to help us reach the community’s goal of 100% renewably generated electricity use town-wide by 2030 and 100% renewably generated heating and transportation fuel by 2050.

- Town of Hanover Must Lead by “Walking the Talk” - committed to leading by example, Town staff is continuing to implement energy efficiency and renewable energy improvements in all Town facilities with full support from the Selectboard and the Sustainable Hanover Committee. Solar panels were installed on the roof of Town Hall and the Water Reclamation Facility in 2019 and on the roofs of the Hanover Public Safety Building, the Public Works Department’s Equipment Storage building and the Salt Storage facility in 2020. In addition, a 480-kilowatt ground-mounted solar array was installed adjacent to the Water Filtration Facility in the fall of 2020 and feeds the treatment process behind the meter. In spring of 2021, an additional 800-kilowatt solar array will be added in a Phase 2 project at the same location and will offset the electricity consumed by the Water Reclamation Facility, the Town’s largest consumer of electricity. By the end of 2021, the Town of Hanover will be very close to generating all the municipal electricity load (3 megawatts) via solar panels installed on Town property.

In addition, the Town continues to shift to electrification of its heat sources to reduce its overall fossil fuel consumption. All of Town Hall is now served by a networked heat pump system while our older oil furnace remains simply as back-up and in 2020, taking advantage of a closed Community Center and Howe Library due to the pandemic, both buildings were converted to networked heat pump systems. Next up will be tackling heat pump installation in the Police Department side of the Public Safety Building as well as energy efficiency and renewable energy improvements in the Howe Library and the Public Works Administrative building.

- Helping Hanover Residents and Businesses Through Solarize, Weatherize and Energy Efficiency Through NH Saves: During the latter half of 2020, Sustainable Hanover implemented Solarize Hanover 2.0 for a second year, designed to help Hanover residents take advantage of the 26% federal tax credit which was due to be reduced to 22% as of January 1, 2021. As a result of the program, more than 250 local homeowners have added 1.54 megawatts of either rooftop, ground-mounted or ground tracker-mounted solar panels – representing the largest number of residential solar installations within a single NH municipality.

Sustainable Hanover volunteers are also implementing the third round of Vital Communities’ Weatherize Upper Valley program. Anything the Town can do to encourage residents and businesses to “button up” their homes and commercial buildings will reduce overall reliance on home heating fuels and reduce electricity consumption. The Town also provides free office space in our Public Works complex for a contract employee with Liberty whose job is to help commercial entities utilize the NH Saves program to implement energy efficiency retrofits in their businesses. This program has been very successful, and many local Upper Valley business owners have been assisted in lighting, insulation and heating and ventilating mechanical equipment installations, all designed to help businesses reduce their electricity consumption and migrate away from fossil fuels.

- Establish Regional Community Power Aggregation: Town staff is part of a multi-community network working to establish the Community Power Coalition of NH (CPCNH), a consumer choice aggregation (CCA) entity which will enable residents, businesses, institutions, municipalities, school districts and counties to purchase green power at a potential statewide level rather than settling for default power sold by Liberty (which is required to include only 20.7% green power as a percentage of its overall brown power mix).

The Hanover Selectboard authorized becoming the first signatory to a Joint Powers Agreement establishing CPCNH on January 25, 2021 and the Lebanon City Council approved the same on February 3rd. Cheshire County and the City of Nashua also hope to join the coalition as initial signatories along with the Town of Harrisville. This represents the first step in standing up this CCA. Participation by municipalities, acting as aggregators for all residents, businesses and institutions located within the municipality will then enable residents and businesses to select from a menu of electricity options, including a 100% green power option. It has been gratifying to see the sheer number of NH municipalities, local energy committees, counties and regional planning commissions that are actively supporting this effort.

- Power Purchase Agreement to Purchase New England-Generated Renewable Power: Sustainable Hanover continues to pursue the potential for entering into a Power Purchase Agreement (PPA) with a New England-based renewable energy generator, to lock in very competitive green power electricity rates for up to 20 years with large users in the community including Dartmouth College, Hypertherm, Sheridan Printing, Kendal at Hanover, the Co-op Food Stores, etc. Participation in long-term PPAs provides funding for renewable energy projects such as large solar arrays, onshore and offshore wind. And on February 3rd the Biden Administration announced some very good news relating to the Vineyard Wind Project, an 800-mw offshore wind installation which was nearing final federal approval for construction 14 miles south of Martha's Vineyard but was then halted by the Trump Administration, presumably due to pressure from the fossil fuel industry to kill this large New England offshore wind project. The Bureau of Offshore Energy Management announced they would once again begin final review of the project. Vineyard Wind is an excellent example of a New England-based, large scale renewable energy project that could provide an opportunity for large users in Hanover willing to lock into competitive, 20-year pricing for 100% wind power via a New England-based PPA.

Affordable Housing

Twin Pines completed Phase One of Summer Park in late October, and the Town then moved to have the original three Summer Park buildings demolished once the residents moved into their new apartment units. Work is now underway on Phase Two, an adjacent 18-unit affordable housing complex. The Town has helped Twin Pines secure donations from local solar installers so that a large rooftop solar array can be installed in late 2021 or early 2022.

With the final purchase of the Leavitt Property on Greensboro Road, thanks to the leadership of the Trust for Public Land and the Hanover Conservancy along with the generous donations of many local individuals, Town staff will begin to work with Twin Pines Housing Trust on the donation of approximately 5 acres of adjacent land for construction of small, cottage-style, net-zero workforce housing designed for first-time home buyers. The combination of Town-donated land and TPHT's reputation and ability to secure financing from state and federal affordable and workforce housing partners is one very powerful tool the Town continues to utilize to advance the cause of increasing the diversity and affordability of our housing stock.

Infrastructure Improvements

Amidst a pandemic, the Town opted to take advantage of lower levels of traffic and parking in Downtown Hanover to tackle several projects which included:

- The Parking Division of the Police Department and Public Works Department collaborated to design an updated parking layout for Lot 1 (the lot behind Hanover Town Hall), including the addition of a new sidewalk segment and fence replacement along the property line at the rear of the St. Thomas Rectory and Edgerton House properties, installation of updated parking lot lighting, and installation of solar powered parking pay stations to replace the lot's single and double head parking meters.
- The Public Works Department replaced a segment of sidewalk on South Street along the Parking Facility and on North Main Street.
- Town Planning staff initiated a survey to obtain community feedback regarding options for replacing sidewalks in the immediate downtown area. Options for redesign were explored with our consultant and public feedback was sought. Issues to be considered included: incorporation of a bicycle lane or cycle track on South Main Street and Lebanon Street; expansion of Downtown sidewalk widths to facilitate permanent placement of outdoor sidewalk dining; potential locations for downtown bus shelters; signage packages, etc. While the proposed budget does not include any requests for funding in FY 21-22, planning for this project is expected to be ongoing through winter of 2022.
- Public Works Department staff continue to upgrade major crosswalks with enhanced lighting, improved tip-downs, and audible crosswalk signals.
- The Town-owned bridge on Stevens Road at Etna Road was replaced as part of the Town's ongoing bridge maintenance and replacement program.
- Dartmouth constructed a sidewalk segment on the east side of College Street between Maynard and North Park Street and has just installed a railing on the downhill side of the sidewalk. This particular area has long concerned the town given the lack of sidewalk on a hillside that was heavily used by pedestrians who had eked out a gravel pathway over the years.

Financial Challenges Facing the Town in FY 2021-22

FY 20-21 has proven to be challenging on the revenue and expenditure side and some of these impacts will carry forward into FY 21-22, only to be further compounded by new challenges unique to the upcoming fiscal year. I thought it would be helpful to outline some of these challenges to give the Board a sense of what we have had to manage in preparing a Proposed Budget for the Board's consideration:

- The State had built into their FY 20 and 21 biennial budget one-time payments to cities and towns to nudge us into refraining from complaint about the State's failure to restore funding for general revenue sharing during boom times. Hanover's share was **\$44,167** and those funds are no longer available to us going forward unless something concrete emerges from the biennial State budget as discussed above.
- The essential bottoming out of interest rates resulted in the loss of **\$264,000** in anticipated interest income revenue we had projected when we built the FY 20-21 budget just before the COVID pandemic rolled in. Sadly, cities and towns had just begun to see the restoration of short-term interest income, akin to what we had once generated before the 2008 recession, when COVID struck. As such, we must be more conservative in our estimates for this revenue source in FY 21-22.
- The addition of a Field Appraiser in the Assessing Department results in additional expense (**\$55,000**); the addition of this position was an excellent decision, but now we must be committed to funding this level of staffing going forward.
- Bressett Fund monies for the Community Nurse (**\$6,000**) disappears in FY 21-22 as well as 50% of the funding for the Emerging Technologies Librarian (**\$30,173**) –

demonstrating what we have worried about with the Bressett Fund which is, once the three years of funding disappears, the Town either owns the funding of the new initiatives or must abandon them.

- As a result of COVID, the Parks and Recreation Department saw a significant contraction in revenue totaling **\$59,713**. For FY 21-22, we have opted to take a conservative approach in projecting revenues given the general uncertainty around COVID and the lingering impacts on community recreation and use of the Community Center.
- The Hanover Improvement Society has also been hard hit by COVID and the resulting closure of the Nugget and reduced revenue generation at both Storrs Pond and Champion Arena. As such, HIS was not able to provide funds (**\$5,000**) to offset the cost of the Community Gardener during the summer of 20-21 nor have we budgeted funds for this coming summer. The Town has stepped up to cover half the cost and hopes that the Hanover Garden Club may assist but with no guarantee.
- Dartmouth College has indicated that they intend to implement fewer on-campus construction projects in the coming year, resulting in a decision to reduce our building permit and related site plan and zoning permit revenue projections (**\$43,000**).
- Thanks to all the federal funds we have received resulting from COVID, our audit fees increase for the upcoming audit by **\$8,000**.
- Our Guaranteed Maximum Premium increase in health insurance for FY 21-22 translates to an additional expenditure of **\$52,127**.
- The employer mandated NH Retirement System contributions effective July 1, 2021 result in a **\$194,387** additional expense.

Combined, this translates to a combined negative impact of **\$766,946** that had to be accommodated as part of our budget planning for FY 21-22. As a result, we were forced to make some unusual decisions to meet a tax rate increase target of no more than 3% while also avoiding lay-offs, funding normal step increases and maintaining service levels. Those decisions include:

- No cost-of-living adjustment effective July 1, 2021 is budgeted for the upcoming year in recognition of the unusually challenging situation this community is facing.
- No large, one-time expenditures are proposed other than those funded by reserves and planned for in the Capital Improvement Program (CIP).
- On a one-time basis, contributions are not made to the Road Construction and Improvement and the Bridge Replacement and Renovation Capital Reserve Funds, saving a total of \$172,096. This results in a likely permanent deferral of planned projects by one year.
- General Fund Undesignated Fund Balance is utilized to help balance the budget, taking the residual UDF down to approximately 10%. Under normal circumstances I would not utilize UDFB in this way - however the COVID emergency and resulting reductions in revenue on multiple fronts, combined with a not-to-exceed tax rate increase target of 3%, necessitated this use. Given that our current lower projections are short-term in nature and we expect to return to normal revenue levels by FY 22-23, our assumption is that we will be able to replenish our UDFB relatively quickly. In addition, if the Biden Administration does succeed in obtaining Congressional approval for the new \$1.5 trillion aid package, which includes substantial relief funding for cities and towns, our hope is to qualify for federal grant funds as part of that package, which could then reduce the need to draw down our UDFB in FY 21-22.

Alternative Approaches to Balancing the FY Proposed Budget

As an alternative to utilizing General Fund UDFB and to freezing contributions to the Road Construction and Improvement and Bridge Replacement and Renovation Capital Reserves, we also considered several alternative approaches summarized below. Certainly, any one or more of these alternatives could be considered either as an alternative to or a partial replacement for the two options we did utilize to reach a tax rate target of not-to-exceed 3%:

- Freezing all wages for FY 21-22, thereby withholding all 2% annual step increases, would save **\$184,000**. We opted not to pursue this approach because we know that many other NH municipalities have not opted to take this approach in the upcoming fiscal year given the extraordinary circumstances under which municipal employees have had to work over the past 12 months.
- Partial deferral of the Town paving and rural road reclamation program for the upcoming year would save a combined **\$370,000**. This would involve reducing contracted services by **\$23,000**, reclaiming by **\$96,429** and paving by **\$250,571**, for a combined total reduction of **\$370,000**, resulting in a remaining paving expense of **\$242,274**.
- Deferring **all** General Fund contributions to Capital Reserve Funds for one year (**\$765,050**), which would result in a one-year deferral of all capital projects going forward. For the same reasons I outlined in the paragraph above, staff is reluctant to lose momentum on our CIP effort to adequately fund reserves.
- Converting the curbside recycling collection and processing program from a tax funded initiative to a user fee program, resulting in an approximate **\$230,000** savings (**\$166,563** for collection and **\$63,682** for recyclables processing).

Tax Rate Target

At the Board's meeting of December 7th, the Selectboard directed staff to submit a budget reflecting a tax rate increase of no more than 3.0%, based on your November 23rd review and discussion of the five-year projections prepared for you by Administrative Services Director Betsy McClain.

The proposed budget detail reflects a municipal tax rate increase of 3.0%, which would take the current municipal tax rate of \$4.44 per \$1,000 of property valuation to \$4.57. This translates to a 3.35% increase in the tax levy and necessitates raising an additional \$341,904 in General Fund tax revenue above what is budgeted in the current fiscal year.

Budget Overview

The combined totals for the seven funds included in the Proposed Budget for FY 2021-22 recommend expenditures of \$29,530,938 which is a decrease of 8.7% below the total appropriations approved for FY 2020-21. Of the total appropriation, \$1,914,537 represents capital reserve and other reserve fund purchases which are fully offset by the appropriation of revenue to finance the purchases from their respective reserves. As such, the utilization of these reserved funds does not impact the proposed FY 2021-22 tax rate. The total capital reserve expenditure recommendations represent a \$2,677,936 or 58.3% decrease from the FY 2020-21 Budget.

The actual expenditures for all funds net of capital projects funded from capital reserves and other reserve funds represent a total \$27,616,402, \$122,038 or 0.4% below the FY 2020-21 Budget. The expenditure details are outlined in detail below, by fund.

GENERAL FUND BUDGET HIGHLIGHTS

The General Fund Proposed Budget for FY 2021-22 recommends appropriations totaling \$16,926,510, which represents a decrease of \$1,413,225 or 7.7% below the appropriation for FY 2020-21. After accounting for the benefit of the growth in total assessed valuation (projected to be \$8 million) and netting out the General Fund's capital reserve expenditures totaling \$950,400 which are fully offset by the transfer in of revenue from various reserves, **a General Fund tax rate increase of 3.0% is required to fund this budget, taking the tax rate from the current \$4.44 to \$4.57, an increase of 13 cents per thousand dollars of valuation.** The tax rate is projected to increase despite the reduction in budgeted General Fund expenses because of the COVID impacts on certain non-tax General Fund revenue sources helping to offset the cost of the General Fund expenses.

Revenue

1. The Proposed Budget assumes an estimated \$8 million increase in total assessed valuation which generates an additional \$35,520 in General Fund revenue at current tax rates.
2. For FY 2021-22 we anticipate generating short term interest revenue of only **\$96,000** which is clearly much lower than the \$360,000 we were realizing and that we had originally projected to generate in FY 20-21. That is, before the pandemic resulted in dramatic downward shifts in the interest rate by the Fed to protect the economy ... just when we had begun to return to the amount of interest income we were earning prior to the 2008 recession!
3. NH Rooms and Meals tax revenues are budgeted to hold relatively steady at **\$582,032**, the amount received in the current fiscal year. The Governor's biennial budget for 2020 and 2021 did not reflect any increase in the **percentage** of Rooms and Meals tax revenue shared by the State with municipalities, even though a state statutory formula requires the State to increase the municipal allocation on a biennial basis to bring the percentage allocated to municipalities to 40%. A bill has been introduced this legislative session that would require the State to immediately share 40% of the Rooms and Meals tax proceeds with municipalities as required in by statute but my guess is that the bill will not move forward given the current fiscally conservative make-up of the Legislature and the fiscal challenges the State is likely to face over the next biennium which will make sharing more revenue with cities and towns highly unlikely. In addition, in his budget message for the 2022 and 2023 State biennial budget today, Governor Sununu announced that he plans to request a .5% decrease in the Rooms and Meals Tax rate (from 9% to 8.5%). Presumably, this would result in an overall reduction in the amount of Rooms and Meals tax collected, which will then likely result in a drop in the amount of revenue that the State will share with municipalities. During the same address, he announced a proposed \$15 million appropriation as direct aid to cities and towns. It is not clear whether this a one-time or recurring level of aid, and I think it is safe to say this will simply offset the loss in Rooms and Meals Tax revenue we are likely to experience if the Legislature approves the .5% decrease.

4. Certain other non-tax revenues are conservatively projected to perform at about the same level they did in FY 20-21. Despite the pandemic, motor vehicle registration revenue held its own in FY 20-21 and is projected to continue so in FY 21-22.
5. The Proposed Budget reflects use of **\$449,785** in Undesignated Fund Balance (UDFB) to help the Town weather the upcoming relatively weaker revenue performance in the face of the COVID pandemic. Of this total, \$370,000 is an actual draw on the current balance that will result in less UDFB. The remaining amount (\$79,785) reflects the decision to freeze the Teen Librarian position for FY 2021-22. Because there is no plan to fill this position in FY2021-22, there will be no actual reduction in the UDFB for this position. Because we have maintained the appropriation for this position in the Howe Library budget, we must identify a funding source. The budgeted draw of \$79,785 is simply a budgeting mechanism to help us keep the appropriation in the Library budget without raising taxes to hold this position vacant.
6. Building Permit fee revenue is decreased by **\$42,750** for FY 2021-22 to reflect a decrease in high value Dartmouth projects anticipated to be permitted in the coming fiscal year, offset by what we expect to be an increase in residential building permit revenue stemming from pent-up demand for building projects on the part of homeowners who have delayed implementation during the pandemic.
7. The proposed budget includes \$42,674 to be utilized from the Bressett Fund: **\$30,174** to support the last half of the third and final year of an Emerging Technologies Librarian for the Howe Library; **\$2,500** for additional support of trails work to be completed by the Hanover Trails Committee and the Upper Valley Trails Alliance on the Trescott Property for enhanced public trail access; and **\$10,000** for the second year of additional hours to the Senior Center Coordinator position to meet user demand for service. Under current guidelines for use of the Bressett Fund monies, programs will be considered 'new' initiatives eligible for funding for three years.

Looking forward, I would also like to discuss with the Board an opportunity to appropriate Bressett Funds to seed the launch of a Holiday Market for Downtown Hanover in 2021, which we would then turn over to the Parks and Recreation Department and the UVBA to continue to staff and grow going forward. This event has the potential to provide a much-needed boost for Downtown Hanover during the month of December and could become virtually self-supporting plus generate operating funds for the UVBA and the Town. Based on draws on the Bressett Fund since it was established, Betsy estimates that the Fund could generate \$210,490 for a new initiative in FY 21-22 and I would urge the Board to consider appropriating \$150,000 of these funds so that an organizing committee would be able to move forward with planning an event. Funds would be utilized to procure more holiday lighting and decorations and to secure modular market stands that could be used by market vendors. I would also recommend we work with Dartmouth to gain access to the Green for additional Holiday Market stand locations centered around the Christmas tree. In addition, we may have the opportunity to work with Twin Pines to install some playground equipment on the Summer Park property. Based on the cost of the equipment we installed on Valley Road, I would like to suggest we appropriate an additional \$40,000 from the Bressett Fund to fund this equipment if this opportunity materializes in the next year.

8. As part of the revised MOU between the Howe Corporation and the Town, the Corporation will no longer provide the Town with the annual maintenance subsidy of **\$23,500** but, in

turn, they will cover the full cost of the collection acquisitions, resulting in a **\$60,700** savings to the Town, for a positive net impact of **\$37,200**.

9. As a reminder, two key payments for Town facilities will expire in 2023 and 2024, which will free up additional expenditure capacity or offset tax rates. In FY 22-23 the Town will make its final payment on the Community Center which is currently about \$75,000. In FY 23-24, the Town will make its final \$100,000 payment to the Dresden School District to offset the cost of the bond payments for HHS and RMS.

Expenditures

1. In FY 2021-22, the total increase in General Fund Salaries and Benefits, reflects a year-to-year increase of 2.8%, representing an additional **\$329,289** of General Fund expenditures. This increase includes the impact of an 7.8% “guaranteed maximum price” increase in our health insurance premiums (**\$61,521**); the budgeted schedule of 2% annual step increases as part of our comprehensive employee classification and compensation system; and the increase in NHRS employer mandated contributions on behalf of employees (**\$198,354**). No funds are budgeted in FY 21-22 for an overall cost-of-living adjustment to the wage scale system given the many revenue and expenditure challenges presented by the COVID pandemic.
2. Funds are budgeted in the Planning and Zoning Department to enable the use of a 24 hour - per-week Health, Rental Housing and Life Safety Code Inspector to assist with all things building and life safety code inspection (**\$59,148**). During the COVID pandemic, this position is and will be fully utilized to oversee the Town’s pandemic response as the Health Officer. A full-time Rental Housing Inspector position is budgeted at \$64,260. The Rental Housing Inspection program would be self-sustaining, and sufficient revenue is budgeted (**\$100,000**) in the Department to fully offset the cost of the position and attendant program costs. The launching of this program is dependent on adoption of an enhanced Rental Housing Inspection program this spring. Funds are also budgeted for a part-time Sustainability Director (**\$65,400**) which was fully funded by the Bressett Fund for the past three years. This part-time position has proven instrumental in helping support the work on renewable energy being led by Sustainable Hanover.
3. In the Assessing Department we budget **\$56,305** to fully fund the Assessing Technician position to assist with the work of the Assessor, both in implementation of the upcoming revaluation and to better enable the Department to manage the routine property inspections and property assessment tracking going forward.
4. The Parks and Recreation Department freezes the Community Center’s Receptionist position after the retirement of the previous employee in 2020 and opts not to budget the funds for the upcoming fiscal year, saving **\$52,585** in salary. Going forward, as the pandemic recedes and we can once again contemplate fully reopening the Community Center and returning fully to running the in-person recreation programs, the Department intends to revisit the need for this position.
5. Highway Capital Reserve Fund purchases total **\$686,400**, offset by a transfer in from reserve of that amount. This withdrawal will fund the replacement of the excavator (**\$225,000**), the vacuum sweeper (**\$263,000**), one of the Town’s three sidewalk tractors (**\$165,000**), one pick-up truck (**\$33,400**).

6. Although originally planned for implementation in FY 21-22, funds withdrawal from the Bridge Capital Reserve to replace the second of the eight bridges on Ruddsboro Road as you travel east from the intersection with Etna Road (**\$330,000 – full replacement**) is deferred, allowing us to defer a contribution to the Bridge Capital Reserve in the upcoming fiscal year. This is a State ‘red listed’ bridge, along with the bridge on Hanover Center Road near the intersection with Sausville Road (**\$206,000 – deck replacement**) which also requires replacement. In addition, the Town anticipates that the State will soon put the bridge on Wolfeboro Road over Goose Pond, just west of the intersection with Goose Pond Road, on the red list (**\$255,000 – deck replacement**).

One alternative to deferring the bridge work would be to bond for the replacement of the three bridges for a total bond authorization of \$811,000. Assuming a 20-year bond with a 2% interest rate, the annual debt service cost would be approximately \$49,600.

7. Funds are withdrawn from the Road Improvement Reserve (**\$149,000**) to install additional audible pedestrian mid-block crosswalk signals in several priority locations (**\$69,000**) and to replace the roundabout apron surrounding the island in the middle of the Reservoir Road roundabout (**\$80,000**).
8. Funds are withdrawn from the Municipal Transportation Improvement Reserve for installation of a sidewalk segment on Crosby Street, along the east frontage of McKenzie Facilities Shops (**\$20,000**). Mysteriously, there has never been a sidewalk segment along this frontage, leaving the pedestrian to fend for themselves on a grass and dirt path between sidewalk segments to the north and south.
9. Funds are withdrawn from the Building Capital Reserve (**\$95,000**) for replacement of siding on the lower portion of the Community Center (**\$70,000**) due to deterioration of the siding, and for re-cabling and replacement of the fire alarm systems in Town Hall and the Public Works Department as the Town finally transitions away from the outdated fire alarm boxes (**\$25,000**).
10. Funds are not budgeted in FY 21-22 for an annual allocation of **\$50,000** in energy efficiency and renewable energy funds. Given all the work the Town has completed over the past several years in this area, we have not identified significant projects energy efficiency project needs for next fiscal year.

FIRE AND AMBULANCE FUND HIGHLIGHTS

Fire Fund

The proposed FY 2021-22 Budget recommends Fire Fund expenditures of \$3,762,377, representing an increase of \$133,303 or 3.7% over the FY 2020-21 appropriations.

Funding for the Fire Department is substantially provided by property taxes assessed to three different fire districts: Fire District #1 serviced by fire hydrants; Fire District #2 not serviced by fire hydrants and west of Moose Mountain; and Fire District #3 not serviced by fire hydrants and east of Moose Mountain. The costs related to the fire hydrant system are borne only by those taxpayers in Fire District #1; all other costs are shared equitably among the property valuation in Fire Districts #1 and #2; and Fire District #3 pays one-half of the Fire District #2 rate in recognition of the delay in service delivery given their remote location.

The proposed Fire District tax levy for FY 2021-22 is projected to increase by 3.01% (or \$123,248; from \$3,387,908 to \$3,511,156). With an \$8 million projected growth in the Town's net assessed valuation, if the projected tax levy were recovered through one tax rate across all Town properties, there would be a 3.01% tax rate increase to fund the proposed Fire Fund budget, taking a "blended" Fire District rate up from the current \$1.48 to \$1.52.

There are several items of note in the Proposed Fire Fund Budget:

1. In FY 2021-22, there is a significant increase (7.4% or \$174,643) in total Fire Fund Salaries and Benefits, reflecting annual 2% step increases, a 7.8% "guaranteed maximum" increase in health insurance premiums, and a **\$73,573 or 13%** increase in the employer-mandated contribution to the NHRS on behalf of Group II firefighters. In addition, in FY 21-22, we budget fully for the Deputy Chief in the Fire Fund rather than offsetting a portion of the cost resulting from the position allocated 50% to Fire and 50% to the Planning and Zoning Life Safety Code inspection activity. The Deputy Chief is now fully tasked in Fire and the Health, Rental Housing and Life Safety Code Inspection services are now budgeted on a 24-hour per week basis in the General Fund.
2. Two expenditures are proposed to be funded by a withdrawal from the Fire Capital Reserve Fund in FY 2021-22 (**\$50,000**), including **\$15,000** to fund the replacement of steel frame doors in the Main Station and **\$35,000** to implement several plumbing repairs in the bathroom/locker/laundry room area in the living quarters on the second floor of the Main Fire Station.
3. The department is also working with Public Works to replace a section of line for the low-pressure hydrant adjacent to Sausville Road. The cost of this project (**\$26,937**) will be offset by a transfer of \$21,937 from the designated rural hydrant reserve fund plus the annual \$5,000 appropriated for rural fire suppression improvements.

Ambulance Fund

The FY 2021-22 Budget for the Ambulance Fund recommends expenditures of \$1,25,609, which amounts to a net decrease of \$93,017 or 8.3% below the FY 2020-21 Budget. The decrease reflects that no capital reserve purchases are planned for the upcoming fiscal year. Salaries and benefits, which are allocated from the Fire Fund, increase by \$33,013, reflecting the combined impact of annual step increases, a 7.8% health insurance premium increase and a significant increase in the employer-mandated contribution to the NHRS on behalf of employees.

A 5.7% increase in the per capita support fee for the provision of ambulance services to our participating communities is recommended in FY 2020-21, increasing from **\$38.05** to **\$40.22**.

Town	FY2020-21 Contribution	Proposed FY2021-22 Contribution
Hanover	\$301,798	\$319,059
Lyme	\$ 65,291	\$ 69,025
Norwich	\$129,897	\$137,326
Totals	\$496,986	\$525,409

WATER UTILITY FUND HIGHLIGHTS

The recommended expenditures in the Water Utility Fund for FY 2021-22 are \$2,311,148 which represents an increase of \$210,017 over the FY 2020-21 appropriation. Of this total appropriation, **\$207,000** is proposed to be funded by the Water Utility Capital Reserve Fund. Capital reserve spending is up by over \$150,000 from the FY 2021-21 appropriation and represents the bulk of the year-to-year appropriation increase. Water rates are anticipated to increase 4.0% to keep pace with increased costs and ebbing water flow demand

In FY 2020-21, the capital projects to be funded by the Water Utility Capital Reserve Fund are: **\$100,000** for the replacement of the Vactron, **\$50,000** for enhancement of the chlorination process, **\$35,000** for electrical metering and energy efficiency improvements, and **\$22,000** for manganese monitoring and analysis.

In FY 2021-22 the Water Fund will make final principal and interest payments totaling \$304,708 for replacement of a water tank and in FY 2027-28 will make final principal and interest payments on the Water Filtration Plant totaling \$455,937. Expiration of both bonds will free up additional expenditure capacity which will enable the Fund to begin planning for replacement of old secondary water distribution lines, combined with any additional funds we may be able to collect via revised water rates to boost up funds available from the Water Capital Reserve Fund.

WATER RECLAMATION FACILITY FUND HIGHLIGHTS

The recommended expenditures in the WRF Fund for FY 2021-22 are \$3,625,878 representing a decrease of \$1,316,940 or 26.6%, due to a smaller number of costly capital projects proposed to be implemented and funded from reserves in the coming fiscal year. The FY 2021-22 Proposed Budget calls for a withdrawal of **\$502,000** from the Water Reclamation Facility Equipment and Plant Reserve Fund for: phase 2 construction of Pump Station #2 (**\$198,000**) and installation of the phase 2 ground mounted solar installation on Grasse Road (**\$304,000**) with all the power produced offsetting power consumed by the reclamation facility.

Funds are withdrawn from UDFB (\$182,200) to enable the replacement of four metal doors and door frames in the plant (\$10,400), to replace a roof blower (\$6,800), to replace the facility's garage air handler (\$15,000) and to otherwise balance the budget (\$150,000). Due to the extremely healthy state of the WRF UDFB, staff opted to recommend this approach for FY 21-22 rather than bring the fee increase recommendations to the Board, acknowledging that this has been a difficult year for residents on many levels and, as such, we have opted to hold off on implementing the water and wastewater rate study recommendations until at least FY 22-23.

One issue we continue to watch very closely is the status of the EPA's position on nitrogen and phosphorus removal through the wastewater treatment process. As the Board is aware, our most recent NPDES permit, issued three years ago and good for five years, requires us to test for nitrogen and phosphorous which we believed was a precursor to the EPA requiring the Town to implement removal technology as part of issuance of our next NPDES permit in two years. This removal technology can be very expensive and municipalities in both the Great Bay and Connecticut River watersheds have argued that the main contributor to nitrogen and phosphorous consists of "non-point sources" (storm drain run-off, brooks and streams resulting from agricultural and residential use of fertilizers, etc.). Given the high cost of removal, very little nitrogen and phosphorous will be removed through implementation of very costly WRF removal technology. The communities in the

Great Bay are looking at over \$100 million in removal technology they are now mandated to install. Now, other communities in the Connecticut River corridor have seen new NPDES permits issued with a nitrogen and phosphorous removal requirement. Town staff began a study of the options with Wright Pierce in 2020 and will continue that work through 2021. It is anticipated that by spring of 2022, we will be ready to present to the Board both the rate recommendations and an assessment of future capital investments required in the WRF. With the recent transition from the Trump to Biden Administration, it is still too early to guess which direction the EPA is likely to take on the nitrogen and phosphorous removal front.

It should be noted that in FY 2026-27, the Water Reclamation budget will see the completion of bond principal and interest payments on the past plant upgrade, which will result in an additional \$500,000 expenditure savings. This may occur just in time to begin funding payments on a bond to install nitrogen and phosphorous removal technology at the plant if required by the EPA. In addition, the WRF Undesignated Fund Balance is very healthy, providing an additional cushion for future upgrades if required.

PARKING FUND HIGHLIGHTS

The Parking Fund Budget for FY 2021-22 anticipates expenses and revenues of \$1,879,415 which is a decrease of \$320,113 or 14.6% below the FY 2020-21 appropriation, reflecting a less ambitious CIP agenda for the upcoming fiscal year, including a one-year suspension of contributions to the Parking Fund Capital Reserve Fund. Accordingly, the Proposed Budget includes no recommended CIP expenditures.

The Parking operation was the hardest hit of our Town operations resulting from the pandemic. Downtown business slowed significantly, particularly last spring and later this fall, after Dartmouth had wound down for the holidays. Our revenue projections for FY 21-22 are not as conservative as our actuals were for FY 19-20 or will likely be for FY 20-21. Under the assumption that we will begin to put COVID in our rearview mirror come late summer, once the vaccine has been widely distributed and, with luck, the virus starved out, we have forecast quite conservatively for next year presuming that business activity and reoccupation of downtown office spaces will take time to bounce back in FY 21-22. Parking and DPW staff were able to take advantage of the lull in business and related parking activity over the past 9 months to implement several parking related capital projects and we do not contemplate undertaking anything significant in FY 21-22.

Looking forward, if the Town opts to undertake replacement of the downtown sidewalks with related pedestrian and bicycle amenities, the Parking operation will need to be integrally involved. That will be the time to remove all the remaining single and double head parking meters and fully transition to parking pay stations. In addition, as Dartmouth looks toward renovation and expansion of the Hopkins Center, the Town will need to engage in a serious parking discussion with the College about the need for more College facility-related parking in the downtown area. Once downtown offices are reoccupied and business rebounds, parking demand will likely once again exceed supply and a new and improved HOP, combined with the new and improved Hood Museum, will simply add to increased demand for parking adjacent to both facilities. The logical location for construction of new College-related parking is either on the FO&M site or within the Sargent Block. If the College were to add parking to serve expanded use of the Hood and HOP along with the Hanover Inn and Admissions Office, the Town would likely not have to invest in increased parking inventory in the Downtown area for the foreseeable future.

Budget Guidelines for the Town of Hanover Board of Selectmen

Adopted by the Board of Selectmen: December 7, 2015

Introduction:

The Board of Selectmen's primary responsibility as it relates to the fiscal management of the Town is to bring to Town Meeting each year a proposed budget for discussion and hopefully adoption.

Over the years the Board of Selectmen has been guided by a set of beliefs and objectives that have informed its decision making and are summarized below.

Definitions:

Grand List: Total assessed value of all taxable property in the Town of Hanover

Tax Levy: Total revenues raised from taxes

Tax Rate: $\text{Tax Levy} \div (\text{Grand List}/1000)$

Individual Tax Bill: $\text{Tax Rate} \times \text{Individual Assessed Value}$

State Downshifting: Downshifting occurs when the State no longer shares revenues (i.e. rooms and meals tax), and /or no longer shares costs (i.e. retirement funding) as they have historically. Downshifting either lowers revenues or increases costs to the Town.

Consumer Price Index (CPI): An economic indicator published by the US government which measures the change in the cost of a hypothetical basket of goods (food, clothing, gas, electricity, insurance, etc.) consumed by the average household.

Municipal Cost Index (MCI): An economic indicator published by *American City and County* which measures the change in the cost of providing services to residents of municipalities and counties; to include the costs of labor, materials, and contracted services.

Objectives and Beliefs:

- 1. Our primary budget objective is to balance the needs/desires of our citizens with their willingness and ability to pay.*

Discussion: Given the unique service provided by a municipal government, pegging projected increases to standard market indexes is problematic. Truly, the development of a municipal budget is more an art than a science. In addition to considering the CPI and the MCI as context for setting the targeted tax rate change for the proposed budget year, The Board of Selectmen will also heavily weigh the following factors:

- Anticipated change in Grand List
 - Anticipated impacts on the local property tax from the State's downshifting of its budget responsibilities
 - Projects of high community priority to be taken on in the upcoming budget year(s)
 - Known increases in employee wages and benefits previously negotiated as part of the collective bargaining process
2. *We appreciate Town staff as professionals and valued partners and want to provide a climate and culture that will attract and retain the best.*

Discussion: Our goal is to pay in approximately the 75th percentile for towns of our size and complexity along with competitive benefits and a positive, long term work environment. We believe that this will allow the Town to attract and retain the best.

3. *Before funding new initiatives, our goal is to maintain a high level of current services and to provide them cost effectively.*

Discussion: Town staff is continually looking at ways to save money. Examples include implementing energy efficiency improvements and selectively contracting out some services (e.g. recycling) while bringing others in house (e.g. downtown trash pickup and highway line painting) . Hanover citizens expect a very high level of services (bare pavement plowing, rapid public safety response, paramedic-level EMS services, full range of recreational programs, etc.) which need to be met before new initiatives are funded.

4. *Our goal is to adequately fund long term liabilities.*

Discussion: We do not kick the can down the road. In difficult budget years, the least painful short term ways to balance a budget are to underfund ongoing operations (e.g. road paving) or to inadequately fund capital and / or operating reserves. Not adequately funding current operations inevitably costs more in the long run. Good fiscal management requires that we adequately fund capital reserves to meet future capital liabilities and operating reserves to meet unexpected expenses or shortfalls in revenues.

5. *The Board of Selectmen does not use operating reserves to manage the tax rate.*

Discussion: Our reserve management guideline is intended to assure this.

6. *The Town invests for the long-term.*

Discussion: We would prefer to do a project right rather than cheaply. This is reflected in our willingness to fund projects over several years so that there is adequate money to do the job well. Examples of investing for the long-term include the development of Dresden Village, the rebuilding of Reservoir Road after the flood, and bike lanes on Park Street.

7. The Board of Selectmen believes that spending by the Town on new initiatives can generate significant value to the tax payers.

Discussion: Spending requests come from many sources: Affordable Housing, Conservation Commission, Sustainable Hanover, Planning Board, and Recreation Department to name a few.

Recent examples of initiatives that the Board of Selectmen believes have added significantly to our collective quality of life (standard of living) or reduced future expenses include:

- The Richard W. Black Community and Senior Center;
- Howe Library expansion of facility and hours;
- Dresden Village improvements;
- Bike Lanes on North and South Park Street;
- Properly rebuilding Reservoir Road so that it hopefully will not wash out with every big storm;
- Etna Library/Hayes Farm Park project;
- Sustainable Hanover initiatives;
- Contributions to the Three Party Agreement that led to new and renovated schools.

These projects could not have been accomplished without some incremental spending beyond bare bones budgets.

8. We recognize that all of the above objectives may not be achievable in any given year.

Discussion: In years when not all of the above objectives are able to be met, the Board of Selectmen will address any deviation from these guidelines during the Budget Public Hearing process and at Town Meeting.

9. The Town will pass through State downshifting to the taxpayer.

Discussion: The State, without a broad based tax, has limited ways to deal with State budget issues such as the underfunded State retirement system. The State has solved its problem by downshifting, and thus, in essence, tapping into a broad based tax at the local level.

Downshifting has been a very effective strategy for the State and we can expect even more in the future. Absorbing State downshifting is unsustainable to the Town and would quickly lead to a significant reduction of Town services.

The Town is sensitive to this added expense to the taxpayer. In years when down shifting is the most severe, the Board of Selectmen will do as much as is reasonable to limit the impact.

Town of Hanover - Gross Appropriations Budget Overview

	2020-2021 Approved Budget	2021-2022 Proposed Budget	Incr/(Decr)	% Change
General Fund:				
General Government Administration	2,482,457	2,329,534	(152,923)	-6.2%
Town Properties	1,781,108	991,467	(789,641)	-44.3%
Police Department	3,003,890	3,014,541	10,651	0.4%
Public Works	4,200,962	4,154,901	(46,061)	-1.1%
Health and Social Services	414,742	424,414	9,672	2.3%
Parks and Recreation	1,435,149	1,257,756	(177,394)	-12.4%
Libraries	1,473,781	1,428,888	(44,894)	-3.0%
Conservation Commission	542,700	30,700	(512,000)	-94.3%
Unallocated - Pooled Expenditures	3,004,944	3,294,308	289,364	9.6%
Total General Fund	18,339,734	16,926,510	(1,413,225)	-7.7%
Tax Supported Funds:				
General Fund	18,339,734	16,926,510	(1,413,224)	-7.7%
Fire Fund	3,629,075	3,762,377	133,303	3.7%
Parking Operations*	2,199,529	1,879,415	(320,113)	-14.6%
Total Expenditures-Tax Supptd. Funds	24,168,337	22,568,303	(1,600,035)	-6.6%
Tax Subsidy	13,721,682	14,153,165	431,483	3.1%
Tax Ratio	56.78%	62.71%		
*The Parking Operations Fund is substantially self-funded from Parking fees and fines, receiving a fixed amount of \$85,000 annually from Tax Increment Financing District taxes levied.				
Non-Tax Supported Funds:				
Water Reclamation Facility	4,942,818	3,625,878	(1,316,940)	-26.6%
Water Utility Fund	2,101,131	2,311,148	210,018	10.0%
Hanover Ambulance Services	1,118,626	1,025,609	(93,017)	-8.3%
Total Non-Tax Funds	8,162,575	6,962,636	(1,199,939)	-14.7%
Grand Total Appropriations-All Funds	32,330,912	29,530,938	(2,799,974)	-8.7%
Capital Projects Funded from Capital Reserve and Other Reserve Funds:				
General Fund	2,429,526	950,400	(1,479,126)	-60.9%
Fire Fund	75,133	76,937	1,804	2.4%
Parking Operations	120,000	146,000	26,000	21.7%
Water Reclamation Facility	1,809,500	534,200	(1,275,300)	-70.5%
Water Utility Fund	53,314	207,000	153,686	288.3%
Hanover Ambulance Services	105,000	-	(105,000)	-100.0%
Total from Reserve Funds for Capital Projects	4,592,473	1,914,537	(2,677,936)	-58.3%
Grand Total All Funds <u>Less</u>				
Reserve Funded Capital Projects	27,738,439	27,616,402	(122,038)	-0.4%

Town of Hanover Budget Departmental Summary

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed</u> <u>FY22BUDG</u>	<u>% Change</u> <u>FY21 Budget to</u> <u>FY22 Budget</u>	<u>% Change</u> <u>FY21 Budget to</u> <u>FY22 Budget</u>
<u>General Fund Revenues and Transfers from Reserve Funds</u>							
Administrative Svcs/Genl Govt	1,715,274	1,738,126	1,689,829	1,749,875	1,711,375	-2.2%	(38,500)
Planning and Zoning	426,105	1,566,128	734,223	739,400	604,000	-18.3%	(135,400)
Town Properties	123,469	22,471	226,244	718,500	95,000	-86.8%	(623,500)
Police	638,009	583,154	982,232	939,621	845,258	-10.0%	(94,363)
Public Works	874,095	766,097	738,682	1,075,843	1,263,935	17.5%	188,092
Parks and Recreation	797,794	835,403	762,256	885,775	709,717	-19.9%	(176,058)
Libraries	62,595	115,499	103,951	128,440	105,705	-17.7%	(22,735)
Conservation Commission	81,220	11,100	37,580	188,500	10,000	-94.7%	(178,500)
Municipality-Wide Unallocated Costs	10,494,301	10,737,243	11,007,920	11,913,780	11,581,520	-2.8%	(332,260)
Total General Fund Revenues/Tsfrs	15,212,863	16,375,222	16,282,916	18,339,734	16,926,510	-7.7%	(1,413,225)
<u>General Fund Expenditures</u>							
Personnel Costs							
Administrative Svcs/Genl Govt	1,096,540	1,107,495	1,184,494	1,179,875	1,223,865	3.7%	43,989
Planning and Zoning	494,787	495,316	520,921	625,159	648,013	3.7%	22,854
Town Properties	271,222	281,227	269,722	302,717	306,358	1.2%	3,642
Police	2,179,711	2,175,505	2,308,829	2,493,196	2,513,354	0.8%	20,158
Public Works	1,478,030	1,490,783	1,406,179	1,616,001	1,638,598	1.4%	22,597
Health and Social Services	18,839	31,870	30,612	21,500	20,000	-7.0%	(1,500)
Parks and Recreation	877,369	928,697	949,712	1,107,294	1,025,017	-7.4%	(82,277)
Libraries	1,089,021	1,160,829	1,204,947	1,343,406	1,358,983	1.2%	15,577
Associated Employee Benefits	2,968,822	2,982,574	3,304,293	3,237,752	3,522,000	8.8%	284,248
Total Personnel	10,474,341	10,654,296	11,179,707	11,926,899	12,256,189	2.8%	329,289

Town of Hanover Budget Departmental Summary

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Non-Personnel Costs							
Administrative Svcs/Genl Govt	329,402	387,358	352,083	596,736	374,882	-37.2%	(221,853)
Planning and Zoning	42,279	48,658	156,715	80,688	82,774	2.6%	2,087
Town Properties	799,473	813,715	1,093,427	1,478,391	685,108	-53.7%	(793,282)
Police	299,762	227,061	573,305	510,694	501,187	-1.9%	(9,507)
Public Works	2,400,347	2,278,027	2,407,139	2,584,961	2,516,303	-2.7%	(68,658)
Health and Social Services	349,363	355,798	366,726	393,242	404,414	2.8%	11,172
Parks and Recreation	327,417	345,105	307,341	327,855	232,738	-29.0%	(95,117)
Libraries	131,192	108,348	110,049	130,375	69,905	-46.4%	(60,470)
Conservation Commission	104,556	102,962	16,593	542,700	30,700	-94.3%	(512,000)
Municipality-Wide Unallocated Costs	(209,945)	(214,623)	(104,845)	(232,808)	(227,692)	-2.2%	5,116
Total Non-Personnel	4,573,846	4,452,409	5,278,533	6,412,835	4,670,321	-27.2%	(1,742,514)
Personnel and Non-Personnel							
Administrative Svcs/Genl Govt	1,425,942	1,494,853	1,536,577	1,776,611	1,598,747	-10.0%	(177,864)
Planning and Zoning	537,066	543,974	677,636	705,847	730,787	3.5%	24,941
Town Properties	1,070,694	1,094,942	1,363,148	1,781,108	991,467	-44.3%	(789,641)
Police	2,479,473	2,402,566	2,882,134	3,003,890	3,014,541	0.4%	10,651
Public Works	3,878,377	3,768,809	3,813,318	4,200,962	4,154,901	-1.1%	(46,061)
Health and Social Services	368,202	387,668	397,337	414,742	424,414	2.3%	9,672
Parks and Recreation	1,204,786	1,273,802	1,257,053	1,435,149	1,257,756	-12.4%	(177,394)
Libraries	1,220,214	1,269,177	1,314,996	1,473,781	1,428,888	-3.0%	(44,894)
Conservation Commission	104,556	102,962	16,593	542,700	30,700	-94.3%	(512,000)
Municipality-Wide Unallocated Costs	2,758,877	2,767,951	3,199,449	3,004,944	3,294,308	9.6%	289,364
Total General Fund Expenditures	15,048,187	15,106,705	16,458,240	18,339,734	16,926,510	-7.7%	(1,413,225)
General Fund Municipal Property Tax	9,630,522	9,937,331	10,057,685	10,248,774	10,557,009	3.0%	308,235
General Fund Tax Ratio		65.8%	61.1%	55.9%	62.4%		

Percentage of General Fund Appropriations Paid for by Taxes

Town of Hanover Budget Departmental Summary

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Special Funds Revenues</u>							
Fire Department	3,440,540	3,708,245	3,607,600	3,629,075	3,762,377	3.7%	133,302
Hanover Ambulance Services	1,021,848	1,224,508	1,296,917	1,118,626	1,025,609	-8.3%	(93,016)
Water Reclamation Facility	2,895,637	3,530,702	3,139,844	4,942,818	3,625,878	-26.6%	(1,316,940)
Water Utility Fund	1,911,200	2,077,487	2,131,595	2,101,131	2,311,148	10.0%	210,017
Parking Operations	2,080,610	2,021,642	2,095,536	2,199,529	1,879,415	-14.6%	(320,113)
Total Special Funds Revenues	11,349,835	12,562,584	12,271,493	13,991,179	12,604,428	-9.9%	(1,386,750)
<u>Special Funds Expenditures</u>							
Personnel Costs							
Fire Department	2,192,224	2,173,093	2,302,023	2,354,849	2,529,492	7.4%	174,643
Hanover Ambulance Services	645,646	693,727	675,353	696,543	729,556	4.7%	33,013
Water Reclamation Facility	563,818	585,490	609,695	689,147	709,969	3.0%	20,822
Water Utility Fund	377,041	352,761	392,196	426,084	457,513	7.4%	31,429
Parking Operations	400,543	421,412	380,683	527,020	554,943	5.3%	27,923
Total Personnel	4,179,272	4,226,484	4,359,949	4,693,644	4,981,474	6.1%	287,830
Non-Personnel Costs							
Fire Department	1,152,444	1,371,883	1,305,577	1,274,226	1,232,885	-3.2%	(41,341)
Hanover Ambulance Services	267,838	522,103	631,305	422,083	296,053	-29.9%	(126,030)
Water Reclamation Facility	2,028,289	2,874,751	2,471,310	4,253,671	2,915,909	-31.4%	(1,337,762)
Water Utility Fund	1,426,324	1,577,392	1,631,947	1,675,047	1,853,636	10.7%	178,589
Parking Operations	1,574,421	1,697,232	1,976,080	1,672,508	1,324,472	-20.8%	(348,036)
Total Non-Personnel	6,449,317	8,043,362	8,016,219	9,297,534	7,622,955	-18.0%	(1,674,580)

Town of Hanover Budget Departmental Summary

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Personnel and Non-Personnel							
Fire Department	3,344,669	3,544,976	3,607,600	3,629,075	3,762,377	3.7%	133,303
Hanover Ambulance Services	913,484	1,215,830	1,306,658	1,118,626	1,025,609	-8.3%	(93,017)
Water Reclamation Facility	2,592,107	3,460,242	3,081,005	4,942,818	3,625,878	-26.6%	(1,316,940)
Water Utility Fund	1,803,365	1,930,153	2,024,143	2,101,131	2,311,148	10.0%	210,018
Parking Operations	1,974,964	2,118,645	2,356,763	2,199,529	1,879,415	-14.6%	(320,113)
Total Special Funds Expenditures	10,628,589	12,269,846	12,376,169	13,991,178	12,604,428	-9.9%	(1,386,750)
<u>Special Funds Tax Support</u>							
Fire District Taxes	3,118,542	3,255,466	3,272,417	3,387,908	3,511,156	3.6%	123,248
Fire Fund Tax Ratio	93.2%	91.8%	90.7%	93.4%	93.3%		
<i>Percentage of Fire Fund Appropriations Paid for by Taxes</i>							
Parking District and Tax Increment							
Financing District Taxes	88,929	85,395	88,803	85,000	85,000	0.0%	-
Parking Fund Tax Ratio	4.5%	4.0%	3.8%	3.9%	4.5%		
<i>Percentage of Parking Fund Appropriations Paid for by Taxes</i>							

Town of Hanover Tax Rate Calculations

General Fund Municipal Tax Rate

Current General Fund Municipal Tax Rate (2020 Tax Year: 4/1/2020-3/31/2021) - Rate Applied to each \$1,000 of Taxable Net Assessed Valuation	\$ 4.44
Proposed FY2021-2022 Budget Anticipates a 3.0% Tax Rate Increase to a 2021 Tax Year Rate of:	\$ 4.57

Actual 2020 Tax Year Net Assessed Valuation \$ 2,300,746,395

Anticipated Growth in Net Assessed Valuation 8,000,000

Projected 2021 Tax Year Net Assessed Valuation \$ 2,308,746,395

Taxes Raised by Current Tax Rate (\$4.44) Applied to Projected 2021
Net Assessed Valuation \$ 10,250,834

Additional Taxes Raised through Tax Rate Increase as Presented 306,175

Total Tax Revenue in Proposed General Fund FY2020-2021 Budget \$ 10,557,009

Every 1.0% increase to the the existing Town Tax Rate and Applied Against the Projected 2020 Tax Year Net Assessed Vaulation Results in Additional Tax Revenues of:	\$ 102,508
A penny added to the existing Town Tax Rate and Applied Against the Projected 2020 Tax Year Net Assessed Vaulation Results in Additional Tax Revenues of:	\$ 23,087

Note 1: The 2020 Tax Year runs from April 1, 2020 - March 31, 2021. The 2021 Tax Year runs from April 1, 2021 - March 31, 2022. Revenues generated during the 2021 Tax Year are recorded as revenues in FY 2022 (July 1, 2021 - June 30, 2022).

Note 2: The projected growth in the Net Assessed Valuation generates an additional \$35,520 (\$8,000,000 x \$4.44/1,000 NAV) of general fund revenues in the coming fiscal year at an unchanged tax rate.

Town of Hanover - Tax Rates Overseen by the Select Board

Note - the School and County Tax Rates are not Overseen by the Select Board

		SB Adopted 2021 Tax Rate (4/1/21-3/31/22)				2020 Tax Rate (4/1/20-3/31/21)		
		Estimated Net						
<u>Town Funds</u>		Valuation	Tax Levy	Rate	% Incr	Net Valuation	Tax Levy	Rate
General Municipal Tax Rate		2,308,746,395	10,557,009	4.57	2.93%	2,300,746,395	10,215,105	4.44
Fire District #1		1,685,247,756	2,642,100	1.57	2.61%	1,679,419,299	2,569,512	1.53
Fire District #2		611,588,388	857,631	1.40	3.70%	609,473,200	822,789	1.35
Fire District #3		16,294,617	11,425	0.70	2.94%	16,238,262	11,042	0.68
		<i>Combined Fire District #1</i>						
		<i>Combined Fire District #2</i>						
		<i>Combined Fire District #3</i>						

These tax rates are *ESTIMATES* only; the final tax rate will be set in early October 2021 by the NH Dept of Rev. Admin.

In budget adoption discussions, the Select Board considered a composite average property tax rate in an attempt to net out the impact of the three separate Fire Districts to arrive at a single tax rate increase number to discuss. If the total tax levy for the General Fund and the Fire Fund was recovered from all properties on the same basis (i.e., disregarding Fire Districts), this tax rate would be:

2021 Tax Year 6.09 2.94% 2020 Tax Year 5.92

Town of Hanover - Historic Tax Levies plus Projected*

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022*
Town Tax Levy	8,329,334	8,665,194	8,938,366	9,215,611	9,392,777	9,630,522	9,894,974	9,927,986	10,215,105	10,557,009
Fire District #1	2,091,677	2,100,509	2,165,363	2,211,775	2,291,757	2,365,173	2,475,862	2,470,811	2,569,512	2,642,100
Fire District #2	590,077	624,160	646,904	692,487	725,797	743,674	768,999	790,896	822,789	857,631
Fire District #3	7,178	7,417	7,751	8,892	9,333	9,695	10,605	10,710	11,042	11,425
Total Town Tax Levies	11,018,266	11,397,280	11,758,384	12,128,765	12,419,664	12,749,064	13,150,440	13,200,403	13,618,448	14,068,165
	5.38%	3.44%	3.17%	3.15%	2.40%	2.65%	3.15%	0.38%	3.17%	3.30%
School Tax Levy	22,397,425	22,732,780	24,012,931	25,374,991	26,051,191	26,370,263	26,861,911	27,873,007	28,564,014	
	0.32%	1.50%	5.63%	5.67%	2.66%	1.22%	1.86%	3.76%	2.48%	
County Tax Levy	3,187,711	3,264,175	3,393,236	3,764,130	4,028,704	4,412,016	4,468,371	4,326,543	4,170,246	
	9.58%	2.40%	3.95%	10.93%	7.03%	9.51%	1.28%	-3.17%	-3.61%	
GRAND TOTAL ALL TAX										
LEVIES	36,603,402	37,394,235	39,164,551	41,267,886	42,499,559	43,531,343	44,480,722	45,399,953	46,352,708	
	2.56%	2.16%	4.73%	5.37%	2.98%	2.43%	2.18%	2.07%	2.10%	

Town of Hanover Undesignated Fund Balance Usage Guidelines

Adopted by the Board of Selectmen: December 7, 2015

For Tax-Supported Funds (General Fund and Fire Fund)

Guideline

Undesignated Fund Balances (UFB) represent the cumulative budget surpluses in a particular fund and are intended to be used to buffer shortfalls in revenue and/or to cover unbudgeted expenses in that fund in any given year and to fund expenses that are non-recurring and should not be built into the tax rate.

The Town will maintain Undesignated Fund Balance Reserves for the following Funds in the ranges specified:

General Fund	10-15%
Fire Fund	10-15%

Discussion:

In general, the town wants to build recurring expenses into the tax rate. Using UFB to offset recurring expenses will over time deplete the UFB and lead to larger tax increases in the following years when the tax rate has to not only support new spending in that year but also support prior year's increases.

The % of UFB shall be calculated by dividing the UFB at the end of the most recently completed fiscal year by the total of the annual gross fund appropriations less capital projects funded from capital and other reserve funds as approved by Town Meeting for spending in the most recently completed fiscal year.

Guideline

If the UFB balances exceed (or are projected to exceed) the range at the end of the fiscal year, the fund balance will be brought to its targeted upper limit over no more than three fiscal years.

Discussion:

UFB in excess of the range is the result of "over taxing" in prior years and thus that money should be returned to the taxpayer over a reasonable timeframe.

Guideline

If the UFB balances fall below (or are projected to be below) the range at the end of the fiscal year, the fund balance will be brought to its targeted lower limit over no more than three fiscal years.

Discussion:

UFB below the range is the result of "under taxing" in prior years and thus that fund should be replenished over a reasonable timeframe.

For Proprietary and Special Revenue Funds (Water, Sewer, Parking Operations, Ambulance Service Funds) Supported Primarily by User Fees

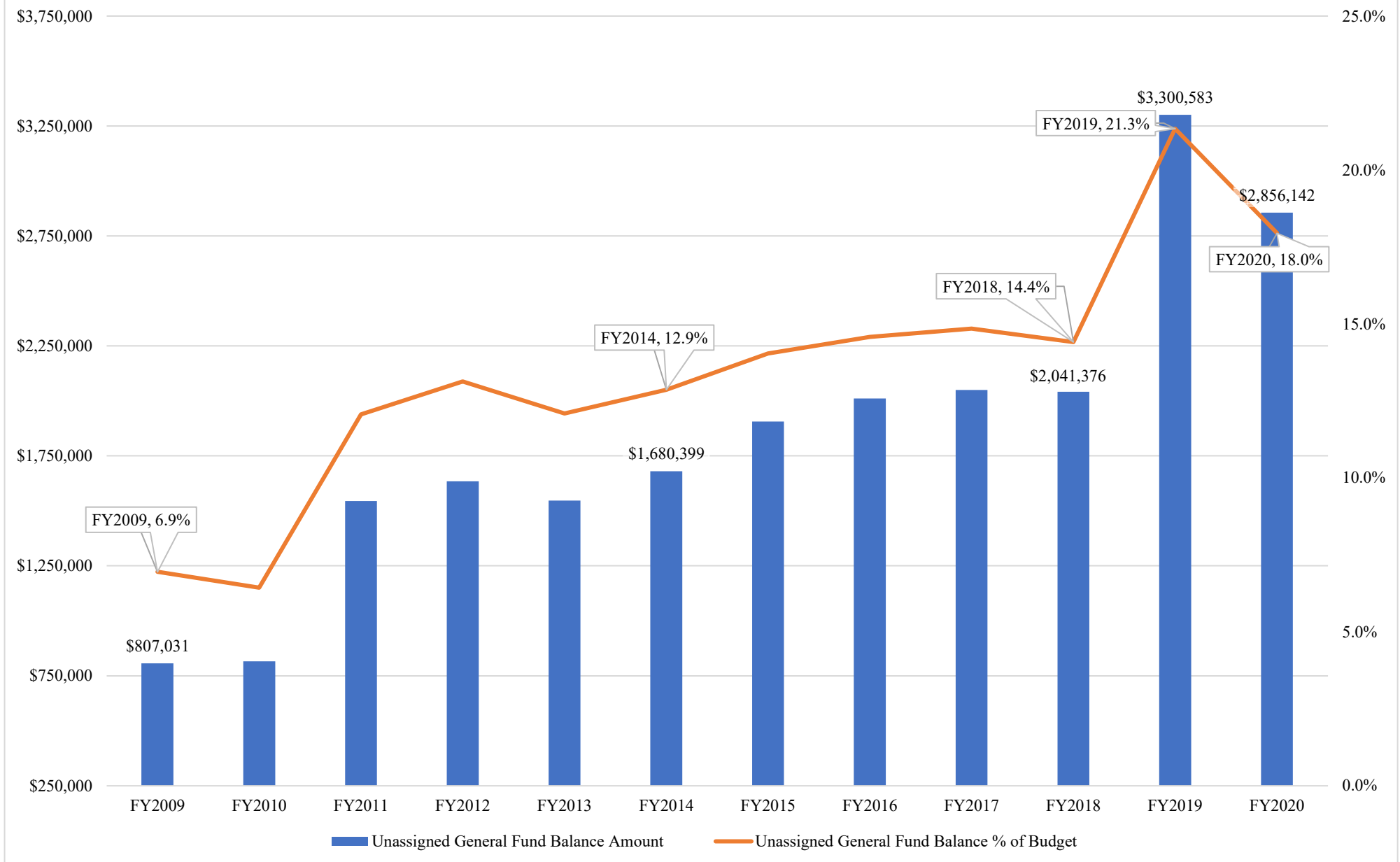
Guideline

The targeted UFB for each fund will be established annually as part of the budget public hearing process. In no instance, will the targeted UFB for any fund be less than 5% as calculated above for the particular fund. The annual Rates and Fees Public Hearing will reflect any fee increases or decreases necessary to achieve the targeted UFB.

Discussion:

The UFB for the fund should reflect the volatility in the funding sources and/or expenses and need not be the same for all funds. Further, the amount of UFB in these funds will reflect unique anticipated regulatory, legal and operational developments.

Town of Hanover General Fund - Unassigned Fund Balance



Town of Hanover

Undesignated Fund Balances- Schedule of Available (Non-Committed) Balances

General Fund

Unaudited Fund Balance @ June 30, 2020	\$ 2,856,142	
Proposed FY2021 Budgeted Draw from Undesig F/B	\$ (430,000)	\$250k to cover abatements; \$180k measure-list
Abatements over \$250k - paid already in FY2021	\$ (254,554)	
Anticipated additional abatements (utility, other court cases)	\$ (200,000)	
Proposed FY2022 Budgeted Draw from Undesig F/B	\$ (370,000)	<i>emergency one-time revenue short-fall draw</i>
Freeze Teen Librarian Position FY2022-lapse comp \$s to UFB	\$ 79,785	
Draw for Teen Librarian Position to keep in FY2022 Budget	\$ (79,785)	
	<u>\$ 1,601,589</u>	<i>PROJ FYE22 UNDESIGNATED GENERAL FUND BALANCE</i>
FY2021 Budgeted General Fund Expenditures	\$ 18,339,734	
less: General Fund Expenditures Funded from Capital Reserve Fund, Trust Funds, and Other Reserve Funds	\$ (2,429,526)	
	<u>\$ 15,910,208</u>	<u>10.07%</u> <i>UNDESIGNATED GENERAL FUND BAL OVER EXPENDITURES</i>

Fire Fund

Unaudited Fund Balance @ June 30, 2020	\$ 491,688	
Proposed FY2021 Budgeted Draw from Undesig F/B	\$ (45,133)	
Transfer in Reserve for Cistern Replacement & Mtce	\$ 21,937	
Transfer in Portion of Wkrs Comp Premium Holiday Rsv	\$ 6,500	
Unutilized FY2021 Appropriation for Dry Hydrants	\$ 5,000	
Proposed FY2022 Budgeted Draw from Undesig F/B	\$ (48,437)	
	<u>\$ 431,555</u>	<i>PROJ FYE22 UNDESIGNATED FIRE FUND BALANCE</i>
FY2021 Budgeted Fire Fund Expenditures	\$ 3,629,075	
less: Fire Fund Expenditures Funded from Capital Reserve Fund, Trust Funds, and Other Reserve Funds	\$ (75,133)	
	<u>\$ 3,553,942</u>	<u>12.14%</u> <i>UNDESIGNATED FIRE FUND BALANCE OVER EXPENDITURES</i>

Town of Hanover

Undesignated Fund Balances- Schedule of Available (Non-Committed) Balances

Ambulance Fund

Unaudited Fund Balance @ June 30, 2020	\$	150,484	
FY2021 Budgeted Draw from Undesignated Fund Balance	\$	(18,441)	
Proposed FY2022 Budgeted Draw from Undesig F/B	\$	(15,000)	
	\$	117,043	PROJ FYE22 UNDESIGNATED AMBULANCE FUND BALANCE
FY2021 Budgeted Ambul Fund Expenditures	\$	1,118,626	
less: Ambulance Fund Expenditures Funded from Capital Reserve Fund, Trust Funds, and Other Reserve Funds	\$	(105,000)	
	\$	1,013,626	11.55% UNDESIGNATED AMBUL FUND BALANCE OVER EXPENDITURES

Water Utility Fund

Unaudited Fund Balance @ June 30, 2020	\$	360,290	
FY2021 Budgeted Draw from Undesignated Fund Balance	\$	-	
Proposed FY2022 Budgeted Draw from Undesig F/B	\$	-	
	\$	360,290	PROJ FYE22 UNDESIGNATED WATER FUND BALANCE
FY2020 Budgeted Water Fund Expenditures	\$	2,100,849	
less: Water Utility Fund Expenditures Funded from Capital Reserve Fund, Trust Funds, and Other Reserve Funds	\$	(108,500)	
	\$	1,992,349	18.08% UNDESIGNATED WATER FUND BALANCE OVER EXPENDITURES

Water Reclamation Facility - WRF - (Sewer) Fund

Unaudited Fund Balance @ June 30, 2020	\$	1,188,423	
FY2021 Budgeted Draw from Undesignated Fund Balance	\$	(310,000)	
Proposed FY2022 Budgeted Draw from Undesig F/B	\$	(182,200)	
	\$	696,223	PROJ FYE22 UNDESIGNATED WRF FUND BALANCE
FY2020 Budgeted WRF Fund Expenditures	\$	3,342,415	
less: WRF Fund Expenditures Funded from Capital Reserve Fund, Trust Funds, and Other Reserve Funds	\$	(418,757)	
	\$	2,923,658	23.81% UNDESIGNATED WRF FUND BALANCE OVER EXPENDITURES

Note: in addition, \$1M has been set aside from WRF UFB for future capital projects; the above figures do NOT include these funds.

Town of Hanover
Undesignated Fund Balances- Schedule of Available (Non-Committed) Balances

Parking Fund			
Unaudited Fund Balance @ June 30, 2020	\$	70,091	-FY2020 net operating loss of \$261k
FY2021 Budgeted Draw from Undesignated Fund Balance	\$	(120,000)	
Projected FY2021 Net Operating Loss	\$	(511,060)	
Proposed FY2022 Budgeted Draw from Undesig F/B	\$	(37,702)	
	\$	(598,671)	PROJ FYE21 UNDESIGNATED PARKING FUND BALANCE
FY2020 Budgeted Parking Fund Expenditures	\$	2,346,271	
less: Parking Fund Expenditures Funded from Capital Reserve Fund, Trust Funds, and Other Reserve Funds	\$	(400,162)	
	\$	1,946,109	-30.76% UNDESIGNATED PARKING FUND BALANCE OVER EXPENDITURES

Note - the overdrawn fund balance in the Parking Fund is an issue that must be addressed through strategic planning once the post-pandemic landscape is more clear. In the meantime, this enterprise fund, in essence, is posting a negative draw on the Town of Hanover's pooled operating cash. This negative pooled cash position must revert to positive over time and will be accounted for in the Town's financial records. However, at this time, there is no immediate to increase rates or to dramatically scale back the structure of the Town's parking system. We are waiting for utilization to rebound post-pandemic to consider the most sensible, long-view options in replenishing the Parking Fund Undesignated Fund Balance.

Lou and Ann Bressett Memorial Endowment Fund

<u>Valuation Date</u>	<u>Fair Market Value</u>	<u>Distribution in FY</u>	<u>Distribution \$ (5% 3- year average)</u>		<u>Distribution plus Carryforward</u>	<u>Spent and/or Committed During Fiscal Year - Investment Mgmt Fees Not Included</u>	<u>Net Carryforward</u>
Inception (Oct 2016)	\$ 3,635,334	FY 2018	\$ 181,767	note#1	\$ 181,767	\$ 7,188	\$ 174,578
June 30, 2017	\$ 3,965,844	FY 2019	\$ 190,029	note#2	\$ 364,608	\$ 131,209	\$ 233,399
June 30, 2018	\$ 4,698,681	FY 2020	\$ 204,998	note#3	\$ 438,396	\$ 249,085	\$ 189,311
June 30, 2019	\$ 5,030,792	FY 2021	\$ 228,255		\$ 417,567	\$ 410,198	\$ 7,368
June 30, 2020	\$ 5,018,279	FY 2022	\$ 245,796		\$ 253,164	\$ 42,674	\$ 210,490
June 30, 2021	tbd	FY 2023	\$ 251,227		\$ 461,717	\$ 10,000	\$ 451,717

Notes:

(1) Distribution = FMV at inception \$3,635,334 x 5.0%

(2) Distribution = AVG(FMV at inception + FMV at 6/30/2017) x 5.0%

(3) Distribution = AVG(FMV at inception + FMV at 6/30/2017 + FMV at 6/30/2018) x 5.0%

usage requested in presented budget

amount of accumulated income available-based on max distribution

Bressett Memorial Endowment Funding Actual Spending and Commitments

	Anticipated							
	Length of							
<u>Item</u>	<u>Commitment (Yrs.)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022-in proposed budget</u>	<u>2023</u>	<u>2023</u>
Funding for Mink Brook Forest Project Facilitation	1	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -
Sustainability Director (hired 4/18/2018)	3	\$ -	\$ 69,000	\$ 68,453	\$ 82,700	\$ -	\$ -	\$ -
Emerging Technologies Librarian (hired 11/28/2018)	3	\$ -	\$ 50,209	\$ 80,000	\$ 71,006	\$ 30,174	\$ -	\$ -
Materials and Services for Downtown Holiday Decorating	1	\$ -	\$ -	\$ -	\$ 28,492	\$ -	\$ -	\$ -
Trescott Company Trails Improvements	2	\$ -	\$ -	\$ 12,000	\$ 12,000	\$ 2,500	\$ -	\$ -
Additional 4 hrs/wk for Sr. Ctr. Manager	3	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Community Nurse (hired 1/2/2018)	3	\$ 7,188	\$ 12,000	\$ 12,000	\$ 6,000	\$ -	\$ -	\$ -
Hanover Improvement Society Support	1	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -	\$ -
Backstop Improvements-Sachem/RMS	1	\$ -	\$ -	\$ 12,000	\$ -	\$ -	\$ -	\$ -
Dagmar's Park-Valley Road Playground Equipment	1	\$ -	\$ -	\$ 39,632		\$ -	\$ -	\$ -
		\$ 7,188	\$ 131,209	\$ 249,085	\$ 410,198	\$ 42,674	\$ 10,000	\$ -

Lou and Ann Bressett Memorial Endowment Fund

Track Original Values against Consumer Price Index (CPI) and
Municipal Cost Index (MCI)

	<u>Fair Market Value per Investment Stmts</u>	<u>Principal Book Value incremented by CPI-U inflator</u>	<u>Principal Book Value incremented by MCI inflator</u>
June 30, 2017	\$ 3,965,844	\$ 3,664,344	\$ 3,715,649
June 30, 2018	\$ 4,698,681	\$ 4,334,297	\$ 4,391,650
June 30, 2019	\$ 5,030,792	\$ 4,411,183	\$ 4,436,172
June 30, 2020	\$ 5,018,279	\$ 4,444,011	\$ 4,435,528

Calculations to support Table above:			
Principal Additions from Donor:			
Donation 1	9/30/2016	\$ 3,635,334	
Donation 2	8/1/2017	\$ 522,239	
Total Book Value Initial Principal Gifts		\$ 4,157,573	
Donation 1	\$ 3,635,334		
		CPI-U	MCI
October 2016 - Base		241.860	236.730
6/30/2017		243.790	241.960
% Change from Base to 6/30/2017		0.8%	2.2%
Value 6/30/2017		3,664,344	3,715,649
	6/30/2020	257.210	253.220
% change from inception		6.3%	4.8%
Donation 1 Value 6/30/2020	\$ 3,896,907	\$ 3,892,733	
Donation 2	\$ 522,239		
		CPI-U	MCI
August 2017 - Base		245.520	243.630
6/30/2020		257.210	253.220
% change from inception		4.8%	3.9%
Donation 2 Value 6/30/2020	\$ 547,104	\$ 542,795	
Combined Donations 1 and 2 @ 6/30/2020	\$ 4,444,011	\$ 4,435,528	

**Hanover Selectboard
Trustee of Trust Funds
Guidelines for Management of the Bressett Fund**

In 2016/2017 Lou and Anne Bressett made a wonderful gift of approximately \$4.2 million to the Town of Hanover to establish the Lou and Ann Bressett Memorial Endowment Fund (the “Fund”). Town Staff, the Selectboard, and the Trustees of Trust Funds (TTF) have met several times to discuss the correct interpretation of the Trust document. On several occasions the group was joined by attorney Nick Harvey who helped the Bressett Family craft the trust document (attached as Appendix A).

Discussion

The trust document states the purpose of the fund as follows: “The purpose of the Fund shall be to provide a yearly endowment distribution to be used for projects, programs, and activities which enhance and enrich the lives and welfare of residents of the Hanover Community”. The trust goes on to welcome: “any projects, activities and programs, which enhance the knowledge, health, education and civic awareness for those living in the Hanover community.”

The trust also gives guidance on projects, programs and activities which would not qualify for disbursement: “The annual distribution shall be used to supplement and enhance the quality of life and not substitute nor replace programs and activities carried out by the town. The resources shall be used for projects, activities, and programs rather than for buildings or permanent structures.”

The trust also gives guidance on the amount of yearly distributions: “The annual endowment distribution shall be approximately Five Percent (5%) of the value of the assets” and “although it is generally anticipated that there will be an annual endowment distribution, this shall be flexible so that the distribution may be held and accumulated in order to enable a greater distribution in a later year.”

The trust also gives very broad responsibility to the Selectboard: “The use and distribution of the annual endowment shall be determined in the sole discretion by the then serving members of the Hanover Selectboard.” State law, however, stipulates that the Trustees of Trust Funds (TTF) have a fiduciary responsibility to assure that funded projects and the total amounts spent are consistent with the terms of the Trust.

The Selectboard and TTF reached out to Mr. Harvey for additional guidance.

In speaking with attorney Harvey about the use of the gift, his advice was as follows:

- First and foremost, respect the intent of the gift: “The purpose of the Fund shall be to provide a yearly endowment distribution to be used for projects, programs, and activities which enhance and enrich the lives and welfare of residents of the Hanover Community.”
- The wording of the trust document was thoughtfully prepared to serve as a guideline, but with flexibility to accommodate a perpetual timeframe and the varying needs of the community.
- The Bressett’s intended restrictions were that the Fund not be used for brick and mortar building projects (such as a new fire house), nor to substitute or replace funding for ongoing

town expenses such as electricity or road salt. All other projects, programs and activities were welcomed.

- Lou and Anne wanted the money to be spent ambitiously and not be used as a rainy-day fund.

To honor the intended spirit of the trust and State law, the Selectboard and Trustee of Trust Funds have adopted the following guidelines:

Qualifying Disbursements:

Qualifying Disbursements will be for projects, programs and activities that meet the purpose of the Fund as stated above.

The Selectboard, as part of its annual budgeting process, will identify projects to be funded from the Fund which they believe meet the purpose of the Fund. The TTF will opine prior to the final Budget Hearing each year if they agree that the recommended projects are qualifying disbursements.

While “buildings and permanent structures” are restricted by a strict reading of the trust, they can come in many shapes and sizes. “Major” projects will be ineligible for funding while “minor” projects will be welcomed. The Select Board and TTF will judge each project based on its total cost and useful life. By way of example, funds will not be used for a new fire house but may be used for projects such as baseball dugouts or park gazebos.

Honoring the intent of the trust that funds not be used to “substitute nor replace programs carried out by the town” is also open to interpretation. We do not believe that it is the intent of the trust to disqualify projects or activities on the basis that they might otherwise have been funded from taxes. Indeed, it is our expectation that qualifying projects or activities will be of high priority to the town, and thus would have had the potential for inclusion in the budget at some point, but that the Fund gives the town the ability to do these projects sooner than later. By way of example, while buying road salt would clearly not be a qualifying disbursement, the use of funds to provide additional pedestrian safety such as improved lighting around the green or enhanced cross walks will qualify even though the town might have chosen to fund these same projects at some time had Bressett funding not been available.

Disbursements may be used for partial funding of mixed use (Town funds and Bressett Funds) qualifying disbursements. Bressett Funds shall not be used to fund the same qualifying disbursement for more than three years.

Distributions:

Funds available for spending each year will be determined based on a three-year rolling average of the Fair Market Value as of June 30th and a 5% withdrawal rate. Funds not used in any given year will be carried forward and added to the amount available in subsequent years.

The Trustees of Trust Funds will provide to the Selectboard by September 1st, a report of funds available for distribution in the upcoming fiscal year. This amount will be determined using the spread sheet attached as appendix B.

It is our intent to maintain the long term purchasing power of the Fund as stated below. To accomplish this the value of the Fund, the consumer price index (CPI), the municipal cost index (MCI) and expenditures will be tracked using the spread sheet attached as appendix C.

Investment:

As governed by NH law, investment of the Fund assets will be overseen by the Trustees of Trust Funds. The Trustees of Trust Funds have stated their objective for the investment and distribution strategy for the Fund is to maintain the long term purchasing power of the Endowment and to provide a stable flow of funds to support qualifying projects.

The funds will be invested in conformance with the Investment Policy adopted by the Trustees of Trust Funds on an annual basis. Trustees will provide an annual report by January 31st of each year to the Selectboard regarding the Fund's fair market value at December 31st and the prior years' investment returns, along with any recommendations for changes in the Investment and/or Distribution Strategy.

Role of Trustees of Trust Funds:

As governed by NH law, the Trustees' fiduciary relationship is not limited to the custody and investment of the monies. The fiduciary obligation extends to insuring the funds are used in accordance with the trust documents and the paying over of those funds to Town officials. To that end, the Selectboard will submit their requests for disbursements from the Bressett Fund with a description of how the funds will be expended, along with a written certification that the use of the funds is in accordance with the terms of the trust. By relying on this certification (attached as appendix D), the Trustees will have properly discharged their fiduciary responsibility if they then pay over the requested fund.

Modification to the Guidelines

In the event that either the Selectboard or TTF want to make changes to these guidelines they shall notify the other party and hopefully reach agreement on the desired changes.

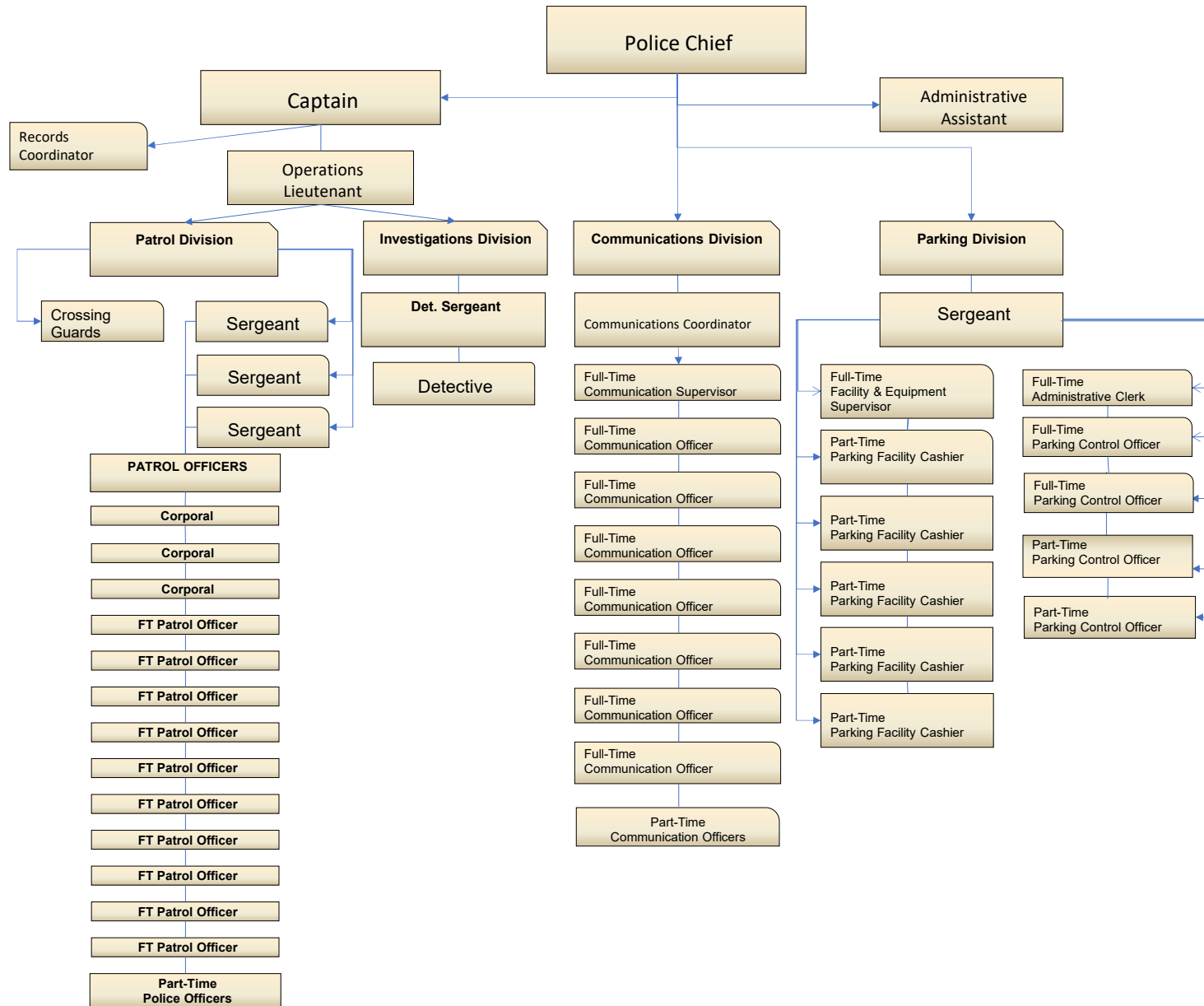
Adopted by:

Selectboard by vote on: January 28, 2019

Trustees of Trust Funds by vote on: January 8, 2019

Note: Appendices are not included with the materials presented in the proposed budget book.

Hanover Police Department



POLICE

This budget category covers the operations of the Police Department. The net request (expenditures less revenues) for this service group shows an overall decrease of \$10,651, or a 0.4% decrease from the FY 2020-2021 budget.

Revenues

There were decreases in revenue in the FY21 budget due to the pandemic. The Department was forced to stop providing fingerprint services in March of 2020, anticipated revenue from outside details were not received as construction projects did not move forward and all sporting events requiring security details were canceled. We anticipate that this trend will carryover for the first half of FY22. There is additional revenue of \$98,855 in the dispatch revenue line generated by billing the communities for their share of the cost of the proposed new Computer Aided Dispatch and Records Management Software.

Administration

This section of the budget covers the overall administration of the Police Department, including the Parking Division.

The Administration – Full-Time line-item under Personnel Costs (\$490,760) covers five positions: Chief, Captain, Operations Lieutenant, Administrative Assistant and Records Coordinator which resulted in a 0.0% change over last year. The Department hired a new Captain and a new Lieutenant which resulted in some salary savings.

The Purchased Services line-item includes our contribution to the Upper Valley Prosecutorial Association (\$30,231). Our portion of the charges (18% of the total Association's costs) is based on a 3-year average of the Prosecutor's case hours dedicated solely to Hanover cases as compared to the other member towns: Enfield, Canaan, Grafton, Lyme and Orford. Further items budgeted on the Purchased Services line-item include the copier lease, dry cleaning/laundry services, shredding, and towing services other than the winter contract. The modest reduction on this line-item is due to a recalculation of the copier service costs.

The Supplies and Materials line-item includes uniform replacement costs for the Administration and office supplies for all four divisions.

The Professional Development line-item includes funds for training for the Administrative staff.

Interdepartmental Charges are the net total of (1) the charges out to the Parking Fund to reflect administrative oversight of the parking division <\$17,190>, and out to the Upper Valley Prosecutorial Association Fund <\$1,733>; and (2) charges in from Information Technology, \$218,925. The charges from Information Technology increased to cover the cost of replacing the Police Departments 21-year-old Computer Aided Dispatch and Records Management System. The proposed annual cost covers the Software for the Hanover Police Department, as well as all of the Police, Fire and EMS Agencies served by the Hanover Dispatch Center. As mentioned in the Revenues section, there is an offsetting increase in dispatch revenue of \$ 98,855 to cover the cost of the software for the outside agencies.

Patrol

This section covers the patrol operations in the Police Department and, as such, includes the largest staffing numbers and activity in the department.

The Patrol – Full-Time line-item reflects salaries for full-time Sergeants, Corporals, and Patrol Officers (\$1,118,856), a 3.3% increase over last year's allocation. The increase is based on scheduled anticipated annual wage and salary increases.

The Part-Time line covers salaries for 3 crossing guards and 1 part-time officer.

Patrol Overtime (\$74,972) shows an increase of 10.9%. This projected number of overtime hours is required based on staffing levels and supervisory levels to cover absences due to vacations, sick time, training, etc.

The Patrol-Special line (\$82,500) is our special detail program, in which Police Officers work overtime details for private duty assignments (such as special events) and highway construction. The off-setting revenue is found in the Special Police Detail Services revenue line-item in the amount of \$111,000 for a 0.0% change; fringe benefits and administrative costs are included in the rates billed out to Special Detail customers as well as cruiser fees. It is anticipated that as the pandemic winds down and activities resume, we will see outside details return to normal as well.

The Supplies and Materials line-item includes funding for routine patrol technical supplies, including batteries, breathalyzer test supplies, radio earpieces, small office equipment, and training materials.

The Other Program Support line-item includes funding for equipment, issuance and replacement of uniforms, instructor support memberships, and the fee for Hanover's participation in the Central New Hampshire Special Operations Unit (\$3,000). The Special Operations Unit is available to the region in the event of a major incident requiring a tactical response. This line item also includes the annual R.A.D. (Rape Aggression Defense) Program licenses for our instructors.

Included in the Operational Equipment are funds for less-lethal equipment, ammunition, firearm training materials, safety equipment, radar parts, portable radio parts, and other technical supplies (\$15,900).

Professional Development includes funds for training and mileage reimbursement for use of personal vehicles to attend training courses. This line increased to help the department meet the new standards for police training based on the recommendations and requirements that came out of the Governor's Commission on Law Enforcement Accountability, Community and Transparency.

The Interdepartmental Charges line-item includes charges to and from the Parking Fund; this line has been held steady at the current fiscal year's rate. The bulk of this line-item reflects an approximation of the cost of police officer support of the Parking System <\$61,883> plus a share of revenues generated from tickets written by patrol officers <\$11,440>. These items are budget

relieving to the Police Department. There is an offsetting charge from the Parking Fund who provides crossing guard coverage at the Richmond Middle School of \$5,931.

The Transfer to the Capital Reserve line is generated by the CIP model and is adequate to meet future departmental needs.

Investigation

This section is wholly level-funded and covers the operation of the Investigation Division, which handles felony investigations as well as the more complicated misdemeanor cases that arise. The Division also provides support services to the Patrol and Administration sections.

The Investigation – Full-Time line under Personnel Costs includes funds for the Detective position assigned to the Division (\$74,877). The Investigation-Overtime line-item has been eliminated from this budget.

Dispatch

This section covers the operation of the Communications and Dispatch Center, which serves the following entities across 20 communities in addition to Hanover's own Fire, Police, Parking, Public Works and Water Company personnel:

- Upper Valley Ambulance Service
- Bradford, VT – Fire and Ambulance
- Canaan, NH – Police, Fire, and Ambulance
- Corinth, VT – Fire and Ambulance
- Cornish, NH – Fire and Ambulance
- Dorchester, NH – Fire and Ambulance
- Enfield, NH – Police, Fire, and Ambulance
- Fairlee, VT – Fire and Ambulance
- Grafton, NH – Police, Fire and Ambulance
- Grantham, NH – Police, Fire and Ambulance
- Lyme, NH – Police, Fire and Ambulance
- Norwich, VT – Fire and Ambulance
- Orange, NH – Fire and Ambulance
- Orford, NH – Police, Fire and Ambulance
- Piermont, NH – Fire and Ambulance
- Plainfield, NH – Police, Fire and Ambulance
- Springfield, NH – Fire and Ambulance
- Strafford, VT – Fire and Ambulance
- Topsham, VT – Fire and Ambulance
- Thetford, VT – Fire and Ambulance
- Vershire, VT – Fire and Ambulance
- West Fairlee, VT – Fire and Ambulance

The Dispatch Full-Time line under Personnel Costs includes salaries for nine full-time positions: The Communications Coordinator, Communications Supervisor and seven full-time Dispatchers (\$576,374), a 1.8% decrease.

The Dispatch Part-Time line-item provides for part-time coverage during some peak periods and during vacations and other absences of full-time staff which was cut by \$10,000 in this year's budget, a 33.3% decrease.

The Dispatch Overtime line-item of \$60,000 provides for overtime worked by permanent staff that is either held over due to an incident or to cover absences of other staff.

The Telephone line-item (\$47,808) reflects charges for all the telephone lines maintained by the Dispatch Division and is unchanged from last year.

Total Purchased Services totaling \$72,288 include funds for the lease of a video system (\$12,931); repair and maintenance services (\$8,000) and the following various contracted services (\$51,357):

Code Red (Emergency Notification Sys.)	\$8,300
Wireless Data Network for Cruiser Access	\$9,163
Recorder Maintenance Service Contract	\$1,575
State Police Computer Fee	\$ 4,655
Primary Radio Service Contracts	\$17,250
Lebanon Tower Lease	\$400
Bradford Tower Lease	\$3,600
Terminal Server Support Contract	\$3,125
Video Security System Support Contract	\$3,289

Supplies and Other Program Support include dispatch staff professional memberships; technical supplies such as DVDs, batteries, headsets as well as uniforms.

Interdepartmental Charges reflect the effort of the Communications Center dedicated to other Town departments including the Water Department, Fire Fund, Ambulance Fund, Water Reclamation, and Parking Fund. There was a significant decrease in the charges to Parking which was a direct result of the impacts of pandemic on the Parking Fund.

The proposed \$26,381 transfer into the Dispatch Capital Equipment Reserve Fund reflects the current required contribution per the CIP database. This has been reduced to fund the replacement Computer Aided Dispatch and Records Management Software Replacement.

Animal Control

This section is level-funded at \$3,000 and covers the cost of housing stray animals and other relinquished animals picked up in Hanover by the Upper Valley Humane Society at the request of Police Department staff.

Capital Costs

There are no proposed withdrawals from the Capital Reserve.

Town of Hanover
Police Department
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Dispatch Charges to Towns	381,015	413,122	536,969	551,284	668,176	21.2%
Dispatch Alarm Fees	38,735	36,940	39,180	39,000	39,000	0.0%
Special Police Detail Services	157,672	100,347	145,393	111,000	111,000	0.0%
Miscellaneous Dept. Revenues	33,286	32,746	59,030	46,337	27,082	-41.6%
Transfer from Capital Reserve	27,300	-	201,660	192,000	-	-100.0%
Total Revenues	638,009	583,154	982,232	939,621	845,258	-10.0%
<u>Expenditures</u>						
<u>Personnel Costs</u>						
Administration Full Time Salaries	438,048	443,896	475,540	490,914	490,760	0.0%
Patrol Full Time Salaries	929,415	981,481	1,034,513	1,083,182	1,118,856	3.3%
Patrol Part Time Salaries	25,095	17,007	4,719	12,215	15,015	22.9%
Patrol Overtime	112,230	88,606	82,803	67,591	74,972	10.9%
Patrol Special Detail Overtime	100,191	61,026	97,569	82,500	82,500	0.0%
Patrol Temporary Supervision Salaries	12,753	11,841	14,453	11,000	-	-100.0%
Investigation Full Time Salaries	-	-	13,666	77,111	74,877	-2.9%
Investigation Overtime	-	-	-	2,000	-	-100.0%
Dispatch Full Time Salaries	468,344	473,922	493,591	586,682	576,374	-1.8%
Dispatch Part Time Salaries	14,834	14,117	11,561	30,000	20,000	-33.3%
Dispatch Overtime	78,800	83,609	80,414	50,000	60,000	20.0%
Total Personnel	2,179,711	2,175,505	2,308,829	2,493,196	2,513,354	0.8%
<u>Administration</u>						
Purchased Services	75,059	61,263	54,141	44,975	42,754	-4.9%
Supplies and Materials	28,759	10,795	9,023	11,000	9,760	-11.3%
Other Program Support	611	960	620	655	12,325	1781.7%
Professional Development	18,918	14,203	10,081	7,000	11,375	62.5%
Interdepartmental Charges	27,398	19,444	29,763	25,364	200,002	688.5%
Total Administration	150,745	106,664	103,628	88,994	276,216	210.4%

Town of Hanover
Police Department
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Patrol						
Purchased Services	9,928	6,119	8,984	14,625	15,600	6.7%
Supplies and Materials	15,181	9,245	4,967	7,000	7,000	0.0%
Other Program Support	38,297	21,648	10,597	21,575	21,675	0.5%
Operational Equipment	35,502	40,223	20,018	45,195	15,900	-64.8%
Professional Development	16,514	21,530	4,751	7,100	15,100	112.7%
Interdepartmental Charges	(60,304)	(69,632)	(70,014)	(67,392)	(67,392)	0.0%
Transfer to Capital Reserve	58,000	68,000	88,766	100,766	114,000	13.1%
Total Patrol	113,118	97,134	68,070	128,869	121,883	-5.4%
Investigation						
Purchased Services	-	3,250	4,520	1,800	1,800	0.0%
Supplies and Materials	10,584	5,132	3,824	2,500	3,500	40.0%
Other Program Support	100	100	795	900	1,800	100.0%
Professional Development	-	-	1,835	4,600	3,600	-21.7%
Total Investigation	10,684	8,482	10,974	9,800	10,700	9.2%
Dispatch						
Telephone Connectivity Charges	46,165	44,636	58,908	47,808	47,808	0.0%
Purchased Services	42,622	48,512	75,591	68,624	72,288	5.3%
Supplies and Other Program Support	2,923	4,853	3,081	4,205	4,205	0.0%
Operational Equipment	150	9,910	-	-	-	-
Professional Development	4,825	6,286	3,663	4,200	4,200	0.0%
Interdepartmental Charges	(126,270)	(124,498)	(99,630)	(109,002)	(65,494)	-39.9%
Transfer to Capital Reserve	25,000	22,000	89,197	89,197	26,381	-70.4%
Total Dispatch	(4,586)	11,700	130,810	105,032	89,388	-14.9%
Animal Control						
Professional Services	2,500	3,081	5,000	3,000	3,000	0.0%
Total Animal Control	2,500	3,081	5,000	3,000	3,000	0.0%

Town of Hanover
Police Department
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Capital Costs						
Police Cruiser Replacement	27,300	-	201,995	35,000	-	-100.0%
Dispatch Communications Systems Upgrades	-	-	52,828	140,000	-	-100.0%
Total Capital Costs	27,300	-	254,823	175,000	-	-100.0%
Total Non-Personnel	299,762	227,061	573,305	510,694	501,187	-1.9%
Activity Totals						
Administration	588,793	550,560	579,168	579,908	766,976	32.3%
Patrol	1,292,803	1,257,096	1,302,127	1,385,357	1,413,226	2.0%
Investigation	10,684	8,482	24,640	88,911	85,577	-3.7%
Dispatch	557,393	583,347	716,376	771,714	745,762	-3.4%
Animal Control	2,500	3,081	5,000	3,000	3,000	0.0%
Capital Costs	27,300	-	254,823	175,000	-	-100.0%
Total Expenditures	2,479,473	2,402,566	2,882,134	3,003,890	3,014,541	0.4%
Net Expenditures	1,841,465	1,819,412	1,899,902	2,064,269	2,169,284	5.1%

Police Activity:	2016	2017	2018	2019	2020	% Change 2019 ~20
Accidents ~ Bicycle	1	2	2	4	2	-50%
Accidents ~ Fatalities	1	0	0	0	0	0%
Accidents ~ Hit and Run	22	40	63	80	38	-53%
Accidents ~ Injury	34	20	14	30	16	-47%
Accidents ~ Pedestrian	5	3	5	4	1	-75%
Accidents ~ Total	162	171	220	244	137	-44%
Adult Arrests	222	188	154	136	129	-5%
Arson	1	3	1	0	2	200%
Assault	27	34	66	93	36	-61%
Burglary	12	9	10	10	8	-20%
Disorderly Conduct	23	15	10	9	8	-11%
Domestic Disturbances	11	6	5	7	4	-43%
Drug Violations	47	40	34	20	7	-65%
DUI	6	7	13	8	8	0%
Fingerprints	469	670	744	646	88	-86%
Forgery	5	2	3	1	3	200%
Fraud	20	23	21	12	15	25%
Harassment	6	3	12	12	4	-67%
Indecent Exposure	3	3	1	2	2	0%
Juvenile Arrests	15	15	27	14	17	21%
Liquor Violations	93	65	55	51	15	-71%
Motor Vehicle Citations	244	281	218	174	152	-13%
Motor Vehicle Stops	3609	3801	3390	3326	1882	-43%
Motor Vehicle Theft	1	1	0	0	1	100%
Motor Vehicle Unlocks	174	177	146	127	82	-35%
Murder	0	0	0	0	0	0%
Robbery	1	0	0	0	0	0%
Sexual Assault	12	12	5	4	4	0%
Suspicious Activity	493	427	421	338	305	-10%
Theft	120	109	89	85	48	-44%
Total Arrests	237	203	181	150	146	-3%
Vacant Residence Checks	129	92	78	69	29	-58%
Vandalism	30	38	52	39	42	8%

PARKING FUND

The Parking Fund budget for FY2021-2022 anticipates expenses and revenues of \$1,879,415, an overall decrease of \$320,113, or 14.6%, below the current budget year.

Since March of 2020, the Parking Fund has had a significant and on-going reduction in generated revenues due to the COVID-19 pandemic. With downtown businesses forced to close and offices operating in a remote format, the normally busy downtown streets became vacant and have been slow to rebound. As an example, our monthly meter revenue for January 2021 was only 25% of what was collected in January 2020 and the short-term garage parking revenue was only 10% of what was collected during the same time frame.

The Parking Division has worked hard to seek out creative revenue opportunities given the changing environment and has been flexible to help support our local downtown businesses throughout the pandemic. It is anticipated that revenue will start to rebound during the next fiscal year, however, there is no way to accurately determine the time frame or extent given the uncertainty of this pandemic.

Revenues

Support of the Parking Fund is generated from the users of the Town's downtown parking system. These sources include meter fees, parking fines, surface lot parking permits, parking garage short and long-term parking fees, as well as transfers from capital and other reserve funds. Other revenue sources related to the municipal parking facility include \$85,000 collected from the 7 Lebanon Street Tax Increment Financing District (TIF) and \$104,940 for the rental of 87 spaces in the parking facility to Seven Lebanon Street, Inc.

Personnel Costs

The Full Time Wages line reflects the salaries for 90% of the Police Sergeant directing the division, the Parking Facility Supervisor, two full-time Parking Control Officers, and an administrative support position.

The Part Time Wages line-item provides funding for several part-time Parking Facility Cashiers and supplemental Parking Control Officers for weekend and other coverage.

The attendant fringe benefits which include Health Insurance costs, Social Security, Retirement and Worker's Compensation have been calculated based on projected salaries and anticipated benefits eligibility. Also included is the anticipated 9.5% increase in the Town's workers compensation insurance.

Parking Operations Administrative Costs

The significant decrease in this section of the budget reflects the elimination of the interdepartmental charge from the Administrative Front Office and Assessing employees, as collections and other administrative parking duties are now fully performed by the Parking Administrative Clerk. Also, the annual dues for the Upper Valley Transportation Management Association (\$3,338) have been suspended in the proposed budget.

Meter, Enforcement and Parking Surface Lot Costs

In this year's budget, there is money being allocated to address the replacement of the majority of the remaining single-space meters (which will no longer work by the end of 2021) with kiosks. This replacement will further reduce our monthly fees, speed up coin collection, and reduce the cost of future equipment replacements. Coin handling fees have decreased which is not unexpected due to the decrease in anticipated meter revenue. Increased use of the ParkMobile App has further reduced these line items.

There is a 13.5% decrease in the level of proposed funding to support the Advance Transit shuttle service. The \$40,680 budgeted for in the current year for enhanced (i.e., more frequent) shuttle service has been eliminated. We have held the municipal appropriation for the fixed route and green route funding steady at **\$140,783**. We have budgeted a modest 1.0% increase in the shuttle service contribution: increasing to **\$113,610** from \$112,485. With the utilization of the parking system the lowest in recent memory, we have had to curtail budgeting for the 'catch-up' of our contribution of the shuttle service begun last year.

Municipal Parking Garage Operating Costs

There is a 31.4% decrease in the Contracted Services line item for the Parking Facility. This reflects the parking staff taking over routine maintenance items of the garage and only contracting for specific specialized maintenance including drain jetting and sprinkler system maintenance.

Capital Expenditures

This section of the budget includes the debt service on the Parking Facility 30-year bond issued in 1999 (final payment is scheduled for January 2029). The FY2020-2021 debt service payment reflects a \$225,000 principal payment and \$86,904 in interest.

The Parking Capital Expenditures line item includes the funding for the replacement of over 250 obsolete single-space meters with the purchase of 21 kiosks at a cost of \$146,000. This purchase will be funded from a withdrawal from the Parking Capital Reserve Fund.

The Transfer to the Capital Reserve line-item has been suspended in the proposed budget due to the revenue shortages presented by the pandemic.

**Town of Hanover
Parking Fund
Department Budget FY2022 (July 1, 2021 - June 30, 2022)**

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Metered Parking	719,274	706,645	992,832	915,000	670,000	-26.8%
Permit Parking-Surface Lots	106,780	147,061	124,061	150,823	141,223	-6.4%
Parking Fines	359,699	261,019	135,403	300,000	300,000	0.0%
Tax Increment Financing (TIF) District Taxes	88,929	85,395	88,803	85,000	85,000	0.0%
Permit Parking-Municipal Garage	214,569	202,025	90,562	229,560	206,300	-10.1%
Public Parking-Municipal Garage	114,849	114,849	140,949	140,940	140,940	0.0%
7 Leb St. Parking Deficit Payment	171,666	218,244	115,004	235,000	150,000	-36.2%
Other Miscellaneous Revenues	4,343	66,405	7,760	23,206	39,952	72.2%
Transfer from Capital Reserve Fund	300,500	220,000	-	-	146,000	-
Transfer from Undesignated Fund Balance	-	-	400,162	120,000	-	-100.0%
Total Revenues	2,080,610	2,021,642	2,095,536	2,199,529	1,879,415	-14.6%
<u>Expenditures</u>						
Personnel Costs						
Full Time Wages	207,929	214,911	189,808	268,240	272,630	1.6%
Part Time Wages	83,693	74,386	61,033	88,118	94,137	6.8%
Overtime Wages	3,930	3,261	4,674	7,500	7,000	-6.7%
Section 125 Benefits	45,159	67,858	69,575	85,150	91,231	7.1%
Social Security and Medicare	18,080	17,321	14,225	27,606	28,593	3.6%
NHRS Retirement Contribution	36,725	38,149	35,057	43,962	54,295	23.5%
Workers Compensation and Other Benefits	5,027	5,525	6,311	6,444	7,057	9.5%
Total Personnel	400,543	421,412	380,683	527,020	554,943	5.3%

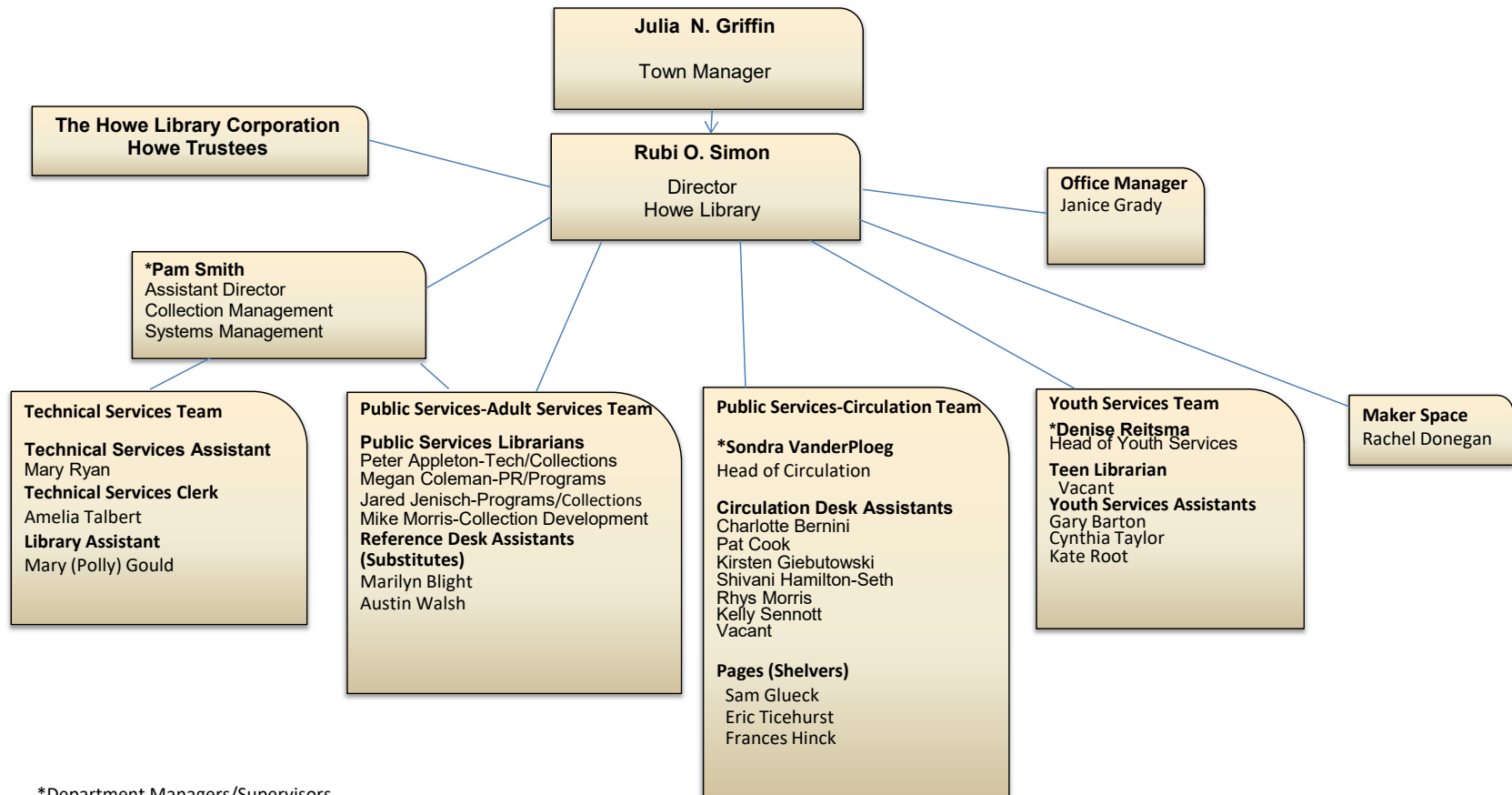
Town of Hanover
Parking Fund
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed</u> <u>FY22BUDG</u>	<u>% Change</u> <u>FY21 Budget to</u> <u>FY22 Budget</u>
Parking Operations Administrative Costs						
Supplies and Materials	7,379	6,465	6,092	13,000	7,300	-43.8%
Other Program Support	15,980	19,332	12,526	19,517	16,510	-15.4%
Interdepartmental Charges	292,743	283,346	263,048	144,379	130,374	-9.7%
Total Non-Personnel Administrative Costs	316,102	309,143	281,666	176,896	154,184	-12.8%
Meter, Enforcement, Parking Surface Lot Costs						
Utilities	968	919	2,196	1,200	1,200	0.0%
Credit Card Processing and Coin Handling Fees	106,353	100,632	89,488	105,000	78,000	-25.7%
Purchased Services	52,697	50,408	52,002	53,102	28,353	-46.6%
Supplies and Materials	14,249	11,067	6,045	10,712	10,200	-4.8%
Operational Equipment	10,471	41,849	65,079	20,000	20,000	0.0%
Interdepartmental Charges	103,968	113,060	114,315	184,658	166,847	-9.6%
Advanced Transit Support	232,728	235,729	230,067	293,948	254,394	-13.5%
Total Meter, Enforcement, Parking Surface Lot Costs	521,433	553,664	559,191	668,620	558,994	-16.4%
Municipal Parking Garage Operating Costs						
Utilities	19,920	24,070	21,396	16,750	16,750	0.0%
Supplies and Materials	5,424	1,566	8,144	5,900	5,900	0.0%
Facility Maintenance	102,688	112,804	137,641	148,160	121,110	-18.3%
Interdepartmental Charges	48,949	49,646	39,653	40,903	4,630	-88.7%
Total Municipal Parking Garage Operating Costs	176,981	188,086	206,834	211,713	148,390	-29.9%

**Town of Hanover
Parking Fund
Department Budget FY2022 (July 1, 2021 - June 30, 2022)**

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Capital Expenditures						
Parking Garage Debt Service (Principal & Interest)	323,161	324,374	325,014	312,224	311,904	-0.1%
Parking Lot Paving	-	-	5,540	125,000	5,000	-96.0%
Parking System Capital Improvements	131,744	216,966	422,880	3,100	146,000	4609.7%
Transfers to Capital Reserve	105,000	105,000	174,955	174,955	-	-100.0%
Total Capital Expenditures	559,905	646,340	928,388	615,279	462,904	-24.8%
Total Non-Personnel Expenditures	1,574,421	1,697,232	1,976,080	1,672,508	1,324,472	-20.8%
Total Expenditures	1,974,964	2,118,645	2,356,763	2,199,529	1,879,415	-14.6%
Net Expenditures/(Revenues)	(105,646)	97,002	261,227	-	-	-

HOWE LIBRARY



*Department Managers/Supervisors



BUDGET NARRATIVE

The past year was not at all what we anticipated at the beginning of FY20 due to the pandemic. In early 2020 we moved from uncertainty and anxiety to a complete shutdown in March. None of us could have imagined at the beginning of the year that we would have had to completely redefine everything we knew about delivering library services. Essentially, libraries were the opposite of what COVID requires, i.e., a collaborative, busy, full library with very little social distancing. COVID challenged us to think outside the box, restructure and completely revamp. The first several months of the pandemic were spent working with the town and staff to learn as much as we could about how to keep staff and the public safe. This would entail countless meetings with the state libraries and staff. Through the process, our staff quickly switched and learned how to provide virtual programming, maintain and offer reference services with our patrons via e-mail, Zoom, and phone calls. We enhanced our electronic collections to continue to offer information, videos, audio and e-books. Our primary goal was to figure out how the Library could safely restore as many services as expeditiously as possible. By early June staff was able to return to work in the library in a safe manner by staggering staff schedules to ensure distancing. By mid-summer the Howe began circulation of our physical collection. The process has had its challenges, but all staff were able to come together, research, and think creatively to ensure we were able to offer our services to the community in the safest way possible.

In FY 2021-2022 The Howe Library requests net funding of \$1,231,514 or -2.0% below the authorized appropriation of FY 2020-2021. The decrease is primarily based on the no COLA and the reallocation of collection funds to the Howe Library Corporation in the amount of \$60,700.

Revenues

Howe Library revenues generally consist of three sources: Non-resident fees, fines, and copier receipts. Due to the unforeseen pandemic, all revenues dropped by 19.7%. Fines were stopped due the closure of the library and in consideration of the hardships experienced by our community. On a positive note, the community was very appreciative of the suspension of fines during the closure.

Personnel Costs

Personnel costs are the primary driver of the library town budget. For the upcoming fiscal year, the only changes are the step adjustments and the current vacancy funding for a FT Teen Librarian (due to retirement) will be frozen for the FY22 year. This position will continue to be in Howe budgeted expenditures as a place holder. Also, the Maker Space position will be terminated as of December of 2021. The allotted 3 years of Bressett funds will be expended at the end of 2021. Unfortunately, we have not been able to secure alternate funding for this position due to the pandemic. The library will continue to seek funding to support this position in a part-time capacity.

Other than the stated changes, there are no further staffing changes included for FY22.

Maker Space Initiative update

The Howe Library received funding from the Bressett fund in FY2019 to sponsor an Emerging Technology Librarian position and allocated funds for a period of 3 years to spearhead our Maker space/Digital Literacy initiative. Our main goals were to help establish a community maker space



in collaboration with Hanover High School and for the Howe to expand digital literacy education and support to the greater community of Hanover.

Rachel Donegan, the Emerging Technology Librarian, will be completing the 3-year position of the maker space initiative. Rachel had been successful in developing this new pilot program and establishing a range of maker and digital making programs through our new Studio H space and the Community Maker Space at Hanover High School. Unfortunately, due to COVID both the high school space and Studio H have not been accessible to the public for almost a year. When the library was closed, Rachel quickly restructured and developed virtual maker programs which have been successful, have had consistent attendance and are popular. Rachel continues to offer a myriad of virtual programs: our popular online maker tutorials on Howe's YouTube channel; classes for teens via Zoom on Tinkercad and Inkscape design; laser cutting workshops for all ages; a weekly coding club and many others. Pre-COVID, we had started to develop more advance equipment training options at the high school as well as weekly tool training classes. Although we have been closed to the public and have not had access to the high school space, we have seen a consistent increase in attendance at and views of our virtual maker offerings.

It has been unfortunate that the library was not able to secure funding for this innovative position. We will continue to pursue funding options in the next several months with the goal of securing this as a part-time position. Based on the last 2 years, it is evident that there is a demand and need from our community for the Howe to continue to offer these services. Our patrons have expressed a desire to see the in-person maker programs resume once the pandemic restrictions are lifted.

Town of Hanover
Howe Library
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Non-Resident Fees	33,118	32,525	24,005	33,000	20,000	-39.4%
Grants and Howe Corporation Support	6,504	15,900	8,455	8,709	39,057	348.5%
Library Fines and Other Fees	14,652	13,831	9,261	14,000	12,500	-10.7%
Trust Fund Income Disbursement	-	50,209	57,431	71,006	30,173	-57.5%
Total Revenues	54,273	112,465	99,152	126,715	101,730	-19.7%
<u>Expenditures</u>						
Personnel Costs						
Full Time Salaries	586,813	655,111	782,951	800,517	873,460	9.1%
Part Time Salaries	440,807	443,701	360,326	473,247	415,539	-12.2%
Total Personnel	1,027,619	1,098,813	1,143,277	1,273,764	1,288,999	1.2%
Administration						
Collection Materials	59,200	59,592	60,652	60,700	-	-100.0%
Purchased Services	6,111	4,536	4,907	10,800	10,800	0.0%
Supplies and Materials	3,647	3,975	3,378	4,000	5,000	25.0%
Other Program Support	530	415	175	540	540	0.0%
Professional Development	2,573	3,337	1,223	3,700	3,350	-9.5%
Total Administration	72,062	71,856	70,335	79,740	19,690	-75.3%
Technical Services						
Supplies and Materials	11,184	8,736	10,846	11,455	11,455	0.0%
Interdepartmental Charges	24,565	6,009	9,652	18,623	13,101	-29.7%
Total Technical Services	35,749	14,745	20,498	30,078	24,556	-18.4%
Total Non-Personnel	107,811	86,601	90,833	109,818	44,246	-59.7%
Total Expenditures	1,135,430	1,185,413	1,234,110	1,383,582	1,333,244	-3.6%
Net Expenditures	1,081,157	1,072,948	1,134,958	1,256,867	1,231,514	-2.0%

Statistics

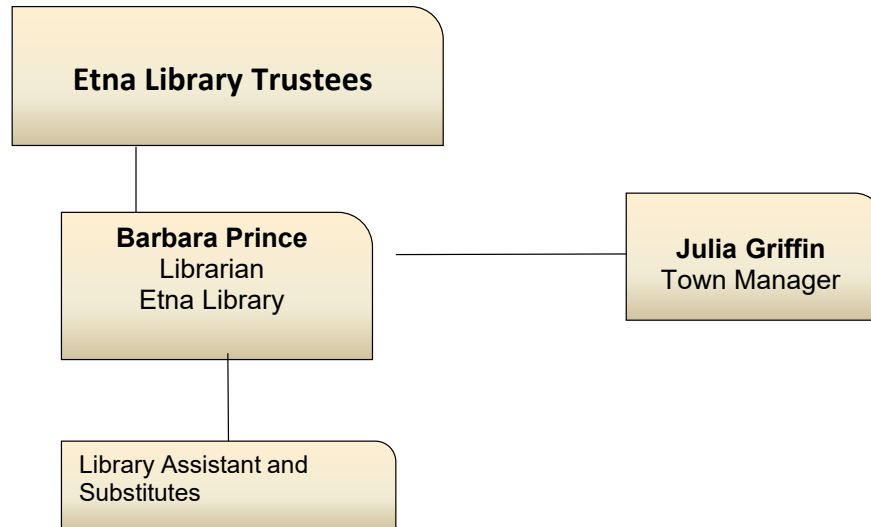
Access to collection was frozen for 3 months due to the pandemic. Once safety protocols were put in place Howe staff created a completely new take-out library service. Usage statistics will reflect the decrease in circulation of our physical collection and the large increases in our electronic formats. For example, our e-book usage increased 111% and audio book usage rose by 35%. Currently our statistics are almost on par with pre-COVID circulation statistics which is encouraging.

Statistics		
Circulation *collection was not accessible for 3 months due to COVID.	<ul style="list-style-type: none"> • 187,343-annual 	Averages to 513 items checked out a day compared to previous year of 624
Collection	<ul style="list-style-type: none"> • Audio book usage rose by 35%. • Ebook usage went up 111% 	
Library Programs/Attendance	Adult <ul style="list-style-type: none"> • 141 in person pre-COVID • 32 Virtual programs • 2,134 views/attendance 	Youth/Teen <ul style="list-style-type: none"> • 303 in person pre-COVID • 30 Virtual • 5,500 views/attendance
Maker Space	<ul style="list-style-type: none"> • 103 programs/451 attendance • 15 virtual/1112 views 	

IMPACTS OF COVID DURING CLOSING



ETNA TOWN LIBRARY



ETNA LIBRARY

The Etna Library budget proposal is based on the tasks and supplies required for circulation and providing programs for adults and children, as well as for staff time spent in attending to numerous requests by phone and e-mail.

The Part-Time Services line item under Personnel Costs (\$69,984) allocates 23 hours per week for the Librarian, 11 hours per week plus 92 hours of supplemental coverage for the Library Assistant and 104 hours for the services of additional staff persons who work two Saturday afternoons per month and fill in as needed.

The Purchased Services line item reflects costs associated with advertising of library events (\$100) and the copier service contract (\$300).

The Supplies and Materials line item includes \$450 for technical supplies; \$1,200 for library program supplies; \$280 for office supplies; and \$310 for postage.

The Circulation Materials line item shows \$9,200 budgeted for the purchase of new materials (books, recorded books, periodicals, downloadable books and online databases) for the library's collection.

The Other Program Support provides resources for dues and memberships (\$250).

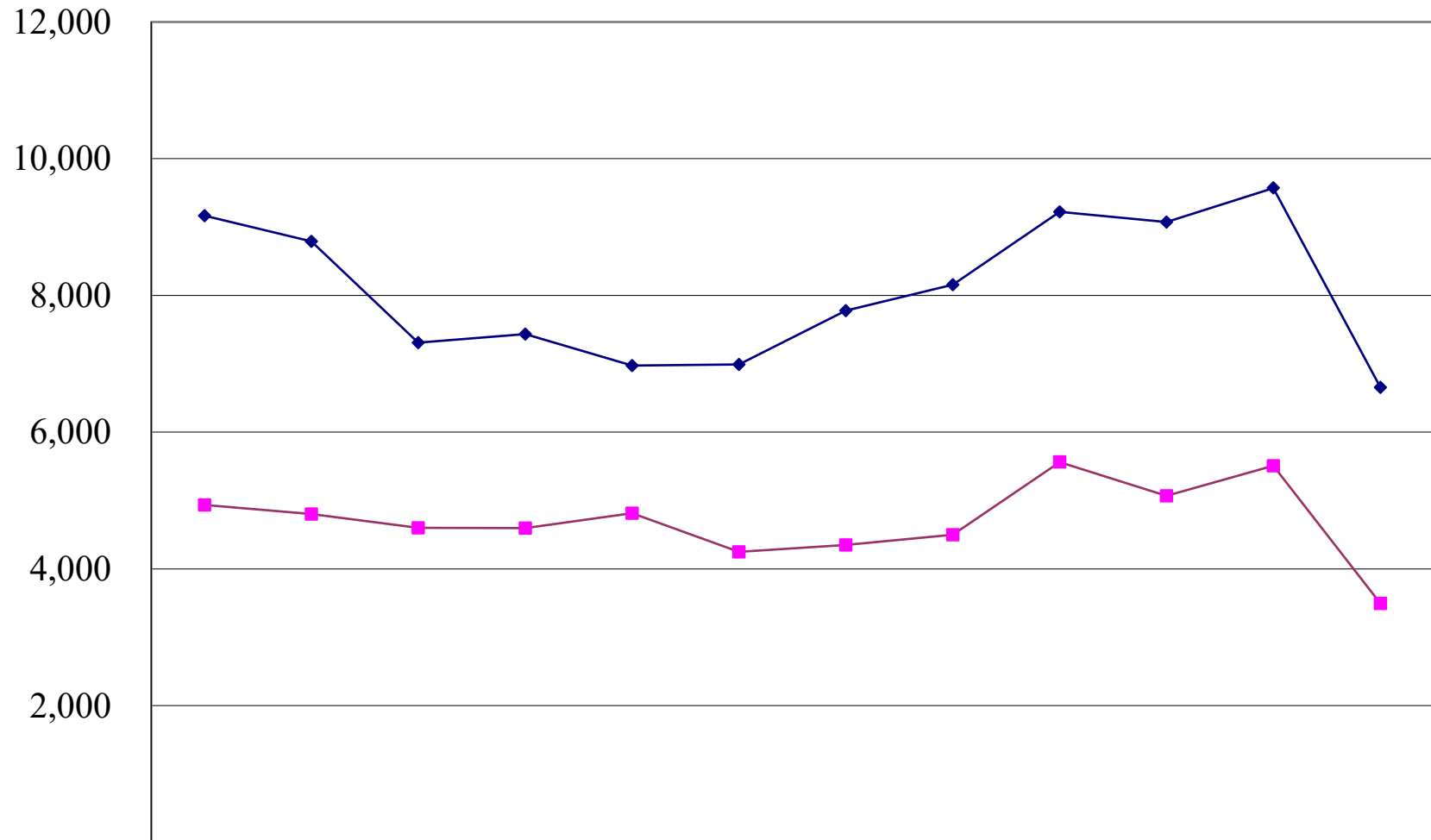
The Professional Development line item includes funds for meetings and conference attendance (\$590) and mileage reimbursement (\$400).

The Interdepartmental Charges line-item includes: (1) \$10,749 support from the Howe Library Technical Services staff to acquisitions, cataloging, and database maintenance; (2) \$1,830 for a computer replacement and Etna Library's pro-rata share (4.07%) of the annual maintenance agreement for the Evergreen open-source software. This line-item increases to more accurately reflect the level of support provided by Howe Library staff.

Town of Hanover
Etna Library
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Disbursements from Library Trust Funds	7,738	2,793	1,917	1,575	3,825	142.9%
Gifts to Etna Library	8,324	9,487	10,768	-	-	-
Transfers of Gifts to Library Trust Funds	(7,909)	(9,457)	(8,258)	-	-	-
Miscellaneous Income	169	211	372	150	150	0.0%
Total Revenues	8,322	3,034	4,799	1,725	3,975	130.4%
<u>Expenditures</u>						
Personnel Costs						
Part Time Salaries	61,402	62,016	61,669	69,642	69,984	0.5%
Total Personnel	61,402	62,016	61,669	69,642	69,984	0.5%
Non-Personnel Costs						
Purchased Services	460	365	470	400	400	0.0%
Supplies and Materials	2,687	2,889	2,456	2,240	2,240	0.0%
Circulation Materials	12,290	11,010	8,633	9,200	9,200	0.0%
Other Program Support	355	742	639	250	250	0.0%
Professional Development	205	-	90	990	990	0.0%
Interdepartmental Charges	7,385	6,741	6,928	7,477	12,579	68.2%
Total Non-Personnel	23,382	21,747	19,217	20,557	25,659	24.8%
Total Expenditures	84,783	83,764	80,886	90,200	95,643	6.0%
Net Expenditures	76,461	80,730	76,087	88,475	91,668	3.6%

Circulation of Etna Library Collection



Hanover Town Library, Etna
Performance Indicators - FY2009 through FY2020

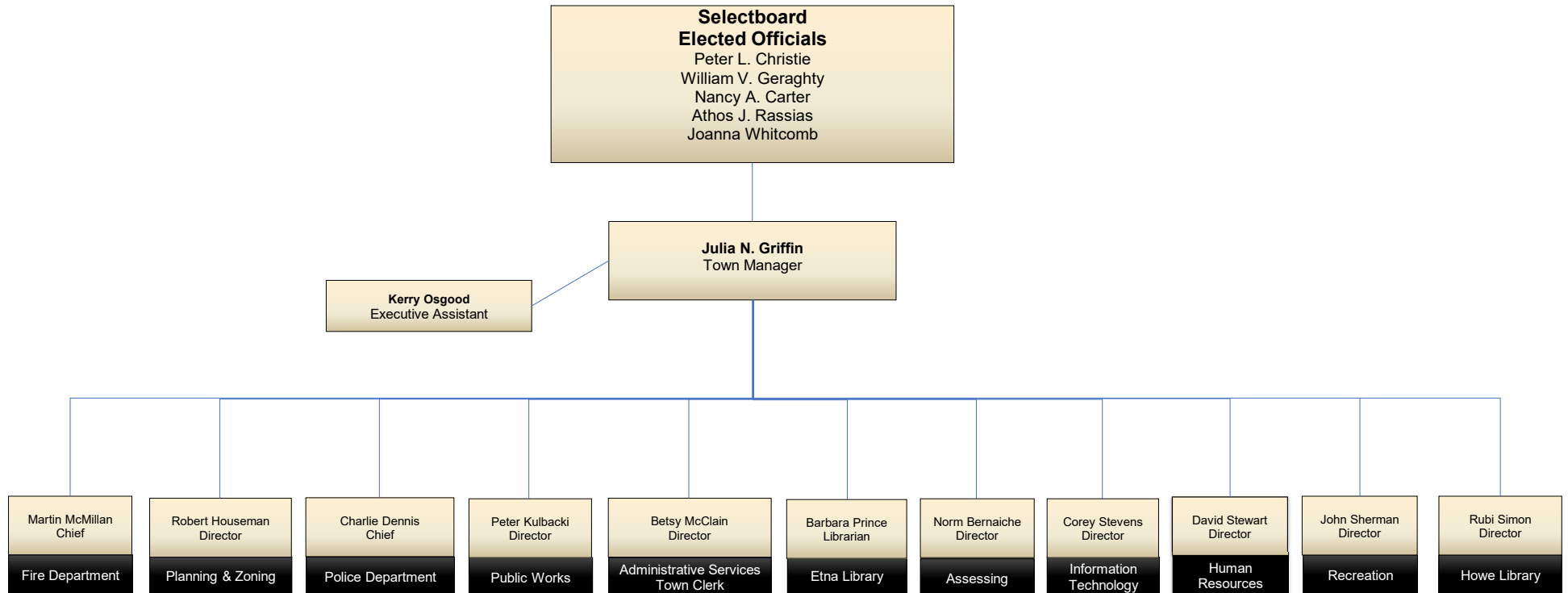
	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011(*)</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>
Circulation by Owning Library - Adult	4,421	4,748	3,864	3,884	4,093	3,963	4,085	4,682	4,732	4,858	4,707	3,571
Circulation by Owning Library - Youth	4,747	4,044	3,447	3,549	2,880	3,028	3,694	3,476	4,491	4,215	4,865	3,085
Circulation by Owning Library - Total	9,168	8,792	7,311	7,433	6,973	6,991	7,779	8,158	9,223	9,073	9,572	6,656
Circulation by Circulating Library - Adult			3,724	3,687	3,772	3,565	3,662	4,280	4,341	4,470	4,172	3,206
Circulation by Circulating Library - Youth			3,577	3,851	3,039	3,017	3,623	3,271	4,273	4,146	4,662	2,964
Circulation by Circulating Library - Total			7,301	7,538	6,811	6,582	7,285	7,551	8,614	8,616	8,834	6,170
Holds Filled			1,383	1,027	609	663	1,112	881	986	1,169	1,073	868
Downloaded e-books and audios (25% of Overdrive downloads)								4,230	4,400	4,798	5,230	6,940
Use of Ancestry database (25% of Ancestry usage)								3,052	2,542	1,895	1,248	1,252
Use of Heritage database (25% of Heritage usage)								1,097	633	915	348	566
Patron Visits - Adult	3,281	3,363	3,282	3,270	3,511	3,066	3,178	3,199	3,960	3,829	3,910	2,563
Patron Visits - Youth	1,657	1,439	1,320	1,326	1,306	1,185	1,172	1,302	1,604	1,239	1,598	934
Patron Visits - Total	4,938	4,802	4,602	4,596	4,817	4,251	4,350	4,501	5,564	5,068	5,508	3,497
Library Programs												
In-person Programs	121	114	117	132	125	134	122	136	166	169	168	116
Online Programs	0	0	0	0	0	0	0	0	0	0	0	51
Total Library Programs	121	114	117	132	125	134	122	136	166	169	168	167
Program Attendance												
In-person Attendance	1,452	1,085	926	1,199	1,283	1,267	1,186	1,265	1,816	1,599	1,855	1,114
Online Attendance	0	0	0	0	0	0	0	0	0	0	0	501
Total Program Attendance	1,452	1,085	926	1,199	1,283	1,267	1,186	1,265	1,816	1,599	1,855	1,615
Volunteer Hours	131	123	123	134	152	138	168	207	176	168	159.5	126
Hours Open Weekly	28	28	28	28	28	28	28	30	30	30	30	30

(*) Change in ILS resulting in difference in circulation data collection.

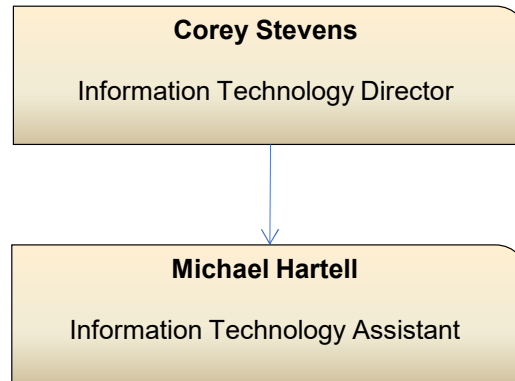
Etna Library Hours: Monday 3:00-7:00; Tuesday 9:00-2:00; Wednesday 2:00-6:00; Thursday 2:00-7:00; Friday 9:00-3:00;
 Saturday 10:00-4:00; closed Sunday

Staff: Barbara Prince, Librarian; Sarah Molesworth, Assistant Librarian

Town of Hanover



Information Technology



INFORMATION TECHNOLOGY

This area of the budget reflects all costs related to computer hardware and software (and the related installation, troubleshooting, and maintenance) used in the conduct of Town business. The Town budgets all information technology expenditures in functional line-items within the Information Technology, or Management Information Systems (MIS), budget, and then charges back to departments their portion via the “Interdepartmental Charges” line-item. Therefore, the net budget in Information Technology represents salaries and general government information technology resources only. The year-to-year increase in the net expenditures budgeted for Information Technology is increasing by \$8,315 due entirely to personnel costs.

Personnel Costs include funds for the Director of Information Technology and Information Technology Assistant (\$191,402).

Software maintenance contracts and anticipated software upgrades are budgeted at \$395,089 for the upcoming FY 2021-2022 budget, up 57.2%, or \$143,778, from the current year’s budget. This amount reflects software that is in use by various departments in town, and the proposed increase is driven by a \$189,000 piece of CAD software requested for the Police Department to replace a 21-year-old software that is now in use. Also included on this line-item are licensing funds for anti-virus software and annual support payments for the accounting, assessing, library administration, public works administration, public safety management, and other miscellaneous applications.

The Computer Upgrades and Replacements line-item (\$50,800) requests funds for the replacement or upgrade of 50 computers: 45 desktop computers @ \$800/each (\$36,000); 2 tablets (\$2,000); a server replacement for Police Department (\$8,000); 2 SCADA computers for Water (\$1800); and a (\$3,000) contingency fund added for these items. All Town desktop computers are replaced on a four-year cycle as our experience has demonstrated that retention of desktop computers beyond four years results in more cost in the form of required repairs, parts replacement, and repair staff time, resulting in reduced productivity.

Funding of \$2,000 has been budgeted for outside consulting services where staff does not have the direct technical knowledge to address more complex networking or other matters, \$4,000 has also been budgeted to ramp up cyber-security awareness and prevention.

The Supplies and Materials line-item (\$4,800) funds purchases of computer-related supplies such as printer supplies, utilities, toners, parts, diagnostic and utility software. By centralizing the purchasing of such supplies, the department has realized significant savings for the Town by buying in bulk and standardizing the inventory.

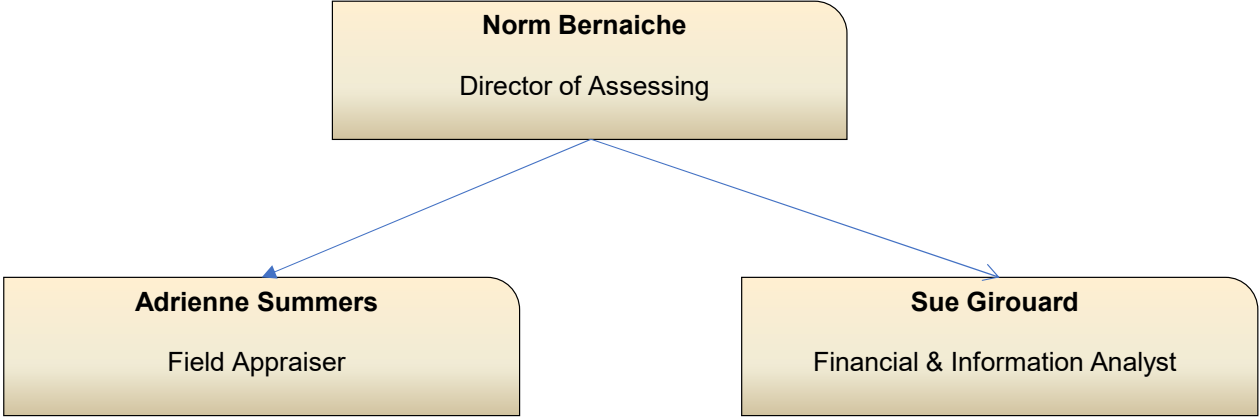
The Professional Development line includes funds for participation in related workshops and training programs (\$1,000), and mileage reimbursement (\$650).

The Charges to Other Departments line-item, <\$396,752>, reflects the charging out of all centrally budgeted Information Technology expenditures to the various functional departments directly utilizing the technology.

Town of Hanover
Information Technology
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Conduit Licensing Fees	5,713	5,713	7,031	6,000	7,500	25.0%
Total Revenues	5,713	5,713	7,031	6,000	7,500	25.0%
<u>Expenditures</u>						
Personnel Costs						
MIS Salaries	166,148	172,152	178,088	182,737	191,402	4.7%
Total Personnel	166,148	172,152	178,088	182,737	191,402	4.7%
Non-Personnel Costs						
Internet Connectivity and Web Site	11,618	15,252	15,191	15,300	15,300	0.0%
Software Maintenance and Upgrades	172,126	201,015	178,980	251,311	395,089	57.2%
Computer Upgrades and Replacements	56,855	38,558	44,617	44,600	50,800	13.9%
Purchased Services	2,067	2,621	1,571	6,000	6,000	0.0%
Supplies and Materials	3,595	4,211	4,694	4,800	4,800	0.0%
Professional Development	7,293	803	750	1,650	1,650	0.0%
Interdepartmental Charges	(202,738)	(181,664)	(214,415)	(247,924)	(396,752)	60.0%
Total Non-Personnel	50,816	80,796	31,388	75,737	76,887	1.5%
Total Expenditures	216,964	252,947	209,476	258,474	268,289	3.8%
Net Expenditures	211,251	247,234	202,444	252,474	260,789	3.3%

Assessing Department



Hanover Assessing Department

Budget Narrative

The Budget is quite simple and straight forward. What has changed is we added the position of Field Appraiser to the budget necessitating an increase in salaries. To counter that there is the elimination on funds being placed into the capital reserve funds for future data verification and statistical updates costs which will be handled internally within the budget moving forward.

The Hanover Assessing Department is very proud of our accomplishments over the last year. As Director arriving here in March of 2020 with over 400 building permits on my desk and probably another 100 properties that were not looked at from previous Director, we had our work cut out for us. Not to mention the over 125 abatement requests representing about 175 properties or the 67 superior court lawsuits from the college, fraternities and other property owners.

With all that said, we hired a Field Appraiser, entered into a negotiated joint motion for the revaluation with the NH DRA and engaged the services of VGSi (Vision Appraisal) to assist in completing a full measure and list revaluation for tax year 2021 which is currently underway using their software.

Additionally, during this time we settled all the Dartmouth lawsuits and established a working relationship with their Director of Real Estate. Along with that we migrated the Town's GIS system and the Assessing Data into one site for ease of use and savings to the bottom line. Previously there were essentially 2 active mapping sites.

Although the budget appears to be down year over year there is a third person mentioned earlier who was introduced into the budget who will be the primary field person for the department. As you know there were plenty of citizens protesting the validity of the 2018 assessments and the process that followed. I have reached out to those individuals to listen to and understand their concerns and educate them in the process. The idea is to restore transparency and trust in the assessment program.

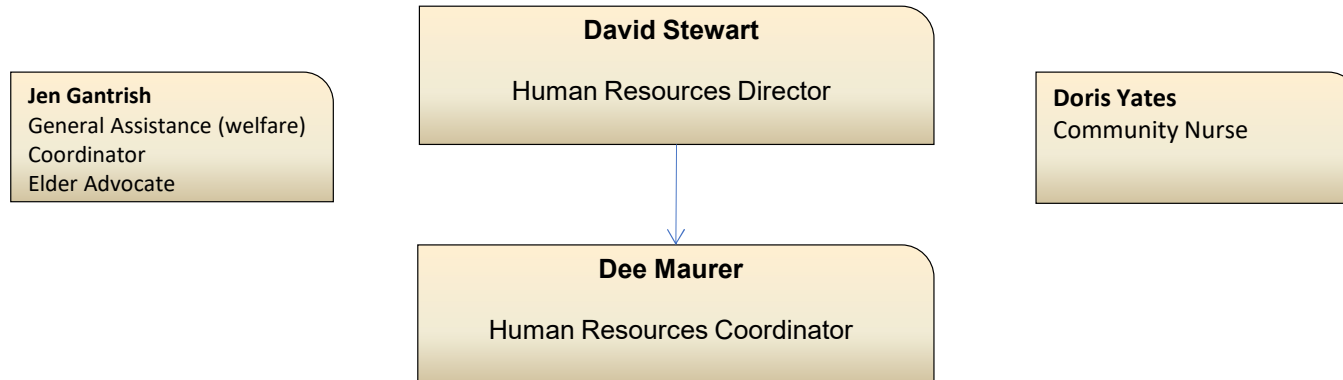
Future goals after getting through the revaluation this year is to thoroughly review all Current Land Use files and develop maps depicting land in CU and land not in CU commonly referred to as Curtilage. This will allow us to better track compliance with the program.

Another area we have been working on is delivering standard operating procedures concerning the Advisory Board of Assessors also know as by-laws along with further education of the members. This will continue to be an on-going process.

Town of Hanover
Tax Assessing
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Transfer from Capital Reserve Fund	15,000	2,152	-	26,000	-	-100.0%
Total Revenues	15,000	2,152	-	26,000	-	-100.0%
<u>Expenditures</u>						
Personnel Costs						
Assessing-Full Time	177,495	183,096	187,629	196,513	255,358	29.9%
Total Personnel	177,495	183,096	187,629	196,513	255,358	29.9%
Non-Personnel Costs						
Supplies and Materials	4,764	3,571	5,769	5,580	5,580	0.0%
Other Program Support	2,468	1,846	1,746	2,770	4,170	50.5%
Professional Development	569	1,849	586	3,300	2,000	-39.4%
Interdepartmental Charges	7,420	2,438	2,166	5,879	8,250	40.3%
Revaluation Program Expenditures	-	2,152	15,000	225,000	-	-100.0%
Transfer to Capital Reserve Fund	10,000	-	10,000	-	-	-
Total Non-Personnel	25,222	11,856	35,268	242,529	20,000	-91.8%
Total Expenditures	202,716	194,952	222,896	439,042	275,358	-37.3%
Net Expenditures/Net (Revenues)	187,716	192,800	222,896	413,042	275,358	-33.3%

Human Resources



HUMAN RESOURCES

The Human Resources Department continues to take a frugal and prudent approach to HR-related expenditures, always with a view toward improving transactional efficiency, transparency, and cost-effectiveness.

Our proposed expenditures are down slightly from last year. Reductions to our Professional Services and Supplies and Materials budgets have helped offset the recurring costs to maintain our NEOGOV applicant tracking and employee onboarding platform. We also expect to receive another \$2,000 in wellness grants from HealthTrust, as we have for several years due to our ongoing participation in employee health and wellness campaigns.

The NEOGOV “Insight” applicant tracking system continues to pay dividends with its centralized on-line platform for recruiting for positions locally, regionally, and nationally. Because the platform links to other well-known job boards we continue to enjoy an uptick in both the overall quantity and quality of our applicant pools.

We delayed the rollout of the “OnBoard” module to prioritize configuration and training on the Town’s new payroll and financials platform, Incode. We are now at the final testing stage for integrating OnBoard with Incode to reduce duplicate data entry and potentially costly transactional errors, at which point the module will be ready for use by department hiring managers.

The Personnel Costs line-item, which reflects the salaries of the Human Resources Director and the Human Resources Coordinator, includes anticipated 2.0% merit step increases.

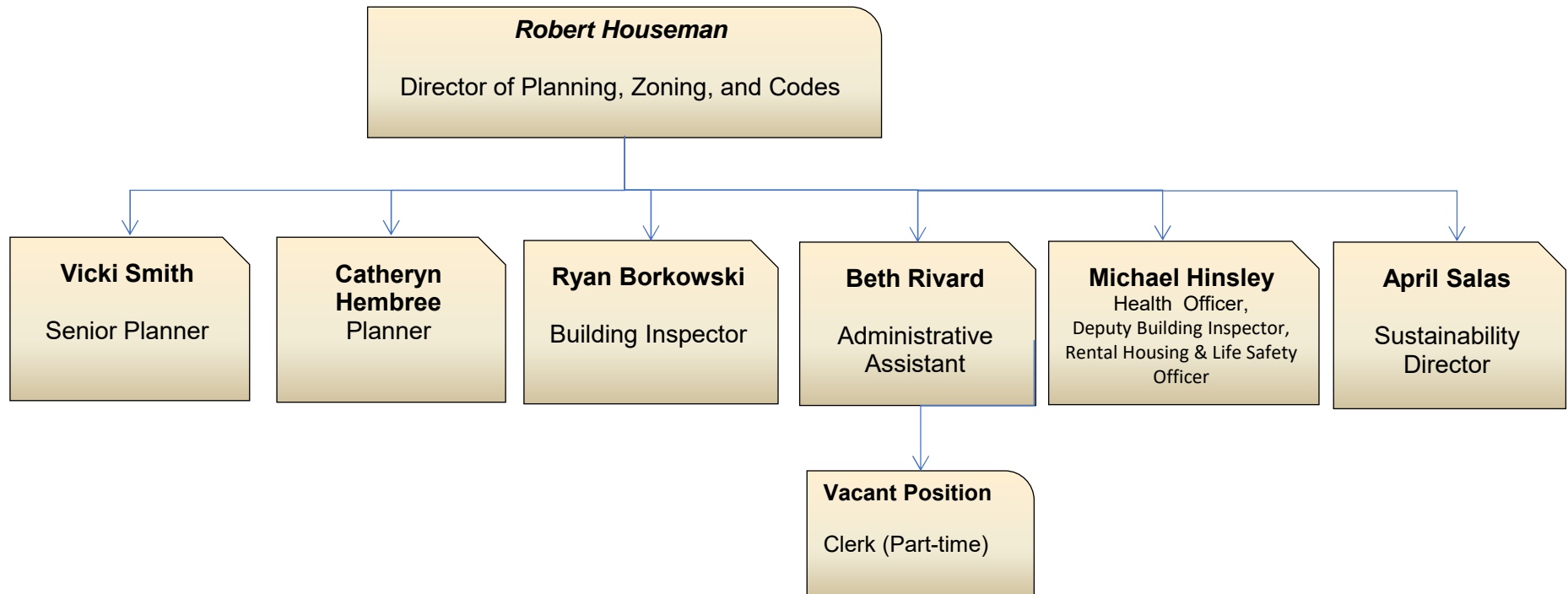
Our Professional Development budget includes memberships in local and national Human Resources associations (\$250) and conference attendance (\$1,500).

The Supplies and Materials budget covers expenses such as flowers for hospitalized employees, memorial contributions, retirement gifts, and an employee holiday breakfast (\$1,500). In addition, this line funds the cost of the Town’s annual in-house flu vaccine clinic, administered by the Fire Department and available to all employees. (\$850). Other minor department expenses are reflected in this line-item for miscellaneous office supplies and postage (\$600), training materials (\$300); and books and subscriptions (\$200).

**Town of Hanover
Human Resources
Department Budget FY2022 (July 1, 2021 - June 30, 2022)**

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Wellness Initiative Grant	2,098	3,582	3,700	2,000	2,000	0.0%
Total Revenues	2,098	3,582	3,700	2,000	2,000	0.0%
<u>Expenditures</u>						
Personnel Costs						
Human Resources Full Time Salaries	192,424	179,267	220,985	178,866	181,335	1.4%
Total Personnel	192,424	179,267	220,985	178,866	181,335	1.4%
Non-Personnel Costs						
Professional Services	399	2,494	1,243	5,000	2,000	-60.0%
Supplies and Materials	6,367	5,885	9,563	9,150	7,250	-20.8%
Professional Development	84	962	332	2,150	2,150	0.0%
Interdepartmental Charges	800	8,236	4,150	8,400	9,200	9.5%
Total Non-Personnel Costs	7,650	17,577	15,288	24,700	20,600	-16.6%
Total Expenditures	200,074	196,843	236,273	203,566	201,935	-0.8%
Net Expenditures	197,977	193,262	232,573	201,566	199,935	-0.8%

Planning and Zoning



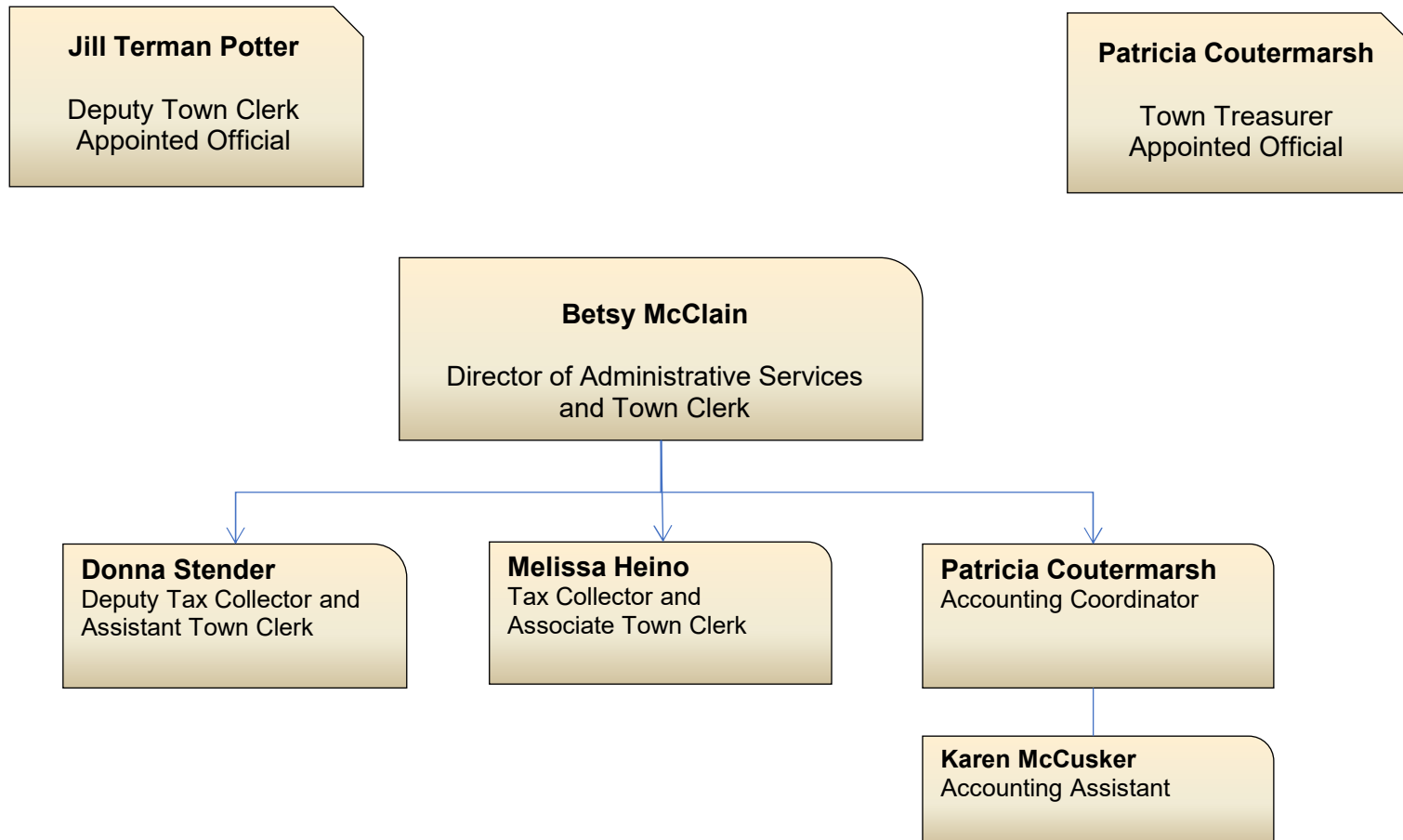
Town of Hanover
Planning and Zoning
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Planning and Zoning						
<u>Revenues</u>						
Building and Zoning Permit Fee Revenue	422,368	1,495,997	672,211	543,500	500,750	-7.9%
Rental Housing Inspection Fees	-	-	-	100,000	100,000	0.0%
Other Miscellaneous Revenues	3,737	1,131	406	1,200	750	-37.5%
Trust Fund Income Disbursement	-	69,000	61,607	94,700	2,500	-97.4%
Total Revenues Planning and Zoning	426,105	1,566,128	734,223	739,400	604,000	-18.3%
<u>Expenditures</u>						
<u>Personnel Costs</u>						
Full-Time Salaries	472,843	482,181	507,183	548,159	501,737	-8.5%
Part Time Salaries	21,944	13,135	13,738	77,000	146,276	90.0%
Total Personnel	494,787	495,316	520,921	625,159	648,013	3.7%
<u>Non-Personnel Costs</u>						
Purchased Services	3,165	3,396	113,256	13,100	8,100	-38.2%
Supplies and Materials	9,758	10,916	7,988	10,400	10,400	0.0%
Other Program Support	21,110	21,148	22,602	38,988	47,674	22.3%
Professional Development	1,946	2,788	3,259	6,000	6,000	0.0%
Interdepartmental Charges	6,300	10,410	9,610	12,200	10,600	-13.1%
Total Non-Personnel Costs	42,279	48,658	156,715	80,688	82,774	2.6%
Total Expenditures Planning and Zoning	537,066	543,974	677,636	705,847	730,787	3.5%
Net Expenditures/(Revenues)	110,960	(1,022,154)	(56,587)	(33,553)	126,787	-477.9%

Town of Hanover
Planning and Zoning
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Conservation Commission						
<u>Revenues</u>						
Land Use Change Tax Revenues	81,220	11,100	37,580	10,000	10,000	0.0%
Transfer in from Conservation Fund	-	-	-	178,500	-	-100.0%
Total Revenues Conservation Commission	81,220	11,100	37,580	188,500	10,000	-94.7%
<u>Expenditures</u>						
Other Program Support	18,646	21,742	5,493	32,700	20,700	-36.7%
Conservation Land Acquisition Project	-	-	-	500,000	-	-100.0%
Transfer to Conservation Fund	45,300	40,610	5,550	5,000	5,000	0.0%
Transfer to Trust Fund	40,610	40,610	5,550	5,000	5,000	0.0%
Total Expenditures Conservation Commission	104,556	102,962	16,593	542,700	30,700	-94.3%
Net Expenditures/(Revenues)	23,336	91,862	(20,987)	354,200	20,700	-94.2%

Administrative Services



ADMINISTRATIVE SERVICES

This section of the budget reflects the Town Clerk, Tax Collection and Accounting activities. The proposed FY2021-2022 budget for Administrative Services is slated to provide just over **\$20,000 of additional General Fund budget relief** to the Town's overall proposed budget. This increase in General Fund resources is driven exclusively by reduced costs given the upcoming retirement of the department's director and the reduction in election-related expenses.

Revenues

Motor Vehicle Registration Revenues, a significant source of general fund resources, has effectively rebounded from the 2008 economic recession. Although the pandemic has impacted other Town of Hanover revenue streams, motor vehicle registrations appear to be holding their own. A slight (\$3,500, 0.2%) decrease from the current year's budget is projected.

Personnel Costs

The Financial Administration salaries include the Administrative Services Director, the Accounting Coordinator and Treasurer, and the Accounting Assistant. This line is reduced to reflect the retirement of the Director and the expectation of hiring a successor at a lower salary. The Town Clerk's Office and Tax Collection Salaries line-item represents two full-time positions: (a) the Tax Collector and Associate Town Clerk; and (b) the Deputy Tax Collector and Assistant Town Clerk. Projected in the proposed budget is a 2.0% merited step increase. The Part-Time Elections salaries represent the per-election wages paid to our elected Supervisors of the Checklist, Deputy Town Clerk, and lead Election Workers and has been reduced to reflect only local elections are anticipated for next fiscal year.

As the duties in support of the Parking Fund have been transferred over to the Parking Administrative Clerk, this source of general fund support (by a back-charge of Town Hall staff time) has withered away. In considering responses to the Parking Fund support going away, the case to allocate 30% (15% each to the Water Utility and Water Reclamation Funds) of the front office staff salaries was made, and this allocation is reflected in the proposed budget. The Town Clerk/Tax Collection staff is responsible for the administration and collection of the quarterly utility billing. In addition, our office fields non-technical billing inquiries and arranges for final readings for tenants and property sellers. The Town Clerk/Tax Collection costs are not in the bucket of costs (such as accounting, legal, HR, etc.) included in the General Administrative overhead allocation long charged-out to enterprise funds.

Financial Administration

The Purchased Services line-item is made up of \$3,600 bank account service fees; \$4,800 Invoice Cloud electronic bill presentment and e-check processing fees; \$1,500 Flexible Spending Account administration (for pre-tax monies available for qualified medical and dependent care expenses; and \$500 for off-site document destruction services.

The Supplies and Materials includes the following: annual lease and service for Town Hall's networked copier and printer (\$7,128); \$305 annual memberships to local and regional financial professional associations; \$3,500 for Town Hall mailroom supplies such as copier paper, envelopes; \$405 annual post office box rental and permit fee; \$2,120 for postage for the Administrative Services Department's billing and payables; and \$100 for publications to keep current on accounting and payroll-related issues.

The Professional Development line-item is level funded at \$1,110 and allows staff to attend selected regional accounting and finance training sessions.

The Interdepartmental Charges line-item of \$17,425 represents the annual maintenance of our new Cloud-based financial software, Tyler Technologies Incode, and the replacement of one staff computer. The increase reflects the full cost of software maintenance after certain transition incentives have expired.

Town Clerk and Tax Collector

The Purchased Services line-item represents: \$300 for Grafton County fees to record the placement of tax liens, and their subsequent releases; \$400 for mortgagee searches prior to tax lien execution; \$250 for the Town Hall surveillance camera maintenance contract; \$450 newspaper notices regarding election information and tax notices; \$1,900 for electronic voting machine annual maintenance and ballot coding; \$1,100 for annual service of the folder/sealer machine and other office equipment; and \$3,000 for Town ballot printing. This line-item is reduced due to less election activity.

The Supplies and Materials line-item represents: \$4,600 for self-sealer invoice and notice stock, dog ID tags, and other departmental supplies; \$8,000 postage for first class mailing of official Town Clerk and Tax Collector invoices and notices; \$100 for reference books

The Other Program Support line-item of \$500 provides funds for membership to local professional associations and refreshments for election workers. This line-item has been decreased due to the number of elections in the coming fiscal year.

The Professional Development line-item of \$700 reflects funds for attendance at regional seminars and related mileage.

The Interdepartmental Charges line-item represents the back-charge of technology charges from the Information Technology Department: \$9,369 for the annual support and service contract fee for the cash receipting, cemetery, tax collection, motor vehicle registration integrated municipal software module; \$480 E-Reg motor vehicle registration fee estimator and credit card terminal coverage; \$800 for a staff computer replacement; and \$1,000 for printer cartridges for the printers dedicated for motor vehicle registrations and vital records.

The Transfer to Designated Reserve line-item (\$34,000) is an offset of the Transportation Improvement Fees budgeted in the Revenue Section. This appropriation enables the transfer of the additional \$5 motor vehicle registration fee to a special reserve account at the end of the fiscal year. This reserved amount may then be appropriated to the Municipal Transportation Improvements Capital Reserve Fund at the next Town Meeting.

Town of Hanover
Administrative Services
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Motor Vehicle Registration Fees	1,527,209	1,572,832	1,546,030	1,577,500	1,574,000	-0.2%
Town Clerk Permit, License and Other Fees	32,506	30,060	26,085	31,900	27,400	-14.1%
Total Revenues	1,559,715	1,602,892	1,572,115	1,609,400	1,601,400	-0.5%
<u>Expenditures</u>						
Personnel Costs						
Financial Administration-Full Time	258,539	266,739	279,170	283,320	281,687	-0.6%
Town Clerk's Office /Tax Collection-Full Time	114,875	119,799	122,377	120,218	123,953	3.1%
Election Support-Part Time	1,188	5,652	-	5,000	3,500	-30.0%
Allocation of Front Office Staff to Other Depts	(28,813)	(17,698)	(18,240)	(7,863)	(37,186)	372.9%
Total Personnel	345,790	374,492	383,307	400,674	371,954	-7.2%
Financial Administration						
Purchased Services	17,040	9,304	9,210	13,100	10,400	-20.6%
Supplies and Materials	5,824	15,331	15,198	12,958	13,558	4.6%
Professional Development	954	387	65	1,100	1,100	0.0%
Interdepartmental Charges	31,521	47,057	13,000	15,250	18,225	19.5%
Total Financial Administration	55,339	72,079	37,473	42,408	43,283	2.1%
Town Clerk and Tax Collector						
Purchased Services	3,144	7,712	7,693	8,140	7,400	-9.1%
Supplies and Materials	11,269	13,367	13,497	12,650	12,700	0.4%
Other Program Support	539	1,655	817	950	500	-47.4%
Professional Development	356	217	179	700	700	0.0%
Interdepartmental Charges	9,280	11,558	11,203	10,869	11,649	7.2%
Transfer to Transportation Improvement Fund	33,985	34,265	33,860	34,000	34,000	0.0%
Total Town Clerk and Tax Collector	58,572	68,773	67,249	67,309	66,949	-0.5%
Total Non-Personnel	113,911	140,852	104,722	109,717	110,232	0.5%
Activity Totals						
Financial Administration	313,878	338,818	316,643	325,728	324,970	-0.2%
Town Clerk and Tax Collector	145,823	176,526	171,386	184,663	157,216	-14.9%
Total Expenditures	459,701	515,345	488,029	510,392	482,186	-5.5%
Net Expenditures/Net (Revenues)	(1,100,014)	(1,087,547)	(1,084,086)	(1,099,008)	(1,119,214)	1.8%

MUNICIPALITY-WIDE UNALLOCATED COSTS

This section of the General Fund budget reflects all costs not allocated specifically to a department program or stand-alone fund. These items include tax revenues, state grants, investment income and other revenues; legal services provided to the Town by outside attorneys; property and liability insurance premiums; all employee benefits for employees whose salaries are funded by the General Fund; and charge-back amounts to the Fire, Ambulance, Water Reclamation Facility, Water Utility, and Parking for services provided by the general administrative departments funded by the General Fund.

Revenues

This initial proposed budget reflects an anticipated municipal property tax levy for the upcoming FY2021-2022 of \$10,557,009. Projected growth in the net assessed valuation is forecast to be \$8,000,000 (from \$2,300,746,395 used to set current tax rates to \$2,308,746,395). Accordingly, a **3.00%** increase in the municipal tax rate (from \$4.44 to \$4.57 per \$1,000 of net assessed property valuation) is necessary to generate adequate property tax revenue to fully fund the Town's proposed FY2020-2021 budget, as presented.

The Selectboard may set aside a sum not to exceed 5.0% of the amount to be raised by taxes – called overlay – to fund property tax abatements. Given that next fiscal year's taxes will be based on values determined from the tax year 2021 full measure and list revaluation currently underway, \$250,000 has been proposed as Overlay for FY2022 to be sure that adequate resources are set aside as an overlay reserve. The remaining \$78,000 contra-revenue on this line-item relates to a property tax credit of \$500 for qualifying veterans adopted some years ago at Town Meeting.

Payments in Lieu of Taxes (PILOTs) reflect payments made to the Town for municipal services from certain property tax exempt organizations: Summer Park Community Housing (\$43,298); Department of the Interior for the Appalachian Trail running through Hanover (\$7,124); and \$75,272 from the Town's Water Utility Fund. As part of the municipalization of the Hanover Water Works Company authorized by an October 2009 Special Town Meeting, the Water Utility Fund will make annual transfers into the Town's General and Fire Funds and to the Hanover School District to offset the loss of tax revenue on property taxes formerly paid by Hanover Water Works Company prior to the transfer of the water utility assets to the Town. Except for the DOI payment, these payment amounts are calculated by our Town Assessor and reflect current property values and the current applicable local tax rates. This line-item has been reduced to reflect that no PILOT is anticipated in the upcoming budget year from the previous Outreach House property.

The proposed FY2021-2022 budget includes Hanover's allocation of the Statewide Meals & Rooms Tax (M&R) budgeted at the amount of actual funds received in the current fiscal year, resulting in a small year-to-year decrease. The M&R distribution has no relationship to the tax revenue generated from a particular municipality but is based entirely on population. The State's distribution formula historically shared with municipalities a portion of the growth in overall Rooms and Meals tax revenues paid to the State and was intended to increase each year until the State-shared portion for municipalities grew to 40% of the total collected. However, repeatedly, the State Legislature has held back distributing growth in strong M&R revenues with municipalities in order to address the State's own budget problems. As the State looks deeper into addressing its ongoing budget challenges, this revenue source could be vulnerable.

The Town Treasurer invests the Town's working capital in a combination of competitive short-term investment vehicles with local New Hampshire banks, a sweep account, and short-term investments with the New Hampshire Public Deposit Investment Pool. We were beginning to see a healthy rebuild from the 2008 recession as illustrated by the healthy FY2019 year-to-date actuals for Short Term Interest Income. However, once the pandemic hit, interest rate took a dive and are again hovering at or on 0.0%. The loss of \$264,000 of non-tax general fund budget relief made this year's budget development especially challenging.

There is a proposed \$449,785 budgeted use of General Fund Undesignated Fund Balance (UFB). As described in the Town Manager's transmittal letter, the bulk of this draw (\$370,000) brings the General Fund UFB down to 10.0% and is an emergency stop-gap measure to address the Town's reduced non-tax revenue sources brought about by the pandemic. The difference of \$79,785 will not be an actual draw against the General Fund UFB but is budgeted as a revenue to provide an offset for the appropriation of the Teen Librarian position in the Howe Library that is expected to be unfilled and remain frozen during FY2022.

The \$10,000 transfer from Designated Funds reflects a portion of the proposed utilization of the Lou and Ann Bressett Memorial Endowment Funds to offset the cost of additional hours for the Adults and Seniors Program Manager (year 2 of 3). More information on this fund and the proposed FY2021-2022 appropriations to be funded by the Bressett Fund is available in the Budget Overview section of this binder.

Employee Benefits

This section incorporates the costs of fringe benefits provided to all employees whose salaries are charged to the General Fund.

The line-item Section 125 Benefits reflects the cost of providing the Town's cafeteria benefits package to eligible employees. Over the last several years, we have implemented a significant change to employee benefits as the calculation of points is now based on a discounted value of managed care option matching the employee's benefits eligibility vs. based on the cost of the point-of-service health plan. With the volatility in the health care industry, management will undoubtedly be compelled to revisit the determination of the health insurance driver from the managed care option to an in-patient deductible plan. This line-item has increased by 3.6% to reflect the projection of next year's costs based on the annualized current year costs incremented by 7.8%, our guaranteed not-to-exceed premium increase provided to us by HealthTrust.

Social Security and Medicare Employer Contributions are budgeted to reflect the appropriate employer contribution (7.65% for NHRS Group I and other non-public safety employees; 1.45% for NHRS Group II public safety employees) calculated to increase by the budgeted 2.0% merit step increase. This line-item is based on adjusting prior-year actual FICA costs by known inflators; it has not been calculated by incrementing the current year's budget by 2.0%.

NHRS Employer Contribution rates are slated to increase significantly on July 1, 2021. The approximate 20% increase in rates is driven primarily from the NHRS Board of Trustees reducing the assumed rate of investment return from 7.25% to 6.75%. The NHRS is funded by contributions from both the Town and its employees, as well as by income earned on its investments. Employee contribution rates are established by the State Legislature, while employer contribution rates are set bi-annually by the NHRS Board of Trustees. These rates are set every two years by the Board to reflect the cost of the benefits as they accrue, as well as to pay down existing unfunded liabilities. Attached as supplementary information in this section of the budget binder is more information about these rate increases.

We have been notified of a not-to-exceed rate of 9.5% for the Town's Workers' Compensation Premium; and have applied this inflator to the most recently completed annual actual cost.

The Other Employee Benefits line-item is comprised of the supplemental retirement plan contributions provided to the Town Manager in lieu of Town contributions to the NHRS on her behalf (this is the only full-time position that can opt out of the NHRS) and the grandfathered retirement benefits totaling paid to retirees who retired long ago with Town-funded provisions.

The Benefits Allocated to Other Funds reflects the proportionate fringe benefits cost related to wages charged to other fund groups for General Fund employees providing services for activities accounting for in enterprise or other funds. This line-item is reduced due to a reduction in the charge-back of front office staff to Parking Administration

Allocation of Administrative Costs

The allocation of Administrative Costs to the Fire, Ambulance, Water Reclamation Facility, Water Utility, Parking and Housing Funds stays the same at <\$556,720 >, providing a degree of relief to offset increasing General Fund expenditures. Shared general and administrative overhead costs (such as legal fees, human resources management, financial reporting, and information technology support) are apportioned to the various funds based on the funds' total non-capital appropriations as a percentage of the Town's overall non-capital appropriations. This cost allocation basis, although not precise, provides an approximate distribution of overhead costs without utilizing a cumbersome, time intensive tracking system.

Debt Service

This section covers principal and interest costs for long-term bonds and notes charged to the General Fund. FY 2022 General Fund debt service payments comprise the following:

Issued	Project	Debt Service Amount (Principal plus Interest)
2003	R.W. Black Community & Senior Center	\$79,312
2004	Payment to Dresden School District as part of Tri-Party Agreement (for first right of refusal to purchase HHS property)	\$100,000

The final payment on the Community & Senior Center Construction will be in 2023. The final installment to the Dresden School District of the \$2,000,000 paid in annual interest-free installments of \$100,000 will be in 2024.

Other Expenditures

The Town of Hanover receives a single property and liability insurance invoice that is then allocated to various funds based upon covered equipment, total payroll, and other factors. The projected premium is based on the proposed not-to-exceed premium increase of 9.2%. No change is proposed for the budgeted amount for legal consulting services.

Town of Hanover
Municipality-Wide Unallocated Costs
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Taxes						
Municipal General Fund Tax Levy	9,630,522	9,937,331	10,057,685	10,248,774	10,557,009	3.0%
Overlay and Tax Credits	(202,958)	(461,026)	(530,122)	(328,000)	(328,000)	0.0%
Interest on Delinquent Taxes	105,973	64,353	42,422	65,000	65,000	0.0%
Yield Tax	21,970	5,712	27,372	12,000	12,000	0.0%
Payments in Lieu of Taxes	134,102	125,252	113,029	129,730	125,694	-3.1%
Total Taxes	9,689,609	9,671,621	9,710,386	10,127,504	10,431,703	3.0%
NH State Grants and Payments						
Unrestricted Aid from State Biennial Budget	-	-	44,167	44,167	-	-100.0%
NH Meals and Rooms Tax Allocation	591,093	583,216	585,406	593,633	582,032	-2.0%
Total State Grants and Payments	591,093	583,216	629,574	637,800	582,032	-8.7%
Investment Income						
Short Term Interest	203,260	369,295	279,212	360,000	96,000	-73.3%
Total Investment Income	203,260	369,295	279,212	360,000	96,000	-73.3%
Other						
Undesignated Fund Balance Used	-	-	281,256	430,000	449,785	4.6%
Miscellaneous Income	10,339	100,709	13,445	26,976	12,000	-55.5%
Transfers from Designated Funds	-	12,401	94,047	331,500	10,000	-97.0%
Total Other	10,339	113,110	388,748	788,476	471,785	-40.2%
Grand Total Revenues	10,494,301	10,737,243	11,007,920	11,913,780	11,581,520	-2.8%
<u>Expenditures</u>						
Employee Benefits						
Section 125 Benefits	1,602,076	1,624,730	1,629,207	1,707,581	1,769,102	3.6%
Social Security and Medicare	439,190	448,509	466,762	479,904	505,380	5.3%
NHRS Retirement Contribution	976,790	961,991	974,451	1,019,710	1,218,064	19.5%
Workers Compensation	95,509	98,776	95,222	102,600	99,364	-3.2%
Other Employee Benefits	20,831	15,492	239,777	25,738	26,631	3.5%
Benefits Allocated to Other Funds	(165,574)	(166,923)	(101,126)	(97,782)	(96,541)	-1.3%
Total Employee Benefits	2,968,822	2,982,574	3,304,293	3,237,752	3,522,000	8.8%

Town of Hanover
Municipality-Wide Unallocated Costs
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Allocation of Administrative Costs						
Charges of Administrative Overhead to Other Funds	(531,965)	(545,264)	(542,858)	(556,720)	(556,720)	0.0%
Total Allocation of Administrative Costs	(531,965)	(545,264)	(542,858)	(556,720)	(556,720)	0.0%
Capital Costs						
Debt Service-Principal and Interest	193,939	188,674	184,774	180,912	179,312	-0.9%
Total Capital Costs	193,939	188,674	184,774	180,912	179,312	-0.9%
Other Expenditures						
Property/Liability Insurance	74,397	72,251	63,645	73,000	79,716	9.2%
Legal Services	53,684	69,716	189,595	70,000	70,000	0.0%
Total Professional Services	128,082	141,968	253,240	143,000	149,716	4.7%
Total Non-Personnel	(209,945)	(214,623)	(104,845)	(232,808)	(227,692)	-2.2%
Activity Totals						
Employee Benefits	2,968,822	2,982,574	3,304,293	3,237,752	3,522,000	8.8%
Allocation of Administrative Costs	(531,965)	(545,264)	(542,858)	(556,720)	(556,720)	0.0%
Capital Costs	193,939	188,674	184,774	180,912	179,312	-0.9%
Other Expenditures	128,082	141,968	253,240	143,000	149,716	4.7%
Total Expenditures	2,758,877	2,767,951	3,199,449	3,004,944	3,294,308	9.6%
Net Expenditures/Net (Revenues)	(7,735,424)	(7,969,292)	(7,808,471)	(8,908,836)	(8,287,212)	-7.0%



September 8, 2020

FROM: NHRS Board of Trustees
George P. Lagos, Executive Director

TO: Political Subdivisions, including Municipalities, School and Village Districts, Counties, and others

SUBJECT: **EMPLOYER CONTRIBUTION RATES – POLITICAL SUBDIVISIONS**
EFFECTIVE JULY 1, 2021 – JUNE 30, 2023

Pursuant to RSA 100-A:16, III, and the actuarial valuation of June 30, 2019, the New Hampshire Retirement System Board of Trustees at its September 8, 2020, meeting certified the following political subdivision employer rates of contribution due the retirement system beginning July 1, 2021, and ending June 30, 2023. Employers shall ensure that these rates are implemented for Earnable Compensation paid on and after July 1, 2021.

POLITICAL SUBDIVISION EMPLOYER CONTRIBUTION RATES
EFFECTIVE JULY 1, 2021 – JUNE 30, 2023

	<u>Pension Percentage</u>	<u>Medical Subsidy Percentage</u>	<u>Total Employer Percentage</u>
<u>GROUP I</u>			
Employees	13.75%	0.31%	14.06%
Teachers	19.48%	1.54%	21.02%
<u>GROUP II</u>			
Police	30.67%	3.21%	33.88%
Fire	29.78%	3.21%	32.99%

The employer contribution rates must be applied to the covered payroll for each respective membership classification.

Please refer any questions regarding this memo to: info@nhrs.org



New Hampshire Retirement System
54 Regional Drive, Concord, NH 03301
Phone: (603) 410-3500 - Fax: (603) 410-3501
Website: www.nhrs.org - Email: info@nhrs.org

September 11, 2018

FROM: NHRS Board of Trustees
George P. Lagos, Executive Director

TO: Political Subdivisions, including Municipalities, School and Village Districts, Counties, and others

SUBJECT: **EMPLOYER CONTRIBUTION RATES – MUNICIPAL
EFFECTIVE JULY 1, 2019 – JUNE 30, 2021**

Pursuant to RSA 100-A:16, III, and the actuarial valuation of June 30, 2017, the New Hampshire Retirement System Board of Trustees at its September 11, 2018, meeting certified the following employer rates of contribution due the retirement system beginning July 1, 2019, and ending June 30, 2021. Employers shall ensure that these rates are implemented for Earnable Compensation paid on and after July 1, 2019.

**EMPLOYER CONTRIBUTION RATES
EFFECTIVE JULY 1, 2019 – JUNE 30, 2021**

	<u>Pension Percentage</u>	<u>Medical Subsidy Percentage</u>	<u>Total Employer Percentage</u>
<u>GROUP I</u>			
Employees	10.88%	0.29%	11.17%
Teachers	15.99%	1.81%	17.80%
<u>GROUP II</u>			
Police	24.77%	3.66%	28.43%
Fire	26.43%	3.66%	30.09%

The employer contribution rates must be applied to the covered payroll for each respective membership classification.

Please refer any questions regarding this memo to: info@nhrs.org



The fiscal year (FY) 2022-23 rates for the State of New Hampshire and for political subdivision employers were certified by the New Hampshire Retirement System (NHRS) Board of Trustees on September 8, 2020.

Here are answers to some common questions that participating employers may have concerning those rates.

How are employer contribution rates determined?

Employer contribution rates are developed as part of a biennial actuarial valuation, which is required by statute. The NH Constitution (Part, I, Article 36-a) requires that the rates be based on “sound actuarial valuation and practice” as required to maintain the retirement system trust fund at the level needed to meet its future obligations.

GRS, the retirement system’s consulting actuary, determines the cost of future benefits, the unfunded actuarial accrued liability (UAAL), and employer contribution rates based on assumptions about many future events, such as the age when members will retire, their rate of salary growth, how long they will live after retirement, and how much the plan’s investments will earn. These assumptions are based on detailed statistical models and adhere to national Actuarial Standards of Practice. However, they are not facts; no one can predict future events. When the actual experience doesn’t match the assumptions, there can be an actuarial gain or loss. Put simply, gains reduce employer contribution rates, losses increase employer contribution rates.

When are employer contribution rates set?

Employer contribution rates are set every two years pursuant to RSA 100-A:16, III.

The contribution rates for FY 2022 and 2023 are based on the actuarial valuation as of June 30, 2019.

FY 22-23 EMPLOYER CONTRIBUTION RATES

	Pension	Medical Subsidy	Total
Employee-State	13.75%	0.78%	14.53%
Employee-Political Sub	13.75%	0.31%	14.06%
Teacher	19.48%	1.54%	21.02%
Police	30.67%	3.21%	33.88%
Fire	29.78%	3.21%	32.99%

Employer contributions are increasing for all four member groups from the FY 20-21 rates.

Why are employer contribution rates increasing in FY 22-23?

The rate increase is largely the result of recommended changes to the actuarial assumptions used to value the pension plan that were adopted by the Board of Trustees in June. The most significant drivers of the rate increase, in order of impact, were: 1) the reduction of the assumed rate of investment return from 7.25% to 6.75%; 2) the adoption of updated post-retirement mortality assumptions; and 3) a reduction in the payroll growth factor.

For additional details on the experience study, see: [“FAQ: 2019 Actuarial Experience Study”](#)

Of all the assumptions used to estimate the cost of a public pension plan, none has a larger effect on employer contribution rates than the investment return assumption. This is because, over time, earnings from investments account for a majority of the retirement system’s funding.

In reviewing the assumed rate of return over a period of months, NHRS Trustees heard capital market presentations from several independent, expert sources, including NEPC, the retirement system’s investment consultant. GRS, in its role as consulting actuary, advised the Board that an assumed rate of return within the range of 6.25% to 7.0% would be actuarially reasonable, but recommended adopting a rate of no more than 6.75%.

The 6.75% rate represents what NHRS Trustees believe the plan can realistically earn from its investments on an annual basis, when averaged over the long-term. In any given year, investment returns are likely to be higher or lower than the long-term assumed rate, depending on current economic and market conditions. The employer contribution rate for Group I Teachers was additionally impacted by the adoption of a payroll growth assumption lower than other member groups.

Why is the payroll growth assumption different for the Teacher group?

This was a decision driven by the demographic experience of teachers. Since 2016, the teacher payroll growth assumption has been set lower than the other three member groups (Employee, Police, and Fire) to compensate for an anticipated annual decrease in the number of active teachers due to an ongoing decline in New Hampshire’s school-age population. From 2009 to 2019, the number of active teachers has declined from 18,709 to 17,730. The most recent state population projections from the New Hampshire Office of Strategic Initiatives show a declining school age population through at least 2025.

How does the NHRS 6.75% assumed rate of return compare to other state pension plans?

The National Association of State Retirement Administrators (NASRA) regularly analyzes data from more than 100 of the largest public pension plans in the country. Out of 127 public pension plans surveyed in February 2016, 114 have reduced their assumed rate of return.

When NHRS reduced its assumed rate of return from 7.75% to 7.25% in 2016, the average among all plans was 7.62%; the average rate, as of February 2020, was 7.22%, and more plans have reduced their assumed rate of return since then.

How does the change in rates from FY 20-21 to FY 22-23 compare to previous cycles?

For the five-year period ending July 1, 2020, the aggregate employer contribution rate for all member groups increased cumulatively by 6.3%; for the same five-year period, the U.S. consumer price index (CPI) increased cumulatively by 8.6%. The aggregate 19.6% increase from FY 20-21 to FY 22-23, while significant, is less than the 23.2% increase in FY 14-15 over the prior biennium.

How do NHRS employer contribution costs compare to other states?

In FY 19, the most recent year national data is available from the Public Plan Database, NHRS employer pension contributions were below the national average of more than 200 state pension plans as a percentage of payroll (15.4% to 18.2%).

In FY 17, the most recent year national data was compiled by NASRA, NHRS employer pension contributions were also below the national average as a percentage of state and local government direct general spending (3.98% to 4.70%).

Does the NHRS Board of Trustees have any leeway when certifying employer rates?

There is very limited discretion in setting the employer rates. The state Constitution and state law require that the NHRS Board of Trustees certify actuarially sound employer contribution rates necessary to keep the retirement system on track to meet its long-term obligations and that employers pay those rates in full.

The relevant section of Part I, Article 36-a of the Constitution reads, in part:

“The employer contributions certified as payable to the New Hampshire retirement system ... as shall be determined by sound actuarial valuation and practice ... shall be appropriated each fiscal year to the same extent as is certified.”

In addition to the constitutional mandate, Trustees are also bound by their fiduciary duty to the pension plan, which is the highest standard of conduct under the law. When NHRS fiduciaries make decisions about benefit administration, investments, or any other subject that falls within their statutory responsibilities, they are required to act solely in the best interest of the collective membership, not on behalf of individual members or member groups, employers, lawmakers, taxpayers, or anyone else who might have an interest in the outcome of the decision.

Even if permitted by law, reducing contribution rates without consideration of the impact on NHRS’ long-term ability to fund benefits would run counter to the Board’s fiduciary duty, and would result in creating additional unfunded liabilities to the detriment of the plan and its participants.

Why are there different rates for each of the member classifications?

Employer contribution rates for Employee, Teacher, Police, and Fire members are determined separately based on benefit structure, demographics, and other information unique to each member classification, so rates vary among the different groups. Group II rates are higher because the retirement age for Police and Fire members is lower and the Group II benefit formula produces a larger pension than the Group I benefit formula. (Note: Group II members are not eligible for Social Security benefits for their NHRS-covered employment; neither they nor their employers pay Social Security taxes.)

In addition to the pension costs, the employer rates also contain a Medical Subsidy rate that ranges from 0.31% to 3.21% of covered payroll, depending on the member classification. (See below for more information on the Medical Subsidy.)

How does the unfunded pension liability affect employer contribution rates?

There are three components to employer contribution rates: the normal cost, unfunded actuarial accrued liability (UAAL), and the medical subsidy.

The normal cost reflects the estimated actuarial cost of pension benefits as those benefits are earned each year by members. This cost is shared by the employer and the member, with members paying the majority of the normal cost. The normal cost will continue to decline over time due to 2011 legislative changes that reduced benefit provisions for new members hired on or after July 1, 2011, as well as any member hired prior to that date but not vested prior to January 1, 2012.

The UAAL is the estimated value of NHRS benefits that have been earned in the past, but have not yet been funded. The current unfunded liability is borne solely by the employers. Overall, the unfunded liability accounts for more than 70% of the total employer contribution rate.

There have been several contributing factors to the current NHRS unfunded liability:

- A flawed statutory funding methodology in effect from 1991-2007 that led to the long-term under-calculation of employer contributions;
- The diversion of approximately \$900 million in investment earnings from the pension trust into a “Special Account” over roughly the same period. (The Special Account, which was created by legislation in the 1980s and repealed in 2012, funded other post-retirement benefits such as cost-of-living adjustments);
- Global economic dips (the 2001-02 dot-com bubble and the Great Financial Crisis of 2008-09) negatively impacting investment performance;
- Adoption of more conservative actuarial assumptions in 2011, 2016, and 2020 by the NHRS Board of Trustees, based on the results of actuarial experience studies required by statute and the Board’s Actuarial Funding Policy. (Note: While the changes to the assumptions for investment returns, payroll growth and mortality increased the UAAL, they also financially strengthened the retirement system trust fund by generating additional revenue through increases to employer contributions.)

Despite the unfunded liability, retirement benefits for NHRS members are secure. Changes made in recent years have put NHRS on a solid path to financial health, however, the unfunded liability took many years to create, and it will take many years to eliminate.

In 2007, the Legislature created a closed, 30-year amortization period to pay off the UAAL, which commenced on July 1, 2009. In 2018, legislation was enacted to recognize actuarial gains and losses incurred after July 1, 2017, over closed periods of no more than 20 years. This is referred to as “layered amortization.” The approximate \$5 billion UAAL as of June 30, 2017 – referred to as the “initial UAAL” – will continue to be paid down through 2039.

Future actuarial gains and losses will be layered and spread more evenly over time, avoiding some of the potential employer contribution rate volatility as 2039 approaches, and also providing a basis for managing gains and losses incurred beyond 2039.

Because it was only enacted recently, layered amortization has only a minor impact on the FY 22-23 contribution rates, although it did, in fact, reduce the impact of the assumption changes slightly.

What impact did the recent retiree cost-of-living adjustment (COLA) have on the rates?

The COLA enacted by the Legislature in 2019 – which phases in a permanent increase to the monthly benefit for eligible retirees and beneficiaries – increased the employer contribution rates within a range of 0.11% to 0.34% as a percent of payroll, depending on the member classification, and decreased the funded ratio of the pension plan by 0.2%.

Why is the Medical Subsidy included in the employer rate?

The Medical Subsidy is a statutorily-required payment made by NHRS directly to an eligible retiree’s former employer or the employer’s health insurance administrator that goes toward the cost of health insurance for a qualified retired member, spouse, or dependent child(ren). The Medical Subsidy is not a health insurance plan.

Medical Subsidy benefits are funded from a 401(h) trust for political subdivision Employees, state Employees, Teachers, and Police and Fire members. Because these benefits are pay-as-you-go, employers are required by statute to pay the minimum rate necessary to maintain the benefits provided for each of the above groups.

Because this benefit is a closed plan, except with respect to certain Group II members, the Medical Subsidy rates are expected to decrease in future years. Medical Subsidy rates will decline in FY 22-23 for state Employees, Teachers, Police, and Fire.

Does the State of New Hampshire pay any portion of the political subdivision employer rates?

No. In 2012, the New Hampshire Supreme Court upheld statutory changes to RSA 100-A:16 enacted in 2009 that reduced the percentage the State of New Hampshire paid toward employer retirement contributions for Teacher, Police, and Fire members employed by political subdivisions. Those contributions were subsequently eliminated entirely with the enactment of House Bill 2 in 2011.

The Supreme Court decision did not change the total amount of employer contributions that must be paid to the retirement system – it only upheld the State’s authority to reduce, and eventually eliminate, its contribution toward employer retirement contributions for Teacher, Police, and Fire members employed by political subdivisions. The net result of the decision was to shift pension costs from the State to political subdivisions.

When RSA 100-A:16 was enacted in 1967, the State was responsible for 40% of the employer contribution for Teacher members employed by political subdivisions. The statute was amended in 1977, requiring the State to pay 35% of the employer contributions for Teacher, Police, and Fire members employed by political subdivisions.

RSA 100-A:16 was amended in 2009 to reduce the State’s share to 30% in FY 2010 and 25% in FY 2011. The 2009 amendment also restored the State contribution to 35% in FY 2012. However, the statute was amended again in 2011 to eliminate the State’s percentage share of employer contributions altogether. The 2011 amendment also included a one-time transitional appropriation of \$3.5 million in an effort to offset political subdivision employer contributions in FY 2012.

Town Manager and the Selectboard

Revenues

Revenues of \$100,000 have been budgeted in the coming year to represent the anticipated franchise fee monies collected from Hanover residents who subscribe to Comcast cable television services. As part of the cable franchise renewal negotiations, Comcast has built out its service area in targeted sections of rural Hanover in exchange for \$25,000 of the earned 5.0% franchise fee revenues over 10 years. We hope to see franchise fee revenues from these new subscribers; therefore, we have maintained the current year's budget despite the disappointing FY2020 actuals.

Personnel Costs

Personnel Costs include the stipends for Selectboard members (five @ \$800/each) and the Recording Secretary for the Selectboard (estimated at \$2,000, reduced from \$4,000). Also included are the salaries for the Town Manager and the office's Executive Assistant.

Selectboard Program Costs

The Purchased Services line-item covers the cost of the annual independent audit of the financial records (\$47,550); along with \$550 for sound system support provided for the annual Town Meeting. This line-item increases given the amount of anticipated federal funding in the current fiscal year resulting in additional auditing requirements.

The Supplies and Materials line-item includes the cost of books and subscriptions (\$500) and the "Selectboard's Miscellaneous" account (\$5,000) which allows discretionary funding for unanticipated projects and initiatives.

The proposed Other Program Support includes dues associated with membership in the New Hampshire Municipal Association (\$13,619) and the Chamber of Commerce (\$1,700); classified and legal notices for ordinances, board and committee members, and all Board meetings (\$3,000); and the printing and postage expenses associated with the Town Report (\$5,500).

The Cultural Exchange and Other Special Programs line-item reserved for the Joigny and Nihonmatsu Sister/Friendship Cities programs has been suspended for the coming year with the possibility of international travel uncertain.

The CATV (Cable Access Television) – Public Cable Support line-item is level funded at \$65,000. CATV is the local cable access station serving the Upper Valley, currently providing two channels (8 and 10). They have been an invaluable partner as the Town has transitioned over to remote meetings. The Town and CATV continue to discuss the flow of funds from the Town of Hanover to CATV given the expansion of CATV to include other communities and the expansion of the services they provide to the community at large.

Town Manager Program Costs

The Purchased Services line-item reflects funds budgeted for the Town Manager's membership in the International City Management Association (\$1,195) and the Municipal Management Association of New Hampshire (\$100).

The Supplies and Materials line item includes funding for general office supplies (\$500); postage (\$750); books and subscriptions for the office (\$100); and meals reimbursement (\$350).

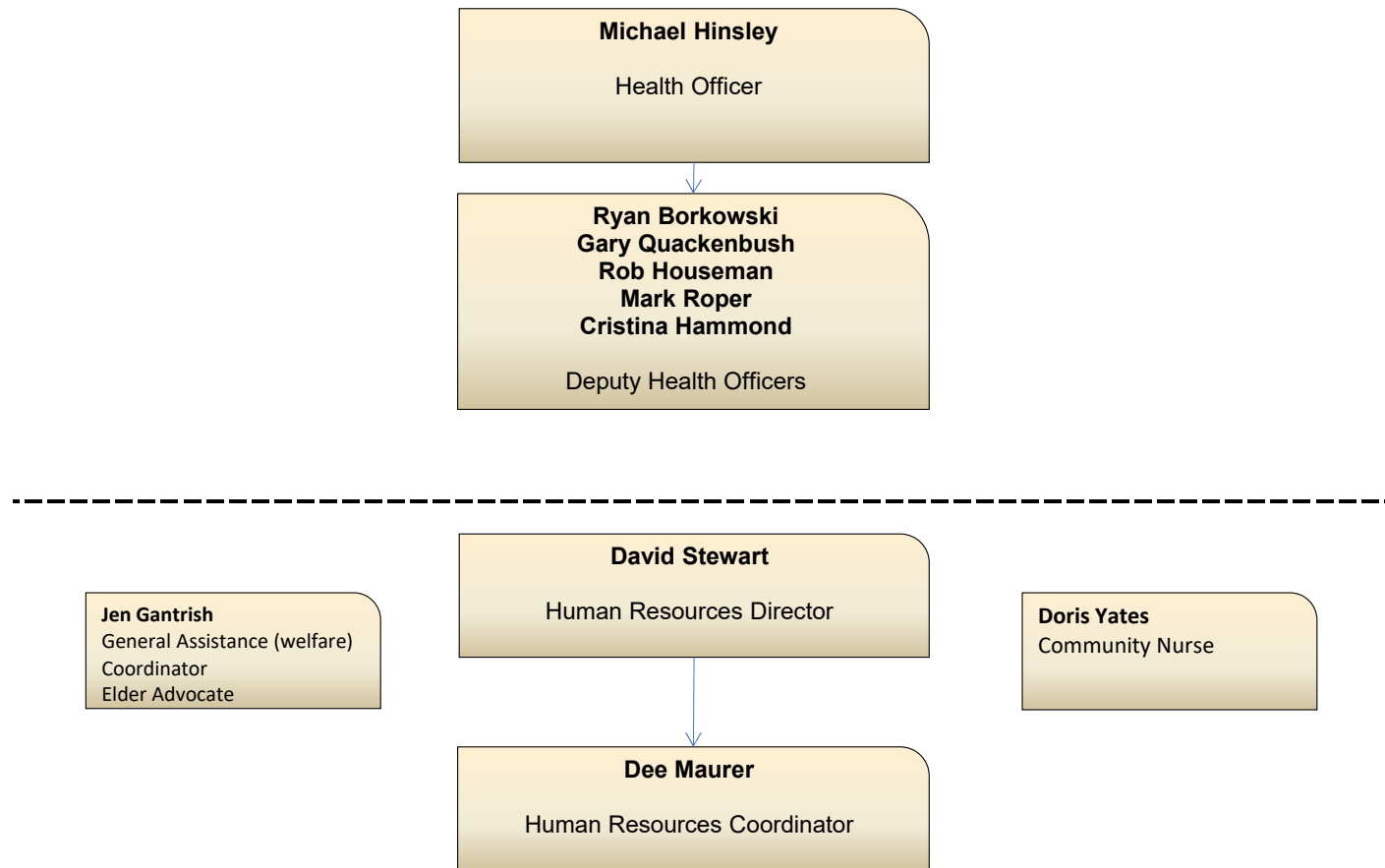
The Professional Development line-item represents the cost for the Manager's attendance at the annual International City Management Association conference and the Municipal Management Association of New Hampshire annual conference (\$1,500).

The Interdepartmental Charges represents a replacement of a staff computer by Information Technology.

Town of Hanover
Town Manager and Select Board
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Cable TV Franchise Fees	125,146	106,299	94,073	100,000	100,000	0.0%
Total Revenues	125,146	106,299	94,073	100,000	100,000	0.0%
<u>Expenditures</u>						
Personnel Costs						
Board Stipends and Recording Secretary	6,028	5,520	4,200	6,000	6,000	0.0%
Town Manager Full Time Salaries	208,655	192,969	210,286	215,085	217,816	1.3%
Total Personnel	214,683	198,488	214,486	221,085	223,816	1.2%
Non-Personnel Costs						
Select Board						
Purchased Services	37,715	44,303	43,100	39,550	47,550	20.2%
Supplies and Materials	5,906	3,027	6,175	5,500	5,500	0.0%
Other Program Support	21,610	20,094	47,397	24,708	23,819	-3.6%
Cultural and Other Special Programs	5,289	4,437	4,764	4,000	-	-100.0%
CATV- Public Cable Support	55,804	55,000	60,000	65,000	65,000	0.0%
Total Select Board	126,325	126,859	161,435	138,758	141,869	2.2%
Town Manager						
Purchased Services	1,323	3,473	781	1,295	1,295	0.0%
Supplies and Materials	1,510	1,383	3,201	1,700	1,700	0.0%
Professional Development	1,846	4,563	-	1,500	1,500	0.0%
Interdepartmental Charges	800	-	-	800	800	0.0%
Total Town Manager	5,478	9,419	3,982	5,295	5,295	0.0%
Total Non-Personnel	131,803	136,278	165,417	144,052	147,163	2.2%
Activity Totals						
Select Board	132,353	132,379	165,635	144,758	147,869	2.1%
Town Manager	214,134	202,387	214,267	220,379	223,110	1.2%
Total Expenditures	346,487	334,766	379,903	365,137	370,979	6.3%
Net Expenditures	221,341	228,467	285,830	265,137	270,979	2.2%

Health and Welfare



Health and Welfare

The activity in this budget includes all the functions that are involved in the delivery of social service-oriented programs contributing directly to the health and welfare of our residents.

Personnel Costs

- | | |
|--|----------|
| • Jen Gantrish, General Welfare Assistance Coordinator | \$5,000 |
| • Doris Yates, Community Nurse | \$15,000 |

General Assistance

The primary point of contact for general assistance (welfare) services required by NH RSA 165 is the Human Resources Coordinator, Dee Maurer, who works with our part-time General Assistance Coordinator, Jen Gantrish. The Town of Hanover has been working on a holistic approach to providing necessary financial assistance, including the management of hardship tax abatements, fuel assistance requests and other unique circumstances. Regional social service agencies have been invaluable in helping the Town manage its delivery of social services.

Community Nursing

Doris Yates has worked with the Upper Valley Community Nursing Project and other agencies to build a strong framework support program for Hanover's residents. She has been a critical partner with the Town's Health Officer in working to get all of our eligible population the COVID vaccine as soon as possible. The goal of the Community Nurse program is to help Hanover residents live safely and as independently as possible at home and in their community.

Community Contribution to Hanover Ambulance Services

The funding request for this line-item reflects the fee assessed to the General Fund for ambulance services provided to Hanover residents by Hanover Ambulance Services (administered through the Town's Ambulance Fund). Currently, about one-half of the ambulance operating budget is offset by revenues collected from patients, insurance providers, or Medicare/Medicaid; the remainder is shared on an adjusted per capita basis (\$40.22 per capita proposed for FY2021-2022, up 5.7% from the current fiscal year) level of \$38.05 by the towns of Hanover, Lyme, and Norwich, as shown here:

	<u>FY2022</u>
Town of Hanover	\$319,059
Town of Lyme	\$69,025
Town of Norwich, VT	<u>\$137,326</u>
Total Per Capita Ambulance Fund Revenues	\$525,409

A more complete explanation of the ambulance budget can be found in the Hanover Ambulance Service section of this budget book.

Regional Health Program Support

The Town's FY2021-2022 proposed operating budget includes \$8,600 to continue the Town's support of the Public Health Council of the Upper Valley at the current level.

Social Services Agency Funding

The Town provides funding for various social service agencies who submit to the Town of Hanover a formal and detailed application and who meet the Town's *Guidelines for Municipal Appropriations to Social Service Agencies* (copy included as supplementary information), adopted by the Selectboard in the fall of 2010. The FY201-2022 proposed Social Services Agency Funding budget includes requests from seven of the nine agencies that requested funding.

With all the challenges facing the development of the proposed budget, it was not feasible to include funding for the requests from two new agencies: Special Needs Support Center, who requested funds last year and was denied; and Good Neighbor Health Clinics, requesting for the first time. Further, three agencies requested significant year-to-year percentage increases that are not reflected in the proposed budget: Tri-County Cap, Twin Pines Housing, and the VNA. Instead, their current year's appropriation has been rounded up to the nearest thousand – resulting in a nominal increase to these agencies.

Agency Name	<u>FY FY2021 Requested by Agency</u>	<u>FY2021 – Amount in the Current Proposed Budget</u>
Good Neighbor Health Clinics	\$2,000	\$0
Grafton Co. Sr. Citizens Council	\$11,000	\$11,000
Headrest	\$10,000	\$10,000
Special Needs Support Center	\$2,500	\$0
Tri-County Cap	\$22,525	\$1,000
Twin Pines Housing	\$5,086	\$3,000
Visiting Nurse Assn & Hospice of VT/NH	\$35,000	\$28,000
West Central Behavioral Health	\$12,000	\$12,000
WISE	\$6,500	\$6,500
	<hr/>	<hr/>
	\$106,611	\$71,500

Town of Hanover
Health and Social Services
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Trust Fund Income Disbursement	7,602	12,489	12,409	6,475	475	-92.7%
Grants and Donations	-	5,000	500	-	-	-
Total Revenues	7,602	17,489	12,909	6,475	475	-92.7%
<u>Expenditures</u>						
Personnel Costs						
General Assistance PT Salaries	5,130	3,432	3,255	7,500	5,000	-33.3%
Community Nursing PT Salaries	7,663	23,832	22,926	12,000	15,000	25.0%
Health Officer and Restaurant Inspector	6,047	4,606	4,431	2,000	-	-100.0%
Total Personnel	18,839	31,870	30,612	21,500	20,000	-7.0%
Non-Personnel Costs						
General Assistance Program Support	1,780	1,998	1,409	2,755	2,755	0.0%
Direct Assistance to Residents in Need	125	1,346	1,750	8,500	2,500	-70.6%
Community Contribution to Ambulance Fund	284,466	284,466	292,975	301,798	319,059	5.7%
Regional Health Program Support	3,095	5,360	9,404	8,600	8,600	0.0%
Social Services Agency Funding	64,897	67,628	66,187	71,589	71,500	-0.1%
Interdepartmental Charges	(5,000)	(5,000)	(5,000)	-	-	-
Total Non-Personnel	349,363	355,798	366,726	393,242	404,414	2.8%
Total Expenditures	368,202	387,668	397,337	414,742	424,414	2.3%
Net Expenditures	360,600	370,179	384,428	408,267	423,939	3.8%

Town of Hanover - Funding Requests from Other Agencies

1 Social Service Agencies								
Agency Name	% Increase FY20 to FY21	FY2022 Amt. Proposed	FY2021 Amt. Funded	FY2020 Amt. Funded	FY2019 Amt. Funded	FY2018 Amt. Funded	FY2017 Amt. Funded	FY2016 Amt. Funded
COVER Home Repair	-100.0%	-	1,500	-	-	-	-	-
Grafton Co. Sr. Citizens Council	0.0%	11,000	11,000	10,500	11,246	11,025	10,500	10,763
Headrest	0.0%	10,000	10,000	10,000	10,000	8,400	10,000	7,893
Tri-County Cap (original request \$22,525)	31.6%	1,000	760	760	814	798	760	760
Twin Pines Housing (original request \$5,086)	15.3%	3,000	2,602	-	-	-	-	-
Visiting Nurse Assn & Hospice of VT and NH (original request \$35,000)	2.8%	28,000	27,227	27,227	27,772	27,227	25,930	26,578
West Central Behavioral Health	0.0%	12,000	12,000	11,500	11,246	11,025	10,500	10,486
Women's Information Service	0.0%	6,500	6,500	6,200	6,550	6,422	6,200	6,269
	-0.1%	71,500	\$ 71,589	\$ 66,187	\$ 67,628	\$ 64,897	\$ 63,890	\$ 62,749
<i>Requests from Agencies not Previously Funded-not in proposed budget</i>								
Special Needs Support Center	n/a	2,500						
Good Neighbor Health Clinics	n/a	2,000						
	n/a	-						
		\$ 76,000	\$ 71,589	\$ 66,187	\$ 67,628	\$ 64,897	\$ 63,890	\$ 62,749
% Increase from Prior Year's Funded Amount		6.16%	8.16%	-2.13%	4.21%	1.58%	1.82%	-3.29%
2 Regional Community Support Agencies								
REGIONAL HEALTH PGM SUPPORT (Public Health Council of the Upper Valley)		\$ 8,600	\$ 8,600	\$ 8,600	\$ 2,528	\$ 2,528	\$ 2,500	\$ 2,500
<i>increase from previous year</i>		0.00%	0.00%	240.19%	0.00%	1.12%	0.00%	0.00%
YOUTH-IN-ACTION (in Parks & Recreation Youth Activities Budget; original request \$15,000)		\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
<i>increase from previous year</i>		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Town of Hanover

Guidelines for Municipal Appropriations to Social Service Agencies

Purpose

Given the impact of state and federal funding reductions and relationship of current economic conditions to the community's ability to continue or increase its level of personal charitable giving, the Town has seen an increase in the number of requests and dollars requested by social service agencies which provide a variety of services to Hanover and other residents in the region. As this activity has picked up, so has the need for a clear, well-defined policy to guide the budget allocation of the Town's limited resources.

General Concept

As an underlying principle, the Town of Hanover is prohibited from appropriating funds to make general charitable donations to deserving non-profit organizations. *Opinion of the Justices*, 88 N.H. 484 (1937) requires a 'quid pro quo' in that Town funds cannot be granted to a private organization unless that private organization takes on some obligation to benefit the Town; and, further, that the Town has some ability to enforce and obtain that benefit for the public. The decision regarding if and to whom Hanover residents want to make charitable donations should be a private decision and not built into their tax rate. That said, the services provided by certain agencies may fill gaps in critical services that the Town of Hanover would be obligated to provide through welfare or other general assistance laws if these agencies did not provide such relief.

Policy Statement

Municipal appropriations to social service agencies will be awarded because there has been a clear demonstration that the agency provides a critical service to Hanover residents that the Town would otherwise need to cover through providing these services itself, or as a municipal welfare function. As a broad guideline, the municipal welfare function will be defined as providing the basic necessities of life that an individual, for whatever reason, is unable to pay for.

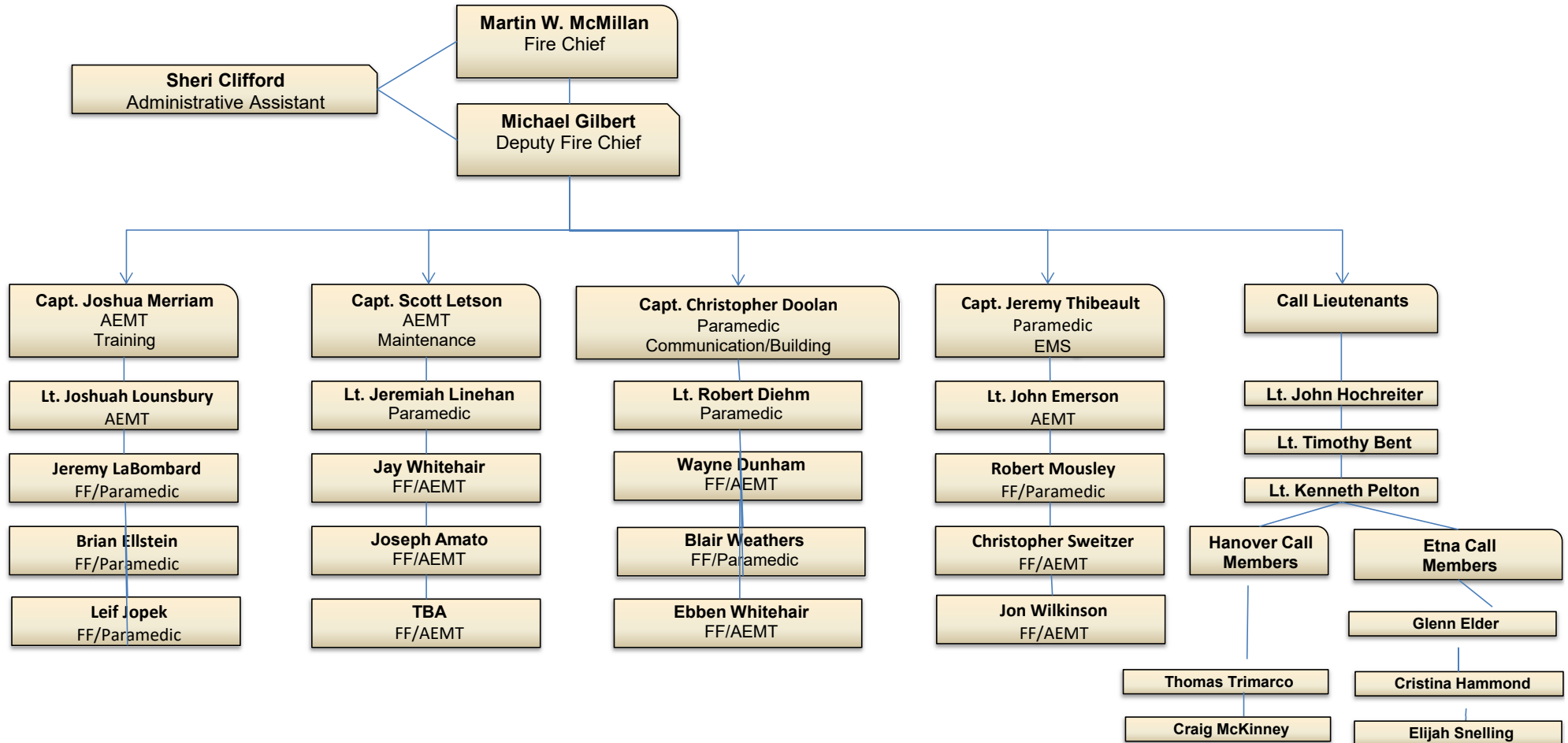
To demonstrate their eligibility for a municipal appropriation from the Town of Hanover, requesting agencies will be required as a critical component of the application form: to address in a 1-2 page narrative that they meet all of the following 5 criteria –

1. The agency serves a core group of Hanover residents;
2. The agency provides a service that the Town of Hanover would otherwise be obligated to provide either directly as a Town service or would need to pay for through its municipal welfare function;
3. The services provided by the agency directly or indirectly reduce Town expenditures;
4. The agency must clearly demonstrate a financial need; and
5. The services provided by the agency demonstrably enhance the quality of life in the Hanover community.

Proposed Municipal Funding Application Process

- Those agencies who are currently receiving municipal appropriations and any other agencies requesting information on securing a municipal appropriation will receive the current application form no later than mid-November. A copy of this form is attached.
- A completed funding application form must be submitted by the agency no later than the deadline. Agencies submitting late or incomplete funding applications will not be considered as part of the Municipal Funding Application Process (regardless of when their request to be considered and/or an application form was received).
- Regardless of previous history of funding or non-funding, an application will be required of all agencies seeking funding in a particular budget year, and each application will be reviewed carefully each year.
- Town staff will make an initial determination as to whether the agency satisfies the 5 criteria necessary to be eligible for a municipal appropriation. If yes, Town staff will include the agency's funding request into the proposed municipal budget. If no, the request will not be factored into the proposed municipal budget presented to the Selectmen over the course of several Public Hearings in February and March. However, the text accompanying the Human Services proposed budget will highlight the reasons these requests do not appear in the proposed budget.
- All social service agency funding applications in their entirety will be presented to the Selectmen as supplementary information in their proposed budget binders. Agencies will be discouraged from sharing information not specifically requested in the application form such as glossy brochures, informational pamphlets, etc.; if received, these items will not be made part of the supplementary budget information provided to the Selectmen.
- Representatives from all of the social service agencies requesting funding will be invited and strongly encouraged to attend the appropriate Public Hearing where the Human Services proposed budget will be discussed.
- The Selectmen will determine what agencies are clearly serving Hanover residents and satisfy all of the 5 criteria; the requests of these agencies will be included in the Selectmen's proposed budget to go before Town Meeting.
- For those agencies whose funding is being approved for the first time, or after any significant gap in funding from the Town, the Selectmen will place their requested appropriation in a separate warrant article for Town Meeting action and will speak in support of this warrant article at Town Meeting. Thereafter, approved sequential funding requests from this agency will be presented in the Selectmen's warrant article presenting the overall Town budget to Town Meeting.
- If the Selectmen determine that a requesting agency does not meet the required criteria and denies its funding request, the agency has the option of pursuing a municipal appropriation through securing signatures of 25 registered Hanover voters for a petitioned warrant article on the Town Meeting warrant.

Fire and Ambulance



HANOVER FIRE DEPARTMENT

The Fire Department continues to work collaboratively with our regional partners in all aspects of our operation including but not limited to emergency response and regional apparatus inventory. The proposed FY 2021-22 budget recommends Fire Fund expenditures of \$3,762,377, an increase of 3.7% above the current year's appropriations. The primary revenue source for the Fire Fund is the Fire District Tax Levy. The proposed FY 2021-2022 budget will require a tax levy of \$3,511,156.

Because the Town currently has three Fire Districts, the proposed FY 2020-2021 budget as presented would render varying tax rate changes as presented below:

	Current Rate (FY2021)	Proposed Rate (FY2022)	% Increase
Fire District #1	1.53	1.57	2.47%
Fire District #2	1.35	1.40	3.87%
Fire District #3	0.68	0.70	3.11%

Personnel Costs

The Administration Full-Time Services line item reflects the salary costs for the Fire Chief, Deputy Fire Chief and the Administrative Assistant. The year-to-year increase on this line-item reflects that 50% of the Deputy Chief position is no longer shared with Planning and Zoning and is now fully funded by the Fire Fund.

The Suppression Full Time Salaries line item reflects the salaries of the four Fire Captains, four Fire Lieutenants and twelve full-time Firefighter/EMS providers.

The Suppression Part-Time line item includes funding for the Call Firefighter force (\$10,000) that covers the Etna Station and provides support for the Main Station.

The Suppression Overtime Services line item is level-funded (\$210,000). Maintaining a spreadsheet to track and analyze all department overtime costs assists us in accurately reflecting how these costs are generated.

Labor charges to the Ambulance Fund represents the cost shift of salaries and benefits to the Ambulance Fund for five full-time firefighters (out of a total of 20 firefighters), 25% of the Suppression Overtime budget, 15% of the Administrative Assistant position salary, along with an appropriate assignment of benefits to salary and overtime rates. The goal of this cost allocation is to reflect a fair apportionment of staff costs directly related to running the Town's ambulance service. Historically, it has not been practical to fully allocate the cost of labor to the Ambulance Fund based on ambulance to fire call volume.

Administration

Supplies and Materials line items include funds for the purchase of office supplies, retirement mementos, postage and books, and subscriptions.

Other Program Support line items include the annual lease payments of a networked copier/printer and annual service and supply contract, and membership fees for the Chief's involvement in professional associations.

Interdepartmental Charges include all computer-related expenses for the Fire Department back-charged by MIS (\$10,300) and represents a 14.5% decrease. These include the IMC Administrative Software maintenance contract, routine computer repair and maintenance, and the replacement of three desktop computers. Two additional software programs were added to track department training and standard operating procedures and guidelines.

Property and Liability Insurance (\$21,000) reflects the projected premiums for FY 2021-2022 insurance coverage.

Suppression

This section covers most of the department's expenses and activities and represents that portion directly attributable to emergency response.

The Supplies and Materials line items include funds for the maintenance and repair of operational equipment (\$14,582) is level funded. The radio repair and maintenance line (\$4,700) down 24.9%. There is \$24,656 proposed for Protective Clothing Repair and Replacement. We continue replacing supply and attack hose and fittings, as well as equipment to assist in structural and forestry firefighting. In addition, funds requested will be used for environmental containment of hazardous material spills. These funds remain stable due to the ongoing regional planning and multi-year implementation program.

The Fire Fund is assessed an annual hydrant rental fee by the Water Utility Fund for use of the hydrant system for firefighting purposes (\$400,000). Also included on this line-item is a \$26,937 project to install a low-pressure hydrant adjacent to Sausville Road. This project will be funded by the accumulated funds in the \$21,937 designated funds for cistern replacement and dry hydrant work plus the usual \$5,000 allocation for rural fire suppression.

Other Program Support includes funds requested for outfitting one new full-time firefighter with station and protective clothing. The New Personnel line is funded at (\$14,010). The Uniforms and Clothing line (\$14,088) provides new and replacement items to existing staff members. Also on this line are funds for dues and membership fees.

Interdepartmental charges total \$280,812 and include charges from Administration, Dispatch, Public Works, and Fleet Maintenance. The Administration charge reflects the allocation of General Fund administrative costs to the Fire Fund (\$177,400, level funded); charges from Dispatch (\$25,673 an increase of \$101 or 0.4%), charges from the Fleet Maintenance (\$68,685, a decrease of \$6,820 or 9%), and charges from Public Works associated with winter maintenance (\$9,054 a decrease of \$958 or 9.6%).

Fire Prevention

The Supplies and Materials line item provides funds for carbon monoxide and smoke detectors for homeowners on an as-needed basis, books and subscriptions (NFPA Fire Code on-line subscription service) remain level funded. Funds for public information handouts and the Ray School public education program (\$1,000) decreased by \$1,000 or 50%.

The Other Program Support line item provides for continuing education classes and Certified Fire Inspector self-study courses.

Specialty Operations

This section involves expenses to address hazardous or toxic chemicals, i.e. chemical spills at accidents or handling volatile materials to provide protection to the public, Fire Department employees and the environment.

The Purchased Services line item is for cell phones and mobile data service in departmental vehicles (charges which are set through Dispatch).

The Supplies and Materials line-item which covers technical supplies and operational equipment is for the replacement of absorbent materials utilized during the year, replacement sensors for multi and single gas detectors and calibration gases and batteries for their maintenance.

The Other Program Support line-item (\$2,000) provides for membership in the Midwestern New Hampshire Regional Hazardous Materials Response Team. The State has divided its 234 cities and towns into several hazardous materials response regions and provides some equipment to each region to encourage regional response as opposed to State funding of its own set of State-managed response units.

The Training and Certification line item (\$12,387) allows for department members currently trained at the Technician level to attend a required certification refresher class and three members to attend a regional HAZMAT Decontamination course.

Fire Alarm Maintenance

This year's budget shows the elimination of funding for the maintenance of fire alarm boxes.

Fire Training

This section of the budget provides funds for professional development of firefighting personnel.

The Supplies and Materials line items includes the purchase of training aids and promotional testing (\$2,500), books and subscriptions (\$200), and an appropriation for operational equipment (\$1,050).

The Other Program Support line items include funds for membership in training related professional associations such as the NH and International Association of Fire Training Instructors.

The Professional Development line item includes funds for firefighters to attend selected professional training at the NH Fire Academy and the National Fire Academy Leadership Program. The funds will support the cornerstone for our collaborative regional training with Lebanon and Hartford Fire Departments, as well as our neighboring volunteer departments. The regional training allows us to work efficiently as a single unit.

Main Station

This section of the budget represents the costs of maintaining the Main Fire Station located on Lyme Road.

The Utilities line item includes funds for telephone services to the Fire Department which is based on a percentage of telephone use for the entire Public Safety facility (\$3,030); electricity projected costs at anticipated rates (\$10,219); heat costs are based on year-to-date actuals and projected per gallon propane fuel rates (7,500 gal. @ \$1.60 = \$12,000). Water and Sewer charges (\$4,250) are projected based on current year-to-date actual usage.

The Building Repair and Maintenance line items (\$50,000) includes funds for updating the shower. The fire station has undergone several energy efficient upgrades in recent years that included new siding and insulation, replacement windows, the replacement of six exterior doors, and the entire roof was replaced.

Etna Station

This section of the budget represents the costs to maintain the Etna Fire Station. The utilities line item (\$4,404) covers funds for telephone services, electricity, heat, and sewer treatment. Telephone has increased \$204 or 68% and the other line items are being level funded.

The Building Repair and Maintenance line item provides funding for minor repairs, lights and furnace repair/maintenance, overhead garage door maintenance, and annual fire alarm testing.

Capital Costs

The transfer to Capital Reserve has been reduced to a level of \$82,567 to reflect the suggested baseline calculation from the CIP. This amount has been temporarily reduced to offset the 3-year lease for the replacement of E-3. Once the three-year lease is paid in full (July 23, 2021), this contribution to reserve must be restored to its previous higher level to accommodate future replacement of E-3 from the capital reserve fund. The Fire Fund has not yet been able to address the need to fully appropriate funds to its capital reserve fund for building purposes. The Town will be building towards this as capacity allows over the coming years.

Town of Hanover
Fire Fund
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Fire District Tax Levy	3,118,542	3,255,466	3,272,417	3,387,908	3,511,156	3.6%
Water Utility Fund Payment in Lieu of Taxes	26,081	26,746	24,570	25,078	25,938	3.4%
Private Fire Hydrant Rentals	94,642	99,375	104,324	102,356	112,847	10.2%
Fire Inspection Services	18,503	52,144	26,955	25,000	15,000	-40.0%
Fire Alarm Charges	14,250	10,650	14,820	10,000	10,000	0.0%
Special Fire Detail and Training Services	6,499	819	3,070	3,000	3,000	0.0%
Miscellaneous Income	4,773	9,102	12,465	600	1,000	66.7%
Transfer from Capital Reserve Fund	157,250	248,943	55,415	30,000	35,000	16.7%
Undesignated Fund Balance Used	-	5,000	93,564	45,133	48,437	7.3%
Total Revenues	3,440,540	3,708,245	3,607,600	3,629,075	3,762,377	3.7%
<u>Expenditures</u>						
<u>Personnel Costs</u>						
Administration Full Time	202,058	164,093	171,227	175,399	283,889	61.9%
Suppression Full Time	1,320,995	1,361,210	1,427,072	1,438,427	1,485,661	3.3%
Suppression Part Time	6,065	7,064	8,005	10,000	10,000	0.0%
Suppression Overtime	241,416	212,444	252,274	210,000	210,000	0.0%
Allocation of Fire Staffing to Ambulance	(645,646)	(667,045)	(675,353)	(696,543)	(729,556)	4.7%
Prevention and Inspection-Salaries	54,758	56,417	58,939	106,050	-	-100.0%
Training-Overtime	22,951	20,481	11,553	48,120	48,120	0.0%
Section 125 Benefits	348,589	370,760	379,171	392,000	428,668	9.4%
Social Security and Medicare	31,701	28,512	30,137	31,546	33,087	4.9%
NHRS Retirement Contribution	564,097	569,699	586,893	586,437	660,010	12.5%
Workers Compensation	45,241	49,456	52,104	53,413	99,613	86.5%
Total Personnel	2,192,224	2,173,093	2,302,023	2,354,849	2,529,492	7.4%

**Town of Hanover
Fire Fund
Department Budget FY2022 (July 1, 2021 - June 30, 2022)**

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Administration						
Supplies and Materials	1,532	2,588	2,205	2,610	2,610	0.0%
Other Program Support	3,076	4,458	5,921	3,800	4,300	13.2%
Professional Development	2,967	254	240	1,650	1,650	0.0%
Interdepartmental Charges	8,725	5,300	6,450	12,050	10,300	-14.5%
Property/Liability Insurance	18,749	18,613	17,754	18,799	21,000	11.7%
Total Administration	35,049	31,212	32,570	38,909	39,860	2.4%
Suppression						
Purchased Services	403	536	1,105	1,334	1,361	2.0%
Supplies and Materials	55,883	72,730	98,829	141,758	95,680	-32.5%
Fire Suppression System (Hydrants)	405,011	405,003	405,616	405,000	426,937	5.4%
Other Program Support	23,120	24,144	11,510	38,248	29,248	-23.5%
Interdepartmental Charges	236,296	258,478	233,519	288,489	280,812	-2.7%
Total Suppression	720,713	760,892	750,579	874,829	834,038	-4.7%
Prevention						
Supplies and Materials	1,906	2,062	1,980	3,800	2,800	-26.3%
Other Program Support	315	25	669	675	125	-81.5%
Professional Development	1,298	-	-	1,500	1,500	0.0%
Total Prevention	3,518	2,087	2,649	5,975	4,425	-25.9%
Specialty Operations						
Purchased Services	2,920	2,933	3,516	4,000	4,000	0.0%
Supplies and Materials	2,430	1,356	2,313	16,620	5,973	-64.1%
Other Program Support	2,000	2,000	2,000	2,000	2,000	0.0%
Certification and Specialty Training	250	3,715	-	4,640	12,387	167.0%
Total Specialty Operations	7,600	10,004	7,829	27,260	24,360	-10.6%

**Town of Hanover
Fire Fund
Department Budget FY2022 (July 1, 2021 - June 30, 2022)**

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Alarm Maintenance						
Purchased Services	-	-	-	5,000	-	-100.0%
Total Alarm Maintenance	-	-	-	5,000	-	-100.0%
Training						
Supplies and Materials	2,765	2,257	57	3,750	3,750	0.0%
Other Program Support	587	810	1,174	1,765	2,165	22.7%
Professional Development	3,294	7,282	3,172	9,633	9,633	0.0%
Total Training	6,646	10,349	4,403	15,148	15,548	2.6%
Main Station						
Utilities	36,407	38,229	34,928	36,545	29,499	-19.3%
Building Repair and Maintenance	12,550	22,584	12,424	9,315	11,815	26.8%
Supplies and Materials	1,157	2,335	2,484	2,500	2,500	0.0%
Building Equipment and Renovations	90,320	60,065	177,108	15,000	50,000	233.3%
Total Main Station	140,433	123,214	226,944	63,360	93,814	48.1%
Etna Station						
Utilities	2,976	3,805	2,786	4,200	4,404	4.9%
Building Repair and Maintenance	418	1,320	1,359	1,012	1,337	32.1%
Building Equipment and Renovations	-	4,000	-	20,000	-	-100.0%
Total Etna Station	3,394	9,125	4,145	25,212	5,741	-77.2%
Capital Costs						
Transfer to Capital Reserve	143,090	175,000	88,510	86,000	82,567	-4.0%
Fire Apparatus and Equipment	92,000	250,000	187,948	132,533	132,533	0.0%
Total Capital Costs	235,090	425,000	276,458	218,533	215,100	-1.6%
Total Non-Personnel	1,152,444	1,371,883	1,305,577	1,274,226	1,232,885	-3.2%

**Town of Hanover
Fire Fund
Department Budget FY2022 (July 1, 2021 - June 30, 2022)**

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Activity Totals						
Personnel Costs	2,192,224	2,173,093	2,302,023	2,354,849	2,529,492	7.4%
Administration	35,049	31,212	32,570	38,909	39,860	2.4%
Suppression	720,713	760,892	750,579	874,829	834,038	-4.7%
Prevention	3,518	2,087	2,649	5,975	4,425	-25.9%
Specialty Operations	7,600	10,004	7,829	27,260	24,360	-10.6%
Alarm Maintenance	-	-	-	5,000	-	-100.0%
Training	6,646	10,349	4,403	15,148	15,548	2.6%
Fire Station Facilities Costs	143,827	132,340	231,090	88,572	99,555	12.4%
Capital Costs	235,090	425,000	276,458	218,533	215,100	-1.6%
Total Expenditures	3,344,669	3,544,976	3,607,600	3,629,075	3,762,377	3.7%
Net Expenditures	(95,871)	(163,268)	-	-	-	-

HANOVER AMBULANCE SERVICE

The FY 2021-2022 budget for the Ambulance Fund recommends expenditures of \$1,025,609, a decrease of \$93,017 or 8.3% under the current budget.

Revenues

The costs to operate the Hanover Ambulance Service are supported by patient billings and community contributions. The Town utilizes a method in which ambulance bills are calculated on a bundled-rate structure, adhering to national standards. The structure ensures that we recoup service fees at the highest possible percentage. The overall cost to provide high-quality ambulance services is supported through a community contribution that is assessed on a per capita basis to the three towns serviced by Hanover Ambulance Service – Hanover and Lyme, NH, and Norwich, VT.

The per capita charge to the Town of Hanover is budgeted as an interdepartmental charge in the Health and Welfare section of the General Fund and is billed out quarterly to the towns of Lyme and Norwich. After being held constant from the FY 2017-2018 to the FY 2018-2019 budget, the per capita rate is proposed to increase by 3.0%, going from \$35.86 to \$36.94. The rate is applied to Town population counts to render the following anticipated contributions:

Town	FY2021 Contribution	Proposed FY2022 Contribution
Hanover	\$ 301,798	\$ 319,059
Lyme	\$ 65,291	\$ 69,025
Norwich	\$ 129,897	\$ 137,326
Totals	\$ 496,986	\$ 525,409

Personnel Costs

The cost allocation from the Fire line item under Personal Services (\$729,556) represents 25% of Fire Suppression salaries and benefits, 25% of Fire Suppression overtime and the assignment of fringe benefits to salary and overtime rates (\$283,364). Also included in this cost allocation is 15% of the Fire Department Administrative Assistant's salary to reflect ongoing support of the billing and collection effort.

Operating Costs Non-Personnel

The Professional Services line items include funds for health and wellness testing and programs (\$3,000) and the cleaning of wool ambulance blankets and attendant jackets (\$200). The largest component of this line item is the contracted third-party ambulance billing fee (\$34,440), equal to 7.0% of net anticipated billing collections. The billing fee accounts for the year-to-year increase on this line-item to account for increased patient billings budgeted.

The allocated Property and Liability Insurance premiums are anticipated to increase to \$

The Contracted Services line item includes repair and calibration of medical equipment (\$7,776), cellular service for phones in each of the ambulances (\$540), Wi-Fi service for medical devices to transmit information to receiving hospitals (\$1,920) and Stryker annual maintenance contract and extended warranty (\$5,316).

The Supplies and Materials line item includes funds for purchasing durable and expendable medical supplies (\$24,000), replacement of uniform pieces and for purchasing protective clothing for a portion of the first responders and on-call personnel (\$5,000). Also included are funds for meal reimbursement (\$200), office supplies (\$500), postage (\$50), and books and subscriptions (\$100).

The Operational Equipment line item is for the replacement of medical equipment, cardiac monitoring /defibrillator cables and batteries, high angle rope and confined space rescue equipment, other specialty rescue items and medical equipment bags.

The Professional Development line item (\$34,624) includes funding for the mandatory Refresher Training Program (12 members), one member to attend an EMT course, one member to attend an EMS conference, mileage reimbursement, tuition costs associated with technical rescue classes, and paramedic training.

Charges assessed to the Fire Fund from the General Fund are allocated as follows: Admin (\$36,467); Dispatch (\$25,673); and Fleet Maintenance (\$16,000).

Capital Costs

The Transfer to Capital Reserve line item sets aside \$82,567 as a contribution to the Ambulance Equipment Capital Reserve Fund as presented in the Capital Improvement Plan section of this proposed budget.

Town of Hanover
Hanover Ambulance Service
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

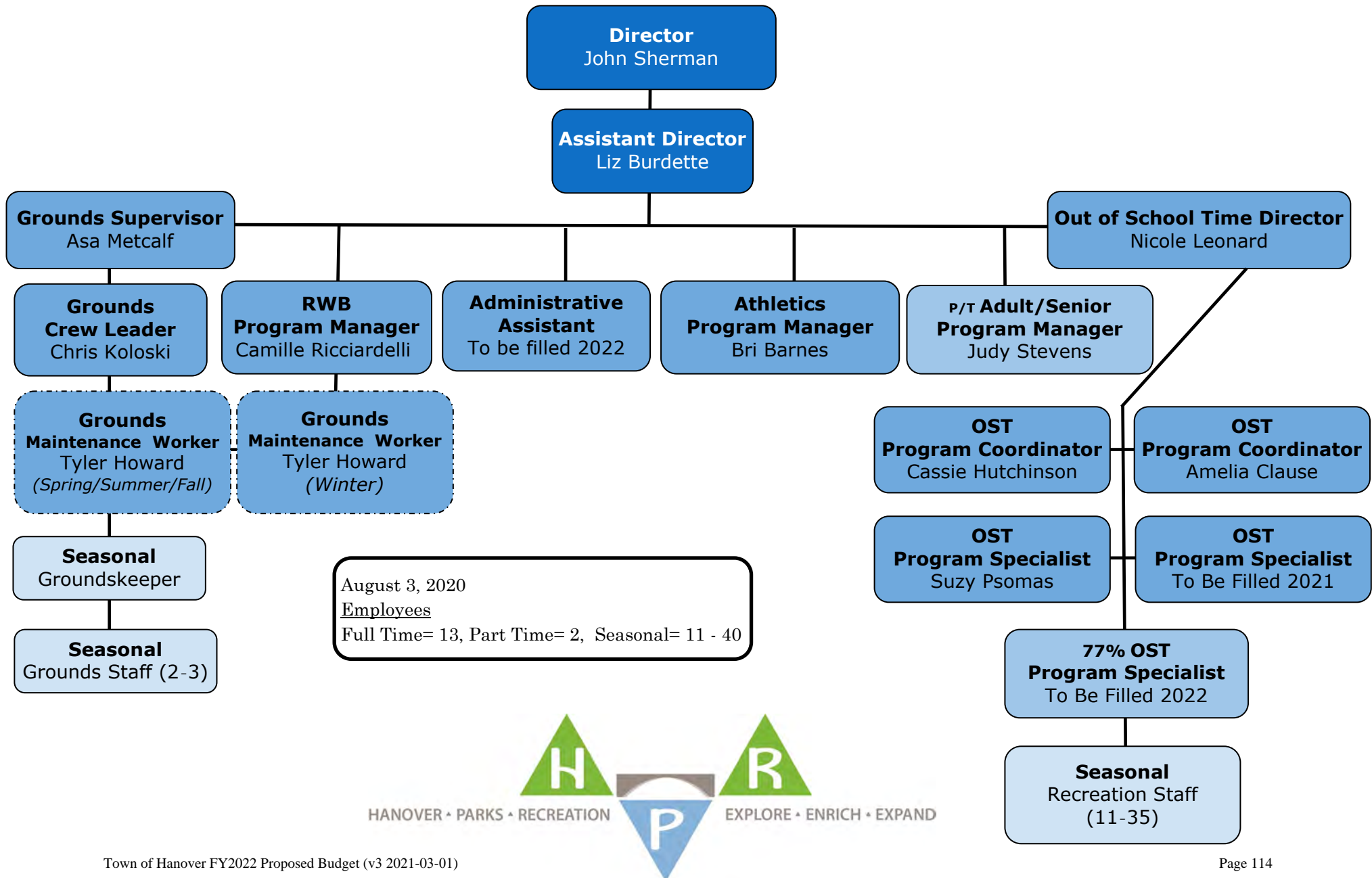
	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Community Contributions	468,428	468,428	482,477	496,985	525,409	5.7%
Patient Billed Service Charges	800,826	721,576	670,096	750,000	750,000	0.0%
Contractual Obligations	(232,213)	(227,748)	(233,491)	(240,000)	(240,000)	0.0%
Uncollectible Bills Write-Offs	(45,046)	(32,807)	(26,095)	(30,000)	(30,000)	0.0%
Special Detail/Stand-by Services	9,465	8,643	12,432	6,000	8,000	33.3%
Transfer from Capital Reserve	-	249,924	270,000	105,000	-	-100.0%
Fund Balance Used	-	26,682	110,000	18,441	-	-100.0%
Miscellaneous Revenues	20,389	9,810	11,499	12,200	12,200	0.0%
Total Revenues	1,021,848	1,224,508	1,296,917	1,118,626	1,025,609	-8.3%
<u>Expenditures</u>						
Personnel Costs						
Cost Allocation from Fire Fund	645,646	693,727	675,353	696,543	729,556	4.7%
Total Personnel	645,646	693,727	675,353	696,543	729,556	4.7%
Operating Costs Non-Personnel						
Professional Services	40,809	32,092	33,239	37,640	37,640	0.0%
Property Liability Insurance	-	3,579	3,542	3,750	7,500	100.0%
Contracted Services	4,728	6,696	3,602	8,776	8,776	0.0%
Supplies and Materials	24,280	23,481	27,159	33,440	29,850	-10.7%
Operational Equipment	7,760	15,684	25,001	23,321	16,956	-27.3%
Professional Development	32,156	21,922	18,516	39,669	34,624	-12.7%
Charges from Other Depts	97,078	77,696	78,305	87,920	78,140	-11.1%
Total Operating Costs Non-Personnel	206,810	181,150	189,363	234,516	213,486	-9.0%

Town of Hanover
Hanover Ambulance Service
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>FY21 Budget to FY22 Budget</u>
Capital Costs						
Transfer to Capital Reserve	61,028	91,029	62,567	82,567	82,567	0.0%
Capital Equipment Purchases	-	249,924	379,375	105,000	-	-100.0%
Total Capital Costs	61,028	340,953	441,942	187,567	82,567	-56.0%
Total Non-Personnel	267,838	522,103	631,305	422,083	296,053	-29.9%
Total Expenditures	913,484	1,215,830	1,306,658	1,118,626	1,025,609	-8.3%
Net Expenditures	(108,364)	(8,677)	9,740	0	-	-100.0%

Town of Hanover Organization Chart

Parks & Recreation Department



Town of Hanover
Department of Parks and Recreation
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Department of Parks and Recreation</u>						
<u>Recreation Administration</u>						
Full-Time Salaries	276,830	282,223	288,321	297,503	248,711	-16.4%
Overtime Salaries	1,888	99	450	1,000	-	-100.0%
Purchased Services	7,860	7,972	7,319	8,559	8,309	-2.9%
Supplies and Materials	3,118	2,597	1,678	2,350	1,250	-46.8%
Professional Development	1,780	5,140	1,625	2,445	2,165	-11.5%
Youth-in-Action Support	12,000	12,000	12,000	12,000	10,000	-16.7%
Interdepartmental Charges	4,625	4,742	4,742	5,342	7,192	34.6%
<i>Total Expenditures</i>	308,100	314,774	316,134	329,199	277,627	-15.7%
Net Administrative Expenditures	308,100	314,774	316,134	329,199	277,627	-15.7%
 <u>Youth Programs</u>						
<i>Revenues</i>						
Youth Program Registration Fees	88,429	80,185	57,986	85,000	50,000	-41.2%
<i>Expenditures</i>						
Coaches, Officials, Instructors	21,609	41,578	25,079	30,000	15,000	-50.0%
Purchased Services	5,352	181	7,876	15,200	14,400	-5.3%
Supplies and Materials	29,252	20,242	13,365	30,000	15,000	-50.0%
<i>Total Expenditures</i>	56,213	62,000	46,321	75,200	44,400	-41.0%
Net Youth Program (Revenues)/Expenditures	(32,216)	(18,185)	(11,666)	(9,800)	(5,600)	-42.9%
 <u>Adult Programs</u>						
<i>Revenues</i>						
Adult Program Registration Fees	53,593	61,060	3,530	5,000	2,500	-50.0%
<i>Expenditures</i>						
Coaches, Officials, Instructors	29,899	44,956	4,383	4,000	2,000	-50.0%
Supplies and Materials	330	464	50	1,000	500	-50.0%
<i>Total Expenditures</i>	30,229	45,420	4,433	5,000	2,500	-50.0%
Net Adult Program (Revenues)/Expenditures	(23,364)	(15,640)	904	-	-	n/a

Town of Hanover
Department of Parks and Recreation
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

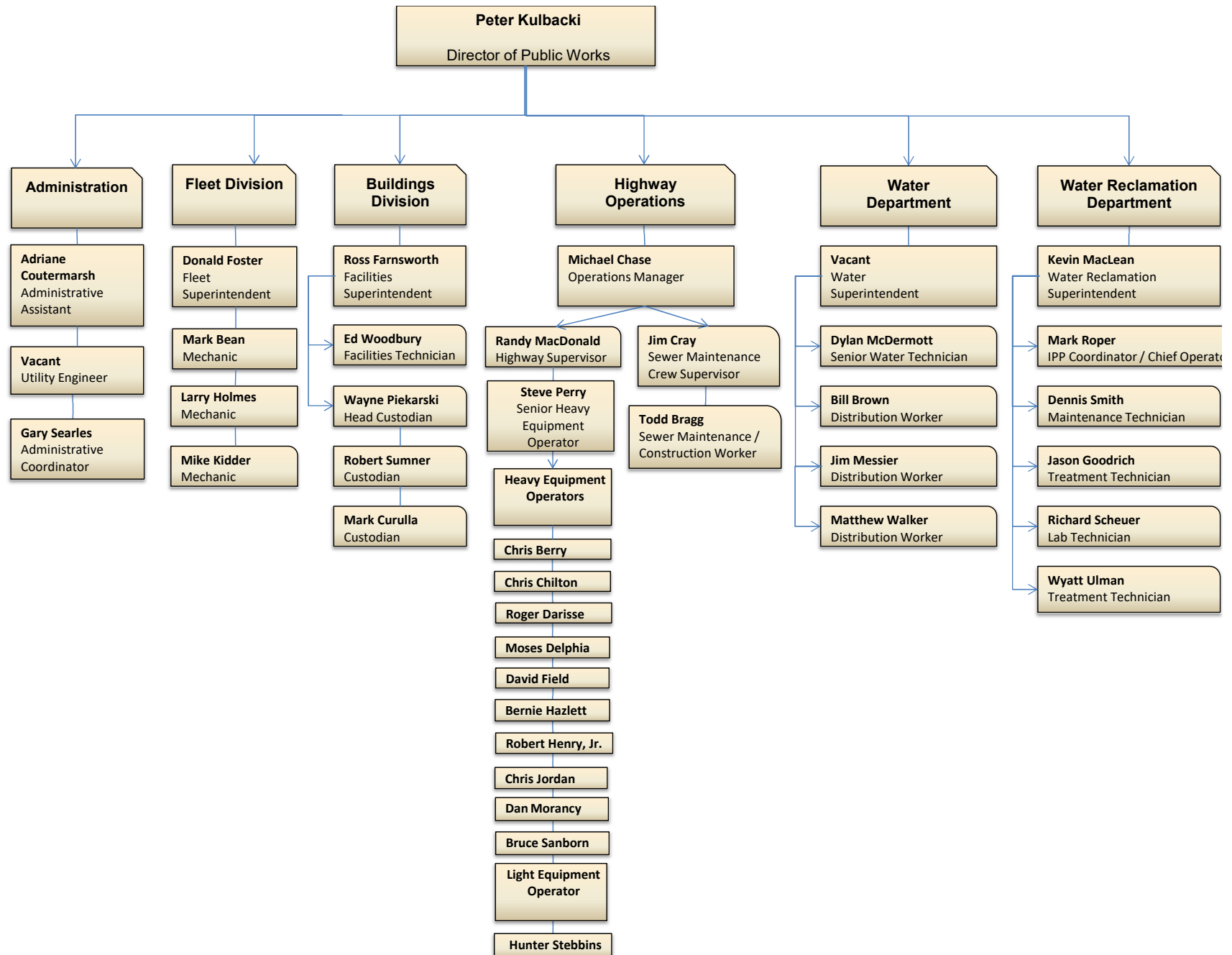
	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Community Center Programming - reflects transition of Housing Fund Senior Programming Charges to RWBC Programming</u>						
<i>Revenues</i>						
Rental and Program Revenues	66,171	77,279	108,137	128,500	64,250	-50.0%
<i>Expenditures</i>						
Full and Part Time Salaries	60,819	70,233	78,108	85,983	86,696	0.8%
Purchased Services	4,025	11,249	40,170	38,357	17,357	-54.7%
Supplies, Materials and Equipment	12,455	26,850	10,422	20,050	7,500	-62.6%
Interdepartmental Charges	42,784	-	-	-	-	n/a
<i>Total Expenditures</i>	120,082	108,332	128,701	144,390	111,553	-22.7%
Net Community Center (Revenues)/Expenditures	53,911	31,052	20,563	15,889	47,302	197.7%
 <u>Basketball Tournament</u>						
<i>Revenues</i>						
Basketball Tournament Entrance Fees	4,522	5,852	6,445	7,500	6,500	-13.3%
<i>Expenditures</i>						
Officials and Referees	2,060	2,820	3,060	3,400	3,000	-11.8%
Purchased Services	-	2,498	2,355	3,000	2,500	-16.7%
Supplies and Materials	470	37	243	1,000	500	-50.0%
<i>Total Expenditures</i>	2,530	5,354	5,658	7,400	6,000	-18.9%
Net Basketball Tourney (Revenues)/Expenditures	(1,993)	(498)	(787)	(100)	(500)	400.0%
 <u>Sponsored Funds Activities</u>						
<i>Revenues</i>						
Friends of Recreation	1,054	444	7,178	-	-	n/a
Special Events and Programs	14,012	11,296	10,779	-	-	n/a
Total Revenues	15,066	11,740	17,957	-	-	n/a
<i>Expenditures</i>						
Special Events and Programs	12,164	12,711	10,258	-	-	n/a
<i>Total Expenditures</i>	12,164	12,711	10,258	-	-	n/a
Net Sponsored Funds (Revenues)/Expenditures	(2,902)	971	(7,699)	-	-	n/a

Town of Hanover
Department of Parks and Recreation
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Parks and Grounds</u>						
<i>Revenues</i>						
Facilities Rental Income	7,915	9,210	750	6,000	6,000	0.0%
River Dock Rental Income	7,350	7,800	7,708	7,000	7,000	0.0%
Cemetery Lot Sales and Burial Fees	34,050	24,750	20,150	29,500	29,500	0.0%
Cemetery Trust Fund Income	4,086	4,829	4,200	4,200	4,200	0.0%
Miscellaneous Revenues	475	-	1,933	12,275	7,275	-40.7%
Total Revenues	53,876	46,589	34,741	58,975	53,975	-8.5%
<i>Expenditures</i>						
Full Time Salaries	143,249	135,060	119,503	147,657	150,749	2.1%
Part Time Salaries	31,851	12,525	38,315	48,063	48,120	0.1%
Overtime Salaries	12,458	19,906	13,115	12,400	12,400	0.0%
Cemetery Maintenance Costs	16,066	23,420	15,900	16,700	15,950	-4.5%
Interdepartmental Charges	(20,134)	(20,746)	(7,828)	(7,500)	(5,537)	-26.2%
Landscaping, Parks & Field Development	17,733	20,096	52,634	18,700	16,700	-10.7%
Purchased Services	17,100	27,032	22,107	25,000	24,500	-2.0%
Supplies and Materials	2,592	6,120	10,088	11,300	7,600	-32.7%
Utilities	916	993	1,227	840	840	0.0%
Total Expenditures	221,831	224,406	265,060	273,161	271,323	-0.7%
Net Parks and Grounds (Revenues)/Expenditures	167,955	177,817	230,319	214,186	217,348	1.5%

Town of Hanover
Department of Parks and Recreation
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Out of School Time (OST) and Camp Programs</u>						
<i>Revenues</i>						
Program Registration Fees	516,137	552,698	533,460	600,800	532,492	-11.4%
Transfer from Designated Reserve	-	-	-	-	-	n/a
Program Registration Revenues	516,137	552,698	533,460	600,800	532,492	-11.4%
<i>Expenditures</i>						
Full Time Salaries	139,196	193,897	214,803	218,869	215,705	-1.4%
Part Time Salaries	128,009	119,829	85,043	139,361	113,580	-18.5%
Allocated Employee Benefits	83,070	94,926	112,054	156,458	149,055	-4.7%
Purchased Services	43,064	38,923	38,620	39,100	20,000	-48.8%
Other Program Support and Equipment	53,111	48,169	17,393	41,870	40,870	-2.4%
Professional Development	1,763	1,919	1,233	2,100	2,100	0.0%
Interdepartmental Charges	5,425	3,142	11,342	3,042	3,042	0.0%
<i>Total Expenditures</i>	453,639	500,805	480,487	600,800	544,352	-9.4%
Net KAST/Camp (Revenues)/ Expenditures	(62,498)	(51,893)	(52,973)	(0)	11,860	-2487401.5%
<u>Department of Parks and Recreation Activity Totals: (Net Revenues)/Net Expenditures</u>						
Recreation Administration	308,100	314,774	316,134	329,199	277,627	-15.7%
Youth Programs	(32,216)	(18,185)	(11,666)	(9,800)	(5,600)	-42.9%
Adult Programs	(23,364)	(15,640)	904	-	-	n/a
Community Center Programming	53,911	31,052	20,563	15,889	47,302	197.7%
Basketball Tournament	(1,993)	(498)	(787)	(100)	(500)	400.0%
Sponsored Funds Activities	(2,902)	971	(7,699)	-	-	n/a
Parks and Grounds	167,955	177,817	230,319	214,186	217,348	1.5%
Out of School Time and Camp Programs	(62,498)	(51,893)	(52,973)	(0)	11,860	-2487401.5%
Total Net (Revenues) / Expenditures	406,992	438,398	494,796	549,374	548,038	-0.2%
Parks & Rec Total Revenues	797,794	835,403	762,256	885,775	709,717	-19.9%
Parks & Rec Total Expenses	1,204,786	1,273,802	1,257,053	1,435,149	1,257,756	-12.4%
Parks & Rec Net Expenses	406,992	438,399	494,797	549,374	548,039	-0.2%



PUBLIC WORKS

This category includes all of the Public Works functions incorporating the physical services to the entire Town including road and highway maintenance, storm water and sewer line construction and maintenance, buildings and grounds maintenance, maintenance of all Town vehicles and equipment as well as energy purchasing and management. The Public Works budget category also provides funding for the recycling and solid waste programs, including curbside collection of residential recyclables.

Administration

This section of the budget covers the administration of the entire Public Works operation including highways, sidewalks, sewer and storm sewer maintenance, grounds, and equipment maintenance for General Fund operations.

In addition, the Director of Public Works is responsible for separately funded activities, such as operation of the water reclamation facility and the water utility.

The Administration Full-Time line-item includes four full-time employees: Director of Public Works, Operations Manager, Fiscal & Database Specialist and Administrative Assistant. There is a net budget increase in this section due to step increases.

The Dues and Memberships line-item requests funds for dues and membership fees to cover renewal of the employees' Commercial Drivers Licenses (CDL), random drug testing for CDL drivers required by federal law and membership for the Director in several relevant professional associations (\$2,730). This line can vary from year to year as the licenses are multiyear.

Interdepartmental Charges are comprised of the allocation of a portion of Administrative staff time to each of the following three operations:

1. Charges to the Water Reclamation Facility of <\$128,626> represents 35% of the salary for the Director, Administrative Assistant (includes utility billing support), Operations Manager, and the Fiscal & Database Specialist.
2. Charges to the Water Utility Fund of <\$88,069> represents 35% of the salary of the Director, the Administrative Assistant (includes utility billing support) and the Fiscal & Database Specialist.

Netted against this <\$216,695> of total Charges *to* Departments are Charges *from* MIS totaling (\$17,819) which has increased from (\$17,019) in FY21, the increase is attributed to the replacement of the department tablets used in the field to locate assets reducing travel, repair costs and allows for real time tracking of work orders.

The Office Supplies and Classified Advertising line-item includes funds for office supplies (\$1,550); for postage (\$100 down from \$150); and for advertising posted road restrictions and scheduled work that may impact road access (\$825).

The Operational Equipment line-item includes (\$7,232 unchanged) for the lease of the plotter/scanner; for the lease of the office's networked copier and printer and copier maintenance/copies. The scanner/plotter is used not only for GIS and DPW projects but to also to scan Planning and Zoning drawings for archiving and easier retrieval and maps/posters for other departments and for service contracts on office printing and copying equipment.

The Purchased Services line-item reflects funds for surveying needs for capital projects (\$750), and for the Hanover Mobility Hub kiosk hosting fee (\$500 down from \$2,300), the cost reduction was due to the periodic replacement of the kiosk computer reflecting in the current year budget.

The Staff Development line-item (\$1,650 down from \$3,650) reflects the anticipated cost of training opportunities for all departmental employees. Online training opportunities and reduced travel has allowed required professional training to continue.

The Uniforms and Safety Clothing line-item includes funds for the uniform allowances provided all General fund Public Works Department employees (\$23,756).

Highway Maintenance

This section covers the operation of the Highway Division, which is responsible for the maintenance of and improvements to the Town's infrastructure.

The Highway – Full-Time line-item under Personnel Costs includes thirteen full-time positions, including the Highway Operations Supervisor and twelve Equipment Operators/Highway Maintenance Workers. Combined winter and summer full-time services are budgeted at (\$715,726 up from \$701,718), a 2% increase over FY21 due to the step adjustments.

The Highway - Overtime line-item provides overtime funds (\$138,165 down from \$148,223), a 6.8% decrease from FY21. The decrease was enacted to address budget constraints which may result in some traffic disruptions with tasks that are typically accomplished at night needing to be rescheduled to normal working hours. Overtime is required for street and lot sweeping and snow removal in the Central Business District and Richmond Middle School before business hours, crosswalk and downtown pavement painting now implemented by Town staff on a more regular basis, and all winter operations including sidewalks, walkways, streets and roads. Emergency call-ins are also covered under this item. Tracking actual hours related to specific work tasks has allowed the department to accurately charge back this effort to other Town enterprise funds, as appropriate. It should be noted that a substantial driver of this line item is related to maintaining parking which is offset with a back charge (along with related vehicle costs) to the Parking fund (\$85,178). The net General Fund over time cost is (\$52,297 down from \$62,953).

The Highway Maintenance Program line-item includes funds for the purchase of all construction and maintenance materials for the road and street infrastructure during both the summer and winter operations: guard rails & posts, and patching materials (\$8,000) unchanged from FY21; gravel and liquid calcium chloride for gravel road stability and dust control (\$49,950 unchanged), and winter sand and salt (\$169,600 down from \$190,000) the decrease is due to the successful reduction of rock salt usage through the use of brine. During the past six winters we have been able to decrease the quantity of salt with brine application to pretreat roads prior to storms. Brine usage reduces the amount of pretreatment salt needed from 400 to 82 lb/lane mile. The reduction over that time has eliminated 1,400+ TN of salt being added to the roads, going forward it will result in a reduction of 700 TN annually. This line-item also includes funds (\$3,000) for erosion control including seed and mulch to prevent sedimentation during and after all ditching and construction operations.

The overall investment in the Town's roadways continues to represent a significant portion of the overall General Fund budget. In order to maximize the resources secured through the budgeting process, the Department has moved away from a detailed schedule of roads to be worked on year by

year. Instead, staff has come up with five different categories of roads, each with a different ‘life cycle’ for paving: Arterial Shim/Pave (8 year); Arterial Overlay (6 year); Connector Streets (10 year); Thru Streets (10 year); and Dead-End Streets (12 year). The cost of the Highway Paving Program is calculated for each category of road based on the asphalt tonnage required for the road repair multiplied by the price per ton divided by the number of years of the category’s life cycle.

The anticipated price for asphalt is expected to remain at \$73.50/TN as was experienced in FY21. The price stability may not last as asphalt cost rises and falls with the level of regional paving, in the event of a large national infrastructure program we expect this price to increase. The proposed paving budget is remains at the same tonnage level of 6,705 tons and price (\$492,818). This represents the full funding of the paving program at the recommended levels. There is an additional (\$68,428) in paving included for Road Reclamation Materials, plus an additional (\$28,000) for gravel. Accordingly, the total proposed Highway Paving and Road Reclamation Program budget is \$589,246 unchanged from FY21.

The Interdepartmental Charges line-item includes charges to the Parking Fund <\$85,178> for parking lot maintenance and winter storm operations; charges to the Water Reclamation Facility Fund for labor to raise manholes prior to paving and to flush sewer mains <\$11,600>; charges to the Water Utility Fund for the use of certain specialized equipment <\$3,500>; charges to the Fire Fund for dry hydrant plowing and de-icing <\$5,000>.

The Highway – Operational Equipment line-item reflects the cost of all the small equipment that is not provided for in the equipment reserve. The requested appropriation is for pavement compactors, asphalt reclaimers, painting equipment, chainsaws, trimmers, handheld radios, York rakes, generators, etc. (\$8,000 unchanged from FY21). The town would need to spend approximately \$13,000 annually to keep smaller non-CIP equipment in reliable working order; specialty equipment rental such as a roadside mower (\$2,200) used during the peak mowing season; (\$17,800) for the 5-yr lease of winter loader to carry the “Songo Blower” (larger snow removal device that replaced the Sicard), (\$24,762 down from \$28,329) for the Sidewalk machine lease, and (\$200 down from \$1,000) for specialty equipment rental such as pumps and small excavator.

The Purchased Services line-item includes funds for contracted services: outside road reclamation (\$23,000) and truck rental for snow removal from parking lots maintained by Public Works (\$5,500) which is back charged to the Parking Fund.

The Supplies and Materials line-item includes funds for technical supplies (\$76,566 unchanged from FY21) such as the cost of maintaining the town regulatory sign program; for pavement marking, pedestrian symbols, crosswalks paint and reflective beads, for painting; purchasing safety and technical supplies for summer and winter operations; Also included are funds to pressure wash and seal our existing bridges; and funds to maintain our culvert and drainage structure replacement program and for culverts and drains slip-lining.

The Transfers to Capital Reserve Funds originally slated to include a \$105,271 transfer to the Bridge Replacement and Renovation Capital Reserve Fund and a proposed \$68,825 transfer to the Road Construction and Improvement Capital Reserve Fund. These contributions have been purposely suspended in the proposed budget to present a budget within the tax rate target. The Bridge Replacement and Renovation Capital Reserve Fund was established in FY05 to begin to set aside funds for the ongoing maintenance and renovations to the Town’s twenty-two (now twenty-six) bridges. To restore the fund in FY23 the appropriation will need to be increase to \$138,000. The repair of the 3 red listed bridges can be delayed without serious safety ramifications. The Road Construction and Improvement Capital Reserve Fund was initially created in FY03 and

repurposed in FY05 to provide funding for reconstruction and improvements to Town roadways; for example, the redesign and upgrading of traffic signals, changing streetlights, intersection improvements and streetscape modifications.

Sidewalk Maintenance

This section of the budget covers the maintenance and reconstruction of town sidewalks: sidewalk asphalt paving and sidewalk concrete granite (\$23,423); ice melt (\$17,600); curb replacement (\$2,500); and crushed gravel (\$4,500). The reduction in this line-item represents the cost of paving/sidewalk rebuilding appropriated for the lease of a sidewalk machine.

Line Maintenance

This section of the budget covers the sanitary sewer line maintenance operation. The Department routinely allocates most of the expenses of the Line Maintenance Crew (LMC) operation to the Water Reclamation Facility and Water Utility Funds, reflecting the significant amount of time this department spends working directly on sewer related tasks.

The LMC and Water Distribution staff continue the partnership arrangement as a Utility Crew which allows both divisions to be more effective, complete in-house capital projects on both the sewer collection and Water Capital Replacement Plan. At some point these two divisions should be merged into one to enable more effective training and scheduling. In the summer of 2019, the Utility Crew was able to replace 800' of water main on Valley Road and Austin Avenue. The Utility Crew continues to work to replace failed water meter transmitters as emergencies (such as winter storms) allows. With this arrangement we are now able to undertake projects in-house at a significantly lower than contacting cost. For instance, contracted water main replacement of Low Road first section would have cost upwards of \$250,000, the utility crew was able to complete the same for \$75,000. With this ability, we are now able to complete smaller sections of water main replacement identified in Appendix B of the 2016 Water system Capital Distribution Replacement Plan as well as undertake sewer replacement projects. An additional benefit of a merged crew is the gained flexibility for sidewalk maintenance coverage and capacity to maintain more sidewalks (with additional over time funding) without the addition of staff.

The Line Maintenance – Full-Time line-item under Personnel Costs covers the salary cost of two full-time employees: The Sewer Maintenance and Construction Crew Leader, and the Sewer Maintenance and Construction Worker (\$132,586 up from \$131,398) due to step increases.

The Line Maintenance - Overtime line-item includes funds (\$18,954 up from \$18,952) utilized by the Division members who provide support during winter operations including plowing and maintaining sidewalks, responding to sewer line and water main breaks as part of the utility crew arrangement. The increase is due to salary increases.

The requested Collection System Materials and Maintenance line-item budget reflects funding to continue the slip-lining program (\$38,400), and to line clay tile pipes that show excessive infiltration and damage from tree roots and to address Capacity Management, Operations and Maintenance (CMOM) requirements (\$60,000). The line item also reflects \$50,000 in outside projects and \$75,000 for water main replacements budgeted in LMC and charged-back to the Water Fund.

The Interdepartmental Charges line-item reflects the charge to the Water Reclamation Facility Fund <\$261,366> for services performed by this Division, the decrease is due a reduction in

contracted services by \$10,000; Water Fund <\$188,719> for materials used in distribution system construction.

The Operational Equipment line-item reflects the cost of necessary small equipment that is not provided for in the Equipment Reserve. Examples include gate box repairs, hydrant replacements, curb stop repairs, pipe stock inventory, a gas meters for confined space entry, funds for equipment rental, as necessary.

The Purchased Services line-item provides for the clean-up of private properties resulting from sewer line breaks (\$1,000); and contracted services for emergency repairs and manhole raising due to paving projects (\$5,000 down from \$10,000); purchased services back charged to the Water fund for contracted distribution repairs (\$10,000 down from \$15,000), and pavement patching (\$5,000). Also included are funds for spill clean-up and utility easement maintenance (\$20,500).

The Supplies and Materials line-item provides for the acquisition of marking flags, signs, cones, and other safety-related equipment as required throughout the year. This line-item also includes clothing allowance for the LMC, and for the purchase of construction and maintenance materials utilized to raise manholes on roads scheduled to be paved; the replacement materials used for line upgrades; and funds for professional association dues and memberships. Also included are supplies and materials back charged to the Water fund, such as signs, mower blades, slope mower, confined space monitoring, hydrant hoses, pipe saw chain and other blades.

Outside Projects

During the year, the Town will occasionally perform work on behalf of property owners (such as reconstructing a street for a site plan) and will receive reimbursement for all if the expenses incurred. In order to do so, there must be an authorized appropriation in order to undertake this work. Consequently, the receipt of revenue (\$100,000) and the corresponding expenditure (\$100,000) are presented in the event we undertake any projects of this nature in FY22.

Fleet Maintenance

This section covers the cost of preventative maintenance and repairs for all vehicles and equipment for all departments.

The Fleet – Full-Time line-item under Personnel Services (\$257,409 up from \$249,305) represents salaries in this division. The Fleet Division consists of a Fleet Manager and three full time Mechanics positions.

The Fleet Maintenance - Overtime line-item (\$8,256 up from \$7,281) provides for 24-hour coverage on-call compensation for a mechanic to be available to make repairs during after-hour Emergency Services equipment failures and to assist in snow cleanup at the Richmond School. Based on historical data, we budget for 15 emergency call-ins per year, with each call-in an average of three hours.

The proposed budget for fuel is down significantly (\$127,725 down from \$178,150 in FY21) fuel pricing actual contracted purchase pricing based on current usage. If oil prices begin to rise, we can expect fuel prices to become volatile and will once again struggle to keep the cost of fuel related services stable. All the while we keep an eye on alternative fueled, hybrids and ultimately electric vehicles. The decrease in fuel is due to a reduction in the gallons consumed (2,000 unleaded and 4,000 diesel) experienced since the Department of Public Works installed vehicles

trackers (Network Fleet) in all non-Public Safety equipment which identified unnecessary idling vehicles and allowed for the modification of operator behavior.

The Parts and Materials line-item includes the following funding requests: parts (\$164,190 down slightly from \$164,620) based on a three-year average in prices driven by extending equipment lives; and funds for Generator Maintenance (\$11,390 up from \$8,950). The increase is due to load testing of generators which varies for year to year. The Fleet Division provides all routine generator servicing and repairs as well as for periodic load bank testing (testing under actual loads).

Operational Equipment (\$12,000) funds pressure washer replacement, welding gases, scan tools, part washers, specialty tools.

Other Fleet Repair expenses include Lubrication funds (\$13,000 down from \$14,000) with the use of synthetics which have a longer life and lower environmental impacts for specialty oils needed for equipment warranties and budgeted Outside Repair costs (\$53,595 down from \$55,570), contracted large vehicle repairs, body work/painting and specialty repairs.

The requested line-item for Tires is (\$51,025 down from \$52,325). The only item that is not funded is replacement of grader tires (\$10,000) which will either be accomplished through savings in FY21 or by extending their lives to FY23.

The Transfer to Capital Reserve line-item requires an appropriation to the Highway Construction and Maintenance Equipment Capital Reserve of \$398,353 up from \$394,508) to keep the planned vehicle and rolling stock replacement schedule at an optimal level to ensure the highest resale value, reduce equipment down time, reduce parts expenses and Fleet labor overtime costs. It is anticipated that if the contribution is increase by 1% each year over the reserve be adequately funded through FY32 assuming no large increases in pricing, changes to the fleet or work assignments.

The Interdepartmental Charges line-item reflects charges-out for mechanic labor, fuel, parts, tires and outside repairs to the Fire Fund <\$68,685>; to Planning & Zoning/Health Officer <\$5,380> to the Water Reclamation Facility Fund <\$60,483> for repair labor and parts for maintenance of plant equipment and Line Maintenance Division vehicles; to the Ambulance Fund <\$16,000>; to the Parking Fund <\$4,025>; and to the Water Utility Fund <\$25,620>.

Recycling and Solid Waste Disposal

This section of the budget covers all the costs of the various parts of the Town's recycling program including our residential bi-weekly curbside collection and costs for public street-can and other trash disposal, and for disposal of hazardous wastes.

In the fall of 2017 China introduced the "national sword" recycling restrictions. "National Sword" modified the quality requirements of recycled materials entering China from no more than 2% to no more than 0.5% contamination. Currently Material Recovery Facilities (MRF) have a difficulty making the 2% requirements. This will down grade recycled materials to lower quality products in other markets adversely affecting our recycling costs. The situation has only gotten worse as regional markets have not been able to keep up with the supply, and prices continue to fall. Items which have been staples in recycling such as glass and mixed paper are now exceeding the cost of disposal as trash.

Glass was pulled from the curbside program with a drop off location available adjacent to the Water Reclamation Facility. Glass collected at this location is sent to a facility that makes glass cullet that is made into fiberglass insulation. When it remains in the curbside collection system, it is used as daily cover or landfilled. Current as many as 2/3 of residents continue to place glass in their curbside containers. While it is not being placed in trash, it is green washing to believe it is being recycled in the curbside program.

The transition to toters was not as smooth as we would have liked. It took several months to correct flaws, provide folks with smaller carts as demand far out-stripped supply. COVID delays in the ordering, delivery, and delayed Town Meeting all played their part in the bumps. Then there were residents who just were not very receptive to change.

The bulk of the Purchased Services line-item reflects the North East Waste (Casella) contract curbside collection which provides an annual CPI increase of between 2.5% and 5%. The BLS Water and Sewer and Trash Collection Services Index CPI for 2020 was 3.6%, anticipating the July – July increase to be slightly less, we have budgeted 2.5% (\$166,563 up from \$162,500) for collection, and (\$63,682) for material processing fee.

Also included are: recycling at Town facilities (excluding of the Community Center) at \$334 per month, (\$4,010); woody debris disposal (\$1,000), funds for participation in two regional Household Hazardous Waste Collection events sponsored by UVLSRPC (\$7,800) for which the Town is charged per participating resident; dumpster rental and tipping fees (\$6,188); disposal of Town-generated hazardous waste (\$1,500); and tire pick-up on Town properties and Green-Up Day (\$780), DPW Oil/gas separator cleaning (\$2,500).

The Dues and Memberships line-item represents (\$1,000) budgeted for annual membership in the Northeast Resource Recovery Association (NRRA) and Clean Energy NH (CENH).

The Supplies and Materials line-item represents the purchase of Lebanon landfill tickets for resale to Hanover residents (\$10,000). Residents may purchase Lebanon landfill tickets at Town Hall at cost (\$15.00 for a ticket with 10 punches). This item is offset by an equivalent revenue amount.

And, finally, a modest operating budget has been proposed to seed some of the initiatives coming out of the Sustainable Hanover Committee.

Capital Expenditures

This budget category includes all of the major capital expenses for proposed highway and other Town capital projects. The capital expenses include such items as purchases from capital reserve, which are reimbursed from the Highway Construction and Maintenance Equipment Capital Reserve Fund, and major road construction and improvement projects. To ensure the community has the most cost-effective equipment and facilities, Public Works staff continue to evaluate the life cycle costs when determining replacement schedules. Staff performs a 5 year look out at equipment scheduled to be replaced analyzing:

- Repair costs would not exceed the residual equipment value.
- Down time that would not negatively affect operations.
- Rehabilitation if necessary would cost less than the annual equipment cost.

This analysis enables the Town to obtain the most economical and reliable equipment and facilities.

The Public Works Equipment line-item (\$686,400) reflects planned FY22 expenditures for vehicles and equipment to be funded from the Highway Construction and Maintenance Equipment Capital Reserve Fund. This capital reserve fund is maintained by annual budgeted contributions which are relatively stable from year to year but will need to continue to increase over the coming years to continue to fully fund the reserve. This approach to reserving avoids tax rate spikes from year to year as we go from one year where few pieces of major equipment are needed to a year such as the upcoming fiscal year where several pieces of major equipment need to be replaced. These proposed purchases are:

Excavator	\$ 225,000
Vacuum Sweeper	\$ 263,000
Sidewalk Tractor #2	\$ 165,000
Truck 16	\$ 33,400

The Excavator is used for various excavating projects as well as ditch clearing, culvert replacing, debris removal and regrading projects. The Excavator originally had an expected life of 10 years and was to be replaced in FY19. With modest repairs to the pins and bushings the equipment life was extended to FY22 or 13 years. As the equipment is kept longer the residual trade value (currently \$65,000) is beginning to decrease and large components are beginning to wear. We are not confident that there isn't an approaching failure in the drivetrain or turntable which would approach the residual trade value.

The Vacuum Sweeper is a dual unit which not only capable of sweeping streets & curb lines but also excavating (cleaning) catch basins, manholes and bases for pole/post installation. Streets are swept daily during the spring, weekly during the summer and approximately 350 Catch Basins. Which is necessary to prevent sediment and debris from plugging drainage systems and polluting wetlands and waterways. The Sweeper had an original expected life of 10 years and was planned to be replacement in FY17. With upgrades to the impeller and other components of the vacuum system the life was extended an additional 5 years (total of 15) to FY22.

Sidewalk Tractor #2 is used to maintain sidewalks in the southwest side of town as well as the high pedestrian traffic sidewalks in town ROW's around the Dartmouth campus. In the summer, the tractor is used to mow sewer rights-of-ways which often are co-located with walking trails. To continue to provide the level of service necessary with Hanover's pedestrian volumes it is imperative that sidewalk maintenance sidewalk tractors are reliable. Various equipment options have been pursued to ensure the most reliability, trade value, parts availability, and equipment life. The current anticipated equipment life is 8 years. Regardless of the manufacturer, sidewalk tractors have shown to begin to lose reliability some where between 6 and 8 years.

Truck 16 is used by the Park, Recreation & Grounds division for general landscape maintenance, to collect street can trash and tow mowing equipment to various town facilities and cemeteries.

The Road Reconstruction and Capital Maintenance line-item contains the appropriations for three projects:

1. The Bicycle and Pedestrian Committee developed a Bicycle Pedestrian Master Plan which identified recommended infrastructure improvement that would increase bicycle and pedestrian mobility in Hanover. Currently there is a sidewalk gap on the West side of Crosby between Vox lane and the south entrance of FO&M adjacent to MacKenzie

Hall (across from Memorial Field). This project is anticipated to cost \$20,000 with offsetting funding transferred in from the Municipal Transportation Improvement Capital Reserve Fund.

2. Funding to install Audible Pedestrian Systems (APS) systems to provide audible pedestrian crossing devices which allow sight impaired individuals detect when it is safe to cross intersections has been proposed. The intersections at Lebanon-Main Streets, Wheelock and Main Streets, and West-West Wheelock already have this feature. Appropriations for the 6 remaining signalized intersections is proposed in the amount of \$69,000; offsetting funding to come from the Road Construction and Improvements Capital Reserve Fund.
3. A proposed appropriation of \$80,000 for the Reservoir Road Roundabout truck apron has been budgeted; with offsetting funding to come from the Road Construction and Improvements Capital Reserve Fund. The existing Reservoir Road Roundabout truck apron is a concrete with a 6" sloped granite curb intended to slow vehicles within the roundabout while allowing trucks to navigate the otherwise tight turns. What is planned is to remove the existing curbing and concrete and replace with shallowly exposed ~2" high chamfer vertical granite curbing and replace the inner travel surface with smooth cobble stones.

Town of Hanover
Department of Public Works
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22</u>
<u>Revenues</u>						
Excavation and Other Fees	3,020	5,670	4,770	3,700	3,780	2.2%
Grants and Gifts	26,505	106,582	1,630	-	-	n/a
Other DPW Revenues	5,882	6,383	15,268	13,050	12,050	-7.7%
Outside Project Funding	10,511	2,976	23,794	100,000	100,000	0.0%
State of NH Line Maintenance Block Grant	293,429	293,814	299,241	299,273	292,706	-2.2%
Transfer from Capital Reserve Funds	534,748	350,672	393,979	659,820	855,400	29.6%
Total Revenues	874,095	766,097	738,682	1,075,843	1,263,936	17.5%
<u>Expenditures</u>						
Personnel Costs						
Full-Time Wages/DPW Administration	331,898	347,289	351,689	359,124	367,502	2.3%
Full-Time Wages/Highway Ops and Mtce	616,400	605,299	590,804	701,718	715,726	2.0%
Overtime Wages/Highway Ops and Mtce	151,263	150,013	96,472	148,223	138,165	-6.8%
Full-Time Wages/Line Maintenance	118,694	122,385	115,770	131,398	132,586	0.9%
Overtime Wages/ Line Maintenance	22,670	20,558	18,823	18,952	18,954	0.0%
Full-Time Wages/ Fleet Maintenance	230,739	238,480	222,311	249,305	257,409	3.3%
Overtime Wages/Fleet Maintenance	6,367	6,758	10,310	7,281	8,256	13.4%
Total Personnel	1,478,030	1,490,783	1,406,179	1,616,001	1,638,598	1.4%

Town of Hanover
Department of Public Works
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22</u>
Administration						
Dues and Memberships	2,678	1,800	1,454	2,730	2,730	0.0%
Interdepartmental Charges to/from Other Depts.	(181,810)	(170,480)	(172,088)	(194,606)	(198,876)	2.2%
Office Supplies and Classified Advertising	2,143	4,393	3,686	2,525	2,475	-2.0%
Operational Equipment	5,115	628	7,304	7,232	7,232	0.0%
Purchased Services	2,559	4,773	400	3,050	1,250	-59.0%
Staff Development	15,008	4,611	700	3,650	1,650	-54.8%
Uniforms and Safety Clothing	29,963	29,000	24,200	23,756	23,756	0.0%
Total Administration Excluding Personnel	(124,346)	(125,274)	(134,345)	(151,663)	(159,783)	5.4%
Highway Maintenance						
Highway Maintenance Program	260,264	250,556	241,410	250,950	230,550	-8.1%
Highway Paving and Overlay Program	563,718	588,710	659,339	589,246	589,246	0.0%
Interdepartmental Charges to/from Other Depts.	(96,940)	(106,230)	(105,175)	(105,370)	(105,278)	-0.1%
Operational Equipment	23,183	21,278	53,907	56,529	52,962	-6.3%
Purchased Services	28,800	29,820	17,150	28,500	28,500	0.0%
Supplies and Materials	76,322	69,787	99,776	76,566	76,566	0.0%
Transfer to Capital Reserve Funds	92,500	168,000	172,096	172,096	-	-100.0%
Total Highway Maintenance Excluding Personnel	947,848	1,021,920	1,138,503	1,068,517	872,545	-18.3%
Sidewalk Maintenance						
Supplies and Materials	73,900	72,475	83,357	72,785	48,023	-34.0%
Total Sidewalk Maintenance Excluding Personnel	73,900	72,475	83,357	72,785	48,023	-34.0%

Town of Hanover
Department of Public Works
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22</u>
Line Maintenance						
Collection/Distribution System Materials and Mtce.	95,950	96,008	173,002	223,400	223,400	0.0%
Interdepartmental Charges to/from Other Depts.	(235,405)	(238,332)	(437,491)	(465,750)	(450,085)	-3.4%
Operational Equipment	2,771	3,066	40,523	45,754	43,754	-4.4%
Purchased Services	7,696	10,000	31,307	51,500	41,500	-19.4%
Supplies and Materials	936	11,145	20,471	29,617	24,942	-15.8%
Total Line Maintenance Excluding Personnel	(128,052)	(118,113)	(172,189)	(115,479)	(116,489)	0.9%
Outside Projects						
Materials and Contracted Services	9,869	6,901	34,388	100,000	100,000	0.0%
Total Outside Projects	9,869	6,901	34,388	100,000	100,000	0.0%
Fleet Maintenance						
Vehicle Fuel	161,352	193,979	195,139	178,150	127,725	-28.3%
Parts and Materials	198,012	185,574	174,301	173,570	175,580	1.2%
Operational Equipment	16,962	13,094	10,312	12,000	12,000	0.0%
Other Fleet Repair Expenses	57,347	57,822	69,950	69,570	66,595	-4.3%
Tires	34,463	24,142	32,526	52,325	51,025	-2.5%
Transfer to Capital Reserve	385,500	331,500	384,508	394,508	398,353	1.0%
Interdepartmental Charges to/from Other Depts.	(106,123)	(108,423)	(90,898)	(190,111)	(180,193)	-5.2%
Total Fleet Maintenance Excluding Personnel	747,513	697,687	775,838	690,012	651,085	-5.6%

Town of Hanover
Department of Public Works
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22</u>
Recycling and Solid Waste Disposal						
Purchased Services	213,893	218,493	263,183	247,470	254,022	2.6%
Dues and Memberships	788	803	803	1,000	1,000	0.0%
Supplies and Materials	3,000	6,000	6,000	10,000	10,000	0.0%
Sustainable Hanover Committee	428	4,191	3,001	2,500	500	-80.0%
Total Recycling and Solid Waste Disposal	218,109	229,487	272,986	260,970	265,522	1.7%
Capital Costs						
Public Works Capital Equipment Purchases	484,735	177,838	350,114	356,120	686,400	92.7%
Road Reconstruction and Capital Maintenance	170,770	315,104	58,487	303,700	169,000	-44.4%
Total Capital Costs	655,505	492,942	408,601	659,820	855,400	29.6%
Total DPW Non-Personnel Expenditures	2,400,347	2,278,027	2,407,139	2,584,961	2,516,303	-2.7%
Activity Totals						
Administration	207,553	222,016	217,344	207,460	207,719	0.1%
Highway Maintenance	1,715,510	1,777,232	1,825,779	1,918,458	1,726,436	-10.0%
Sidewalk Maintenance	73,900	72,475	83,357	72,785	48,023	-34.0%
Line Maintenance	13,312	24,830	(37,596)	34,871	35,051	0.5%
Outside Projects	9,869	6,901	34,388	100,000	100,000	0.0%
Fleet Maintenance	984,618	942,926	1,008,459	946,598	916,750	-3.2%
Recycling and Solid Waste Disposal	218,109	229,487	272,986	260,970	265,522	1.7%
Capital Costs	655,505	492,942	408,601	659,820	855,400	29.6%
Total Expenditures	3,878,377	3,768,809	3,813,318	4,200,962	4,154,901	-1.1%
Net Expenditures	3,004,281	3,002,713	3,074,636	3,125,119	2,890,965	-7.5%

CAPITAL RESERVE FUNDS

A significant portion of the annual budget appropriations goes towards capital projects and purchases. When we plan for large expenditures on a five-year or longer time frame, we are better able to plan the expense of costly projects, thereby avoiding spikes in the municipal tax rate while better managing our capital assets as a whole. The Town of Hanover annually reviews its long-term projections to inform the annual budget process, as reflected in this section. The Town has benefited from its tradition of planning for and steadily funding capital reserve funds for the replacement of vehicles and equipment, for roadway and bridge improvements, and for building maintenance.

According to NH RSA 35:1, capital reserve funds may be established for the following purposes:

- I. The construction, reconstruction or acquisition of a specific capital improvement, or the acquisition of a specific item or specific items of equipment; or
- II. The construction, reconstruction, or acquisition of a type of capital improvement or the acquisition of a type of equipment; or
- III. A reappraisal by appraisers of the department of revenue administration or such other appraisers, appraisal firms or corporations approved by the commissioner of revenue administration, of the real estate in such town for tax assessment purposes; or
- III-a. The acquisition of land; or
- IV. The acquisition of a tax map of said town; or
- V. Extraordinary legal fees and expenses related to present or foreseeable litigation involving the town or its officers and employees; or
- VI. Municipal and regional transportation improvement projects including engineering, right-of-way acquisition and construction costs of transportation facilities, and for operating and capital costs for public transportation.

In addition, capital projects may include:

- 1. Projects requiring debt obligation or borrowing;
- 2. Anticipation of a change of fiscal year (RSA 35:1-a);
- 3. Educating children with disabilities (RSA 35:1-b);
- 4. Major studies that require the employment of outside consultants; or
- 5. The “maintenance and operation of a specific public facility or type of facility, a specific item or type of equipment, or for any other distinctly-stated, specific public purpose that is not foreign to its institution or incompatible with the objects of its organization.” (RSA 35:1-c).

At the May 2005 Town Meeting, voters authorized the Planning Board to prepare and recommend a program of municipal capital improvement projects over a period of at least three years for equipment and five years for infrastructure for the purpose of preparing the annual budget. This comprehensive capital planning process is needed to anticipate the impact of development and growth over the next several years, assess the capacity of our infrastructure to accommodate projected growth, and plan for any necessary improvements.

Not all the separate capital reserve funds have adequate reserves for future expenses, but we have made significant headway. Long-range goals, appropriate funding levels of the capital reserve funds, and the pros and cons of incurring long-term debt for larger capital projects will be addressed during the capital planning process over the coming year. Items in the Capital Reserve Funds are valued more than \$10,000 and less than \$500,000 and have a minimum of a 3-year life.

Purchases from Reserves

Appropriations for capital improvements and for purchase of, vehicles and equipment are made on a planned basis from existing capital reserve funds. While these expenditures have no direct impact on the current tax rate, annual deposits into the funds to maintain adequate balances for future spending do impact the annual operating budget.

Proposed FY20 purchases from reserve funds are detailed below.

General Fund Purchases from Capital Reserve Funds

<u>Highway Construction & Maintenance Equipment Capital Reserve Fund:</u> <i>Excavator, Vacuum Sweeper, Truck 16, Sidewalk Tractor #2</i>	\$686,400
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<u>Municipal Transportation Improvement Fund:</u> <i>Crosby Sidewalk</i>	\$20,000
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<u>Building Capital Reserve Fund:</u> <i>RW Black lower siding, Re-cabing & Fire Alarms Town Hall and DPW,</i>	\$ 95,000
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<u>Road Construction Capital Reserve Fund:</u> <i>Audible Pedestrian System various intersections, Reservoir Road Roundabout Truck Apron</i>	\$149,000
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Total General Fund Purchases from Eqpt. Reserves:	<u><u>\$950,400</u></u>
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Other Fund Purchases from Capital Reserve Funds

<u>Fire Reserve Fund:</u> <i>Domestic Plumbing Main Station</i>	\$35,000
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<u>Parking Operations Vehicles and Parking Facility Improvements Capital Reserve Fund:</u> <i>Kiosks to replace single head meters</i>	\$146,000
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<u>Sewer Equipment and Facilities Improvements Capital Reserve Fund:</u> <i>Grasse road Solar Phase #2 initial payment, Pump Station #2 (phase 2 of 2) payment</i>	\$502,000
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<u>Water Treatment and Distribution Equipment and System Capital Reserve Fund:</u> <i>Electrical Metering & Efficiency, Manganese Monitor & Analyzer, Secondary Chlorination, Vactron</i>	\$207,000
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Total Other Fund Purchases from Eqpt. Reserves:	<u><u>\$890,000</u></u>
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Contributions to Capital Reserve Funds

By planning our major capital purchases and our annual contributions, we minimize the tax impact of these major expenses. Annual contributions build up adequate resources to fund capital expenditures, thereby saving the Town bonding, leasing and other financing costs for necessary capital spending. Unfortunately, pressures on the operating budget – particularly in a challenging economy – often don't allow for the full funding of reserves or the creation of new capital reserves to address anticipated future capital projects.

The following pages include detailed schedules of the existing and projected balances of the Town's major existing Capital Reserve Funds and the planned deposit and expenditure activity in FY22 and beyond.

CAPITAL RESERVE FUNDS-SUMMARY

	Adjusted Available Balance @ 6/30/2020	FY2021 Budget - Fund Additions	FY2021 Budget - Fund Withdrawals	Projected Balance FY2021	SB Proposed FY2022 Budget - Fund Additions	SB Proposed FY2022 Budget - Fund Withdrawals	Projected Balance FY2022
<u>Funded by General Operating Fund Contributions:</u>							
Bridge Replacement and Renovation Capital Reserve Fund	\$ 229,184	\$ 103,271	\$ (195,000)	\$ 137,455	\$ -	\$ -	\$ 137,455
Building Maintenance and Improvement Capital Reserve Fund	\$ 320,556	\$ 155,000	\$ (420,000)	\$ 55,556	\$ 160,000	\$ (95,000)	\$ 120,556
Dispatch Equipment and Dispatch Center Enhancements Capital Reserve Fund	\$ 160,618	\$ 89,197	\$ (140,000)	\$ 109,815	\$ 26,381	\$ -	\$ 136,196
Highway Construction and Maintenance Equipment Capital Reserve Fund	\$ 327,571	\$ 394,508	\$ (356,120)	\$ 365,959	\$ 398,353	\$ (686,400)	\$ 77,912
Police Vehicles and Equipment Capital Reserve Fund	\$ 27,385	\$ 100,766	\$ (52,000)	\$ 76,151	\$ 114,000	\$ -	\$ 190,151
Road Construction and Improvements Capital Reserve Fund	\$ 159,527	\$ 68,825	\$ (75,000)	\$ 153,352	\$ -	\$ (149,000)	\$ 4,352
Town Revaluation Capital Reserve Fund	\$ 27,079	\$ -	\$ (26,000)	\$ 1,079	\$ -	\$ -	\$ 1,079
SUBTOTAL - GENERAL FUND	\$ 1,251,920	\$ 911,567	\$ (1,264,120)	\$ 899,367	\$ 698,734	\$ (930,400)	\$ 667,701
<u>Funded by Contributions from Other Funds:</u>							
Ambulance Equipment Capital Reserve Fund	\$ 24,943	\$ 82,567	\$ (105,000)	\$ 2,510	\$ 82,567	\$ -	\$ 85,077
Fire Department Vehicle and Equipment Capital Reserve Fund	\$ 220,951	\$ 86,000	\$ (30,000)	\$ 276,951	\$ 82,567	\$ (35,000)	\$ 324,518
Municipal Transportation Improvement Fund	\$ 5,902	\$ 32,000	\$ (33,700)	\$ 4,202	\$ 34,000	\$ (20,000)	\$ 18,202
Parking Operations Vehicles and Parking Facility Improvements Capital Reserve Fund	\$ 398,226	\$ 174,955	\$ -	\$ 573,181	\$ -	\$ (146,000)	\$ 427,181
Sewer Equipment and Facilities Improvements Capital Reserve Fund	\$ 329,620	\$ 363,757	\$ (499,500)	\$ 193,877	\$ 391,757	\$ (502,000)	\$ 83,634
Water Treatment and Distribution Equipment and System Capital Reserve Fund	\$ 304,040	\$ 176,500	\$ (53,314)	\$ 427,226	\$ 176,500	\$ (207,000)	\$ 396,726
SUBTOTAL - OTHER FUNDS	\$ 1,283,680	\$ 915,779	\$ (721,514)	\$ 1,477,945	\$ 767,391	\$ (910,000)	\$ 1,335,336
GRAND TOTAL - ALL FUNDS	\$ 2,535,601	\$ 1,827,346	\$ (1,985,634)	\$ 2,377,313	\$ 1,466,125	\$ (1,840,400)	\$ 2,003,038

Bridge		FY21 Balance \$ 137,455										
Summary	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	
Contribution required to balance	\$ -	\$ 138,271	\$ 150,771	\$ 165,771	\$ 175,771	\$ 185,771	\$ 175,771	\$ 165,771	\$ 155,771	\$ 145,771	\$ 135,771	
Change from FY21	\$ (103,271)	\$ 35,000	\$ 47,500	\$ 62,500	\$ 72,500	\$ 82,500	\$ 72,500	\$ 62,500	\$ 52,500	\$ 42,500	\$ 32,500	
Expense	\$ -	\$ 206,000	\$ -	\$ 386,000	\$ 96,900	\$ 255,000	\$ -	\$ 89,300	\$ 91,150	\$ 182,300	\$ -	
Reserve Balance	\$ 137,455	\$ 69,726	\$ 220,497	\$ 268	\$ 79,139	\$ 9,910	\$ 185,681	\$ 262,152	\$ 326,773	\$ 290,244	\$ 426,015	
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	
FY23 bridge116/097		\$206,000										
FY25 bridge118/080				\$350,000								
Ledyard Bridge Lighting				\$36,000								
FY26 bridgebox1					\$28,500							
Ruddsboro @ 3 mile Road					\$68,400							
FY27 bridge213/150						\$255,000						
FY29 bridge108/066								\$89,300				
FY30 bridge107/063									\$91,150			
FY31 bridge133/089										\$182,300		
Yearly Total Purchase		\$206,000		\$386,000	\$96,900	\$255,000		\$89,300	\$91,150	\$182,300		

Current balance FY21 \$ 137,455

Summary	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Contribution required to balance	\$ -	\$ 10,000	\$ 17,500	\$ 25,000	\$ 32,500	\$ 40,000	\$ 47,500	\$ 55,000	\$ 62,500	\$ 70,000	\$ 77,500
Bond Payment		\$49,598.10	\$49,598.10	\$49,598.10	\$49,598.10	\$49,598.10	\$49,598.10	\$49,598.10	\$49,598.10	\$49,598.10	\$49,598.10
Change from FY21	\$ (103,271)	\$ (100,000)	\$ (95,000)	\$ (85,000)	\$ (75,000)	\$ (65,000)	\$ (55,000)	\$ (45,000)	\$ (35,000)	\$ (25,000)	\$ (15,000)
Total Expense	\$ -	\$ 59,598	\$ 67,098	\$ 74,598	\$ 82,098	\$ 89,598	\$ 97,098	\$ 104,598	\$ 112,098	\$ 119,598	\$ 127,098
Balance	\$ 137,455	\$ 147,455	\$ 164,955	\$ 153,955	\$ 89,555	\$ 129,555	\$ 177,055	\$ 142,755	\$ 114,105	\$ 1,805	\$ 79,305

Sum of Cost	Column Labels										
Row Labels	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Bond GF	\$ 811,000										
Bridge Bond	\$ 811,000										
Bridge				\$ 36,000	\$ 96,900			\$ 89,300	\$ 91,150	\$ 182,300	
bridge107/063									\$ 91,150		
bridge108/066								\$ 89,300			
bridge133/089										\$ 182,300	
bridgebox1					\$ 28,500						
Ledyard Bridge Lighting				\$ 36,000							
Ruddsboro @ 3 mile Road					\$ 68,400						
Grand Total	\$ 811,000			\$ 36,000	\$ 96,900			\$ 89,300	\$ 91,150	\$ 182,300	

Building		FY21 Balance		\$ 55,556								
Summary	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	
Contribution required to balance	\$ 160,000	\$ 170,000	\$ 180,000	\$ 190,000	\$ 200,000	\$ 210,000	\$ 220,000	\$ 230,000	\$ 240,000	\$ 250,000	\$ 260,000	
Change from FY21	\$ 5,000	\$ 15,000	\$ 25,000	\$ 35,000	\$ 45,000	\$ 55,000	\$ 65,000	\$ 75,000	\$ 85,000	\$ 95,000	\$ 105,000	
Expense	\$ 95,000	\$ 176,500	\$ 141,800	\$ -	\$ 82,000	\$ 297,199	\$ 174,000	\$ 467,550	\$ 330,000	\$ 494,654	\$ 233,500	
Reserve Balance	\$ 120,556	\$ 114,056	\$ 152,256	\$ 342,256	\$ 460,256	\$ 373,057	\$ 419,057	\$ 181,507	\$ 91,507	\$ (153,147)	\$ (126,647)	
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	
FY22												
Lower Siding RWB	\$70,000											
recablng & fire alarm panels	\$25,000											
FY23												
Flooring DPW		\$70,000										
Flooring Training Room PD		\$26,500										
Membrane Roofing RWB		\$58,000										
Windows DPW												
DPW		\$22,000										
FY24												
Carpet upstairs RWB			\$24,800									
Kitchen Appliances			\$25,000									
Roof Replacement (east side)			\$92,000									
FY26												
HVAC Controls PD					\$20,000							
Parking Lot DPW					\$62,000							
FY27												
Carpet downstairs RWB						\$55,000						
Generator TH						\$15,926						
Solar Array PS & DPW						\$226,273						
FY28												
Howe Lib Parking							\$20,000					
membrane roof DPW1							\$97,500					
Membrane Roof DPW2							\$56,500					
FY29												
Boiler & 3 FHA DPW								\$99,000				
Boiler RWB								\$61,900				
Boiler TH								\$49,500				
Carpet Howe								\$92,000				
DC Inverter (solar) PD								\$20,000				
Handicap Door Openers/Controls								\$14,000				
Window Replacement								\$131,150				
FY30												
Flooring PD									\$91,000			
Heat pumps DPW									\$225,000			
Waste Oil Furnace									\$14,000			
FY31												
Boiler (2) Howe										\$124,000		
Emergency Generator - RWB										\$60,654		
Heat Pumps Police										\$235,000		
Howe Library Air Handlers										\$75,000		
FY32												
DC Inverter (solar) TH											\$20,000	
Elevator Howe											\$120,000	
High Efficiency heat pump phase 1 TH											\$93,500	
Yearly Total Purchase	\$95,000	\$176,500	\$141,800		\$82,000	\$297,199	\$174,000	\$467,550	\$330,000	\$494,654	\$233,500	

Dispatch		FY21 Balance \$ 109,815											
Summary	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32		
Contribution required to balance	\$ 26,381	\$ 31,513	\$ 34,197	\$ 37,697	\$ 41,197	\$ 44,697	\$ 48,197	\$ 51,697	\$ 55,197	\$ 58,697	\$ 62,197		
Change from FY21	\$ (62,816)	\$ (57,684)	\$ (55,000)	\$ (51,500)	\$ (48,000)	\$ (44,500)	\$ (41,000)	\$ (37,500)	\$ (34,000)	\$ (30,500)	\$ (27,000)		
Expense	\$ -	\$ -	\$ 78,000	\$ 100,000	\$ -	\$ -	\$ -	\$ 55,000	\$ 20,800	\$ 225,000	\$ 117,000		
Reserve Balance	\$ 136,196	\$ 167,709	\$ 123,906	\$ 61,603	\$ 102,800	\$ 147,497	\$ 195,694	\$ 192,391	\$ 226,788	\$ 60,485	\$ 5,682		
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32		
FY24													
Digital Alarm Monitor			\$40,000										
Hayes Hill Radio Building			\$38,000										
FY25													
Telephone system				\$100,000									
FY29													
Video System								\$55,000					
FY30													
Logger recorder									\$20,800				
FY31													
Radio Console										\$225,000			
FY32													
Police simulcast radio system												\$117,000	
Yearly Total Purchase			\$78,000	\$100,000				\$55,000	\$20,800	\$225,000	\$117,000		

Highway		FY21 Balance		\$ 365,959									
Summary	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32		
Contribution required to balance	\$ 398,353	\$ 399,285	\$ 416,462	\$ 420,627	\$ 424,833	\$ 434,081	\$ 443,422	\$ 447,856	\$ 457,335	\$ 461,908	\$ 461,908		
Change from FY21	\$ 3,845	\$ 4,077	\$ 21,954	\$ 26,119	\$ 30,325	\$ 39,573	\$ 58,914	\$ 63,348	\$ 72,827	\$ 77,400	\$ 77,400		
Expense	\$ 686,400	\$ 53,100	\$ 688,500	\$ 463,200	\$ 438,200	\$ 262,900	\$ 582,800	\$ 208,000	\$ 693,400	\$ -	\$ -		
Reserve Balance	\$ 77,912	\$ 424,097	\$ 152,059	\$ 109,485	\$ 96,118	\$ 267,299	\$ 127,922	\$ 367,778	\$ 131,713	\$ 593,621	\$ 1,055,529		
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32		
FY22													
Excavator	\$225,000												
Sidewalk Tractor 2	\$165,000												
Truck 16 pickup	\$33,400												
Vacuum Sweeper	\$263,000												
FY23													
Bulldozer undercarriage/pin/bush		\$35,400											
Calcium Chloride Storage		\$17,700											
FY24													
Sidewalk Tractor 3			\$109,500										
Truck 12 -6 wheel dump with plow			\$193,000										
Truck 14 - 6 wheel dump with plow			\$193,000										
Truck 5 -6 wheel dump with plow			\$193,000										
FY25													
Road Side Tractor				\$166,000									
Truck 15 -F550				\$113,200									
Truck 18 -Pickup				\$55,000									
Truck 26 pickup				\$55,000									
Truck 4 pickup (Grounds) upgrade to 550				\$74,000									
FY26													
Backhoe Loader DPW					\$142,000								
Mowers 1-2 GF-1800					\$26,600								
Truck 1					\$56,000								
Truck 11 - 10 wheeler with plow					\$213,600								
FY27													
Brine equipment						\$51,400							
Graco Roadlazer (Long Line Painter)						\$64,150							
Truck 13 -F550						\$83,200							
Truck 2 (Long Line Painter Truck) F550						\$64,150							
FY28													
Grader							\$301,000						
Sidewalk Tractor 1							\$168,000						
Truck 19 (Bldgs. Van)							\$45,000						
Truck 3 (Grounds)							\$48,000						
ZD221 (2) zero turn							\$20,800						
FY29													
Excavator Rebush/assess								\$33,000					
Multi vehicle diagnostic tool								\$15,000					
Truck 10 - pickup								\$50,000					
Truck 6 -10 wheel dump with attachments								\$110,000					
Vacuum Sweeper rehabilitate								\$0					
FY30													
Roller Compactor									\$142,000				
Truck 17 -6 wheel dump with plow									\$163,200				
Truck 7 -6 wheel dump									\$163,200				
Truck 8 -6 wheel dump with plow									\$225,000				
Yearly Total Purchase	\$689,653	\$53,100	\$688,500	\$463,200	\$438,200	\$262,900	\$582,800	\$208,000	\$693,400				

Police		FY21 Balance		\$ 76,151											
Summary	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32				
Contribution required to balance	\$ 114,000	\$ 127,000	\$ 139,500	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000	\$ 96,000
Change from FY21	\$ 25,234	\$ 38,234	\$ 50,734	\$ 7,234	\$ 7,234	\$ 7,234	\$ 7,234	\$ 7,234	\$ 7,234	\$ 7,234	\$ 7,234	\$ 7,234	\$ 7,234	\$ 7,234	\$ 7,234
Expense	\$ -	\$ 208,671	\$ 220,400	\$ 42,000	\$ -	\$ 45,000	\$ 285,750	\$ 93,171	\$ -	\$ 23,750	\$ -	\$ 23,750	\$ -	\$ -	\$ -
Reserve Balance	\$ 190,151	\$ 108,480	\$ 27,580	\$ 81,580	\$ 177,580	\$ 228,580	\$ 11,530	\$ 14,359	\$ 110,359	\$ 182,609	\$ 278,609				
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32				
FY23															
Cruiser #7		\$46,585													
Cruiser #8		\$46,585													
Police Department Portable Radios		\$115,500													
FY24															
Cruiser #2			\$55,100												
Cruiser #3			\$55,100												
Cruiser #4			\$55,100												
Cruiser #5			\$55,100												
FY25															
Mobile Data Terminals PKG				\$42,000											
FY27															
Car #6						\$45,000									
FY28															
Cruiser #2							\$60,400								
Cruiser #3							\$60,400								
Cruiser #4							\$60,400								
Cruiser #5							\$60,400								
Firearms & related equipment							\$32,000								
Radar Trailer							\$12,150								
FY29															
Cruiser #7								\$46,585							
Cruiser #8								\$46,585							
FY31															
Cruiser lights										\$23,750					
Yearly Total Purchase		\$208,671	\$220,400	\$42,000		\$45,000	\$285,750	\$93,171		\$23,750					

Road Construction		FY21 Balance		\$ 153,352									
Summary	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32		
Contribution required to balance	\$ -	\$ 36,000	\$ 54,000	\$ 72,000	\$ 92,000	\$ 82,000	\$ 82,000	\$ 82,000	\$ 82,000	\$ 82,000	\$ 82,000	\$ 82,000	\$ 82,000
Change from FY21	\$ (68,825)	\$ (32,825)	\$ (14,825)	\$ 3,175	\$ 23,175	\$ 13,175	\$ 13,175	\$ 13,175	\$ 13,175	\$ 13,175	\$ 13,175	\$ 13,175	\$ 13,175
Expense	\$ 149,000	\$ -	\$ -	\$ 153,000	\$ 104,000	\$ -	\$ 136,000	\$ -	\$ 177,000	\$ 28,500	\$ -	\$ -	\$ -
Reserve Balance	\$ 4,352	\$ 40,352	\$ 94,352	\$ 13,352	\$ 1,352	\$ 83,352	\$ 29,352	\$ 111,352	\$ 16,352	\$ 69,852	\$ 151,852		
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32		
FY22													
APS - pedestrian activation	\$69,000												
Reservoir Roundabout Apron	\$80,000												
FY25													
Lyme/Richmond signal upgrade				\$64,000									
Main/South/Maple Control Cabinet				\$74,000									
School zone speed flashers				\$15,000									
FY26													
Lebanon/Summer Video Detection System					\$28,000								
Park/Wheelock Control Cabinet					\$76,000								
FY28													
Lebanon/Park Signal Mast Arms							\$25,000						
Main/Wheelock Control Cabinet							\$81,000						
Midblock Crossing 2							\$30,000						
FY30													
Lebanon/Park Gridsmart Video Detection System									\$32,000				
Main/South/Maple Mast Arms									\$28,000				
Park/Lyme Control Cabinet									\$86,000				
West/W Wheelock Video Detection system									\$31,000				
FY31													
Park/Wheelock Mast Arms										\$28,500			
Yearly Total Purchase	\$149,000			\$153,000	\$104,000		\$136,000		\$177,000	\$28,500			

Revaluation		FY21 Balance \$ 1,079											
Summary	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32		
Contribution required to balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change from FY21	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)
Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 20,000	\$ -	\$ 35,000	\$ -	\$ -
Reserve Balance	\$ 1,079	\$ 1,079	\$ 1,079	\$ 1,079	\$ 1,079	\$ 1,079	\$ 1,079	\$ (13,921)	\$ (33,921)	\$ (33,921)	\$ (68,921)	\$ (68,921)	\$ (68,921)
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32		
FY28													
Revaluation first year							\$15,000						
FY29													
Revaluation Second Year								\$20,000					
FY31													
Revaluation Salvage										\$35,000			
Yearly Total Purchase							\$15,000	\$20,000		\$35,000			

Bond GF	FY21 Balance \$ -										
<i>Summary</i>	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Contribution required to balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change from FY21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,075,000	300,000
Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,075,000)	\$ (1,375,000)
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
FY31											
Fuel Island Canopy										\$0	
Fuel Storage										\$1,075,000	
Underground Fuel Storage Tanks										\$0	
FY32											
Shed # 2 relocation to DPW											\$300,000
Yearly Total Purchase										\$1,075,000	\$300,000

Ambulance		FY21 Balance		\$ 2,510											
<i>Summary</i>	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32				
Contribution required to balance	\$ 82,567	\$ 82,567	\$ 82,567	\$ 82,567	\$ 82,567	\$ 82,567	\$ 82,567	\$ 82,567	\$ 82,567	\$ 82,567	\$ 82,567	\$ 82,567	\$ 82,567	\$ 82,567	\$ 82,567
Change from FY21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,000	\$ 334,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Balance	\$ 85,077	\$ 167,644	\$ 250,211	\$ 332,778	\$ 415,345	\$ 497,912	\$ 260,479	\$ 9,046	\$ 91,613	\$ 174,180	\$ 256,747				
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32				
FY28															
Ambulance1							\$320,000								
FY29															
Ambulance 2								\$320,000							
IV Med Pumps								\$14,000							
Yearly Total Purchase							\$320,000	\$334,000							

Fire		FY21 Balance \$ 276,951										
Summary	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	
Contribution required to balance	\$ 82,567	\$ 234,900	\$ 244,900	\$ 254,900	\$ 264,900	\$ 274,900	\$ 284,900	\$ 294,900	\$ 311,700	\$ 311,700	\$ 196,471	
Change from FY21	\$ (135,933)	\$ 16,400	\$ 26,400	\$ 36,400	\$ 46,400	\$ 56,400	\$ 66,400	\$ 76,400	\$ 93,200	\$ 93,200	\$ 93,200	
Expense	\$ 35,000	\$ -	\$ 218,801	\$ 79,494	\$ 813,180	\$ 43,100	\$ 132,390	\$ 208,741	\$ 1,019,182	\$ 25,000	\$ 15,000	
Reserve Balance	\$ 324,518	\$ 559,418	\$ 585,517	\$ 760,923	\$ 212,643	\$ 444,443	\$ 596,953	\$ 683,112	\$ (24,370)	\$ 262,330	\$ 443,801	
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	
FY22												
Domestic Plumbing	\$35,000											
FY23												
Watch room rehab		\$0										
FY24												
Forestry 1 (E-5)			\$173,489									
Utility 1			\$45,312									
FY25												
Fire Car #2				\$46,264								
Heat Pumps FD				\$0								
Thermal Imaging Camera B				\$33,230								
FY26												
Engine 4					\$753,945							
Fire Car 1					\$47,235							
Overhead Doors Etna FD					\$12,000							
FY27												
Solar PS Fire share (16%)						\$43,100						
FY28												
Portable Radio Replacement XTS 2500							\$132,390					
FY29												
Backup Generator PS								\$75,000				
Rescue Boat								\$133,741				
FY30												
Heating System Etna FD									\$10,000			
SCBA									\$278,182			
Thermal Imaging Camera A									\$45,000			
Thermal Imaging Camera B									\$11,000			
Tower 1 (1/2 Cost)									\$675,000			
FY31												
Paving Etna FD										\$25,000		
FY32												
Solar Hot Water FD											\$15,000	
Yearly Total Purchase	\$35,000	\$0	\$218,801	\$79,494	\$813,180	\$43,100	\$132,390	\$208,741	\$1,019,182	\$25,000	\$15,000	

Bond FD		FY21 Balance \$ -										
Summary	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	
Contribution required to balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Change from FY21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675,000	\$ -	-
Reserve Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (675,000)	\$ (675,000)	(675,000)
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	
FY30												
Tower 1 (1/2 Cost)									\$675,000			
Yearly Total Purchase									\$675,000			

Municipal Transportation		FY21 Balance		\$		4,202											
Summary	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32						
Contribution required to balance	\$ 34,000	\$ 31,700	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000						
Change from FY21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Expense	\$ 20,000	\$ 23,600	\$ -	\$ -	\$ 24,800	\$ 114,200	\$ -	\$ -	\$ 135,000	\$ -	\$ -						
Reserve Balance	\$ 18,202	\$ 26,302	\$ 58,302	\$ 90,302	\$ 97,502	\$ 15,302	\$ 47,302	\$ 79,302	\$ (23,698)	\$ 8,302	\$ 40,302						
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32						
FY22																	
Crosby Sidewalk Gap	\$20,000																
FY23																	
Sidewalk Strong Trail to Hemlock Road		\$23,600															
FY26																	
Maple Street Sidewalk gap					\$24,800												
FY27																	
Reservoir Road MUP						\$114,200											
FY30																	
120 MUP Buck to DHMC									\$135,000								
Yearly Total Purchase	\$20,000	\$23,600			\$24,800	\$114,200			\$135,000								

Parking		FY21 Balance		\$ 573,181									
Summary	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32		
Contribution required to balance	\$ -	\$ -	\$ 174,955	\$ 174,955	\$ 174,955	\$ 174,955	\$ 174,955	\$ 174,955	\$ 174,955	\$ 174,955	\$ 174,955	\$ 103,271	
Change from FY21	\$ (174,955)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Expense	\$ 146,000	\$ 489,150	\$ 67,800	\$ 82,300	\$ 148,700	\$ 38,600	\$ -	\$ 190,000	\$ 67,700	\$ 42,000	\$ 33,000		
Reserve Balance	\$ 427,181	\$ (61,969)	\$ 45,186	\$ 137,841	\$ 164,096	\$ 300,451	\$ 475,406	\$ 460,361	\$ 567,616	\$ 700,571	\$ 770,842		
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32		
FY22													
Kisoks	\$146,000												
FY23													
911 Call Boxes		\$38,650											
Garage Membrane parking stalls		\$100,000											
Garage Membrane Travel Lanes		\$300,500											
Marshall Lot Paving		\$50,000											
FY24													
Tennant Sweeper			\$67,800										
FY25													
Charging Stations PG				\$22,800									
EV Charging Stations				\$25,300									
Expansion Joint and Capstones				\$34,200									
FY26													
Pay & Display Meter Station 1					\$13,550								
Pay & Display Meter Station 2					\$13,550								
Pay & Display Meter Stations (4)					\$44,200								
Stairwell Maintenance					\$77,400								
FY27													
Parking Operations Truck						\$38,600							
FY29													
Control Access Equipment								\$125,000					
Parkeon Kiosk - Lot 7								\$20,500					
Pay & Display Meter Station 3								\$16,500					
Sealing exposed bricks								\$28,000					
FY30													
Lot 5 West Wheelock									\$17,000				
Security Cameras Pkg 7 Leb									\$50,700				
FY31													
Lot 1 Paving										\$42,000			
FY32													
Lebanon St Lot 7 parking												\$33,000	
Yearly Total Purchase	\$146,000	\$489,150	\$67,800	\$82,300	\$148,700	\$38,600		\$190,000	\$67,700	\$42,000	\$33,000		

Waste Water		FY21 Balance \$ 193,877											
Summary	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32		
Contribution required to balance	\$ 391,757	\$ 410,000	\$ 425,000	\$ 450,000	\$ 465,000	\$ 478,592	\$ 483,757	\$ 502,757	\$ 521,757	\$ 540,757	\$ 559,757		
Change from FY21	\$ 28,000	\$ 46,243	\$ 61,243	\$ 86,243	\$ 101,243	\$ 114,835	\$ 120,000	\$ 139,000	\$ 158,000	\$ 177,000	\$ 196,000		
Expense	\$ 502,000	\$ -	\$ 474,000	\$ 701,500	\$ 332,800	\$ 311,600	\$ 97,600	\$ 144,400	\$ 1,255,461	\$ 26,000	\$ 1,562,650		
Reserve Balance	\$ 83,634	\$ 493,634	\$ 444,634	\$ 193,134	\$ 325,334	\$ 492,326	\$ 878,483	\$ 1,236,840	\$ 503,136	\$ 1,017,893	\$ 15,000		
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32		
FY22													
Pump Station #2 phase 2	\$198,000												
Solar Grasse Rd Phase 2 initial payment	\$304,000												
FY24													
Access Road			\$230,000										
Car - WTF			\$40,000										
Dissolved oxygen controllers			\$15,000										
Truck 16222			\$69,000										
UG Power & fiber Replacement			\$120,000										
FY25													
Bulk chemical storage tanks				\$19,000									
Cement Trailer LMC				\$13,000									
Chemical feed pumps WRF				\$32,000									
Chlorination pumps and bulk storage				\$25,300									
Dechlorination pumps and bulk storage				\$25,600									
Effluent flow meter				\$12,600									
Electric heater WRF				\$31,600									
Exhaust fan WRF				\$21,500									
Final effluent flow meter				\$13,700									
Flow meter WRF1				\$22,800									
HVAC components WRF				\$284,400									
Tractor				\$60,000									
TWAS Thickeners				\$140,000									
FY26													
Backhoe loader LMC1/2					\$62,300								
Methane Boiler					\$50,000								
primary pump grinders					\$15,500								
Skid Steer/Loader					\$85,000								
Sludge Trailer					\$120,000								
FY27													
Explorer LMC						\$38,900							
Influent screen						\$211,000							
Magnetic flow meter - 8"						\$13,200							
Primary Pumps						\$48,500							
FY28													
Digester 2 gas pressure sensor							\$13,500						
Digester 2 membrane cover air system							\$13,500						
Digester 2 radar sensor							\$20,200						
Flow meters WRF2							\$40,400						
Hazardous gas detection sensor							\$10,000						
FY29													
Mixer control panels								\$34,400					
Truck 27106								\$110,000					
FY30													
Headworks HVAC									\$14,000				
Solar Grasse Rd Phase 2 buyout									\$1,196,461				
Truck 05220									\$45,000				
FY31													
Heat trace system										\$26,000			
FY32													
Centrifuge conveyor #1												\$29,250	
Centrifuge conveyor #2												\$61,400	
Centrifuge feed pump												\$65,800	
Centrifuge screw conveyor												\$95,000	
Digester mixing pump												\$66,000	

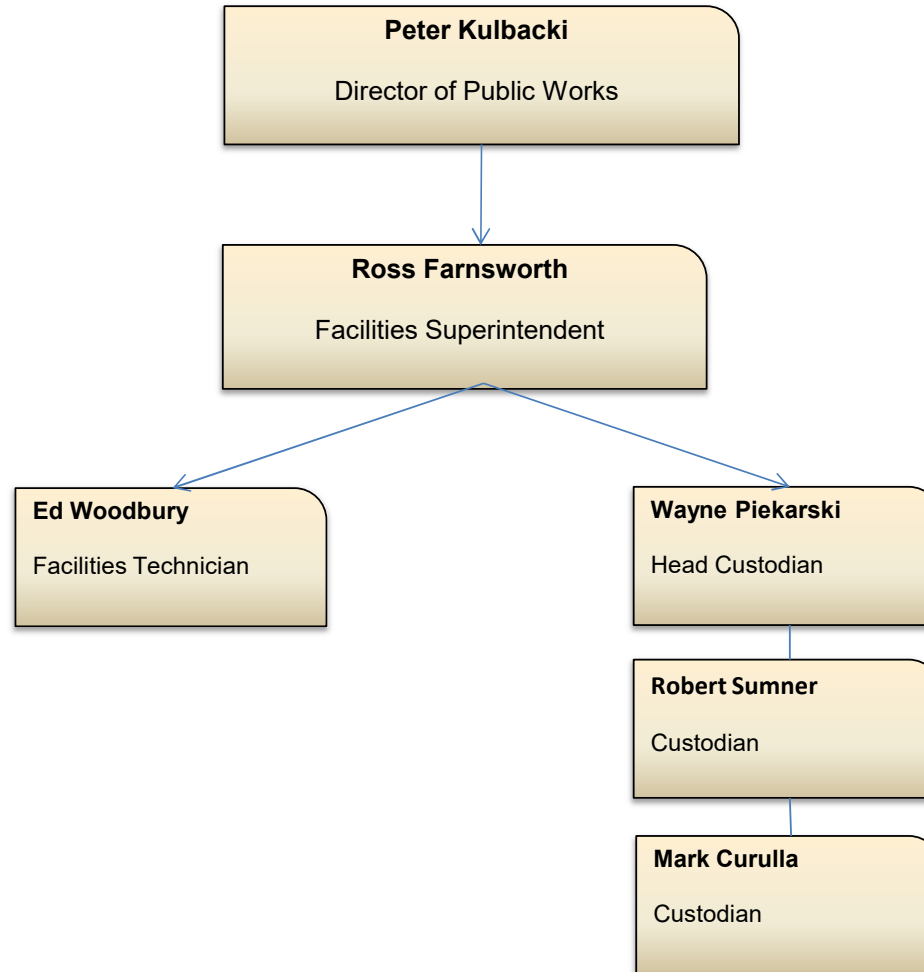
Digester recirculation pump											\$41,000
Digester spiral heat exchangers											\$70,200
Digester transfer pumps											\$61,400
Draft tube mixer											\$51,200
Flow meter local displays											\$87,700
Flusher											\$120,000
Grit removal system											\$382,500
Hazardous gas alarm panel											\$22,000
Motor operated valves											\$168,100
Primary digester cover											\$175,400
Rodder											\$24,000
Truck 20224											\$41,700
Yearly Total Purchase	\$502,000		\$474,000	\$701,500	\$332,800	\$311,600	\$97,600	\$144,400	\$1,255,461	\$26,000	\$1,562,650

Bond WW		FY21 Balance		\$ -											
<i>Summary</i>	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32				
Contribution required to balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change from FY21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ -	\$ 11,000,000	\$ -	\$ -	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Balance	\$ -	\$ (11,000,000)	\$ (11,000,000)	\$ (11,750,000)	\$ (11,750,000)	\$ (11,750,000)	\$ (11,750,000)	\$ (11,750,000)	\$ (11,750,000)	\$ (11,750,000)	\$ (11,750,000)	\$ (11,750,000)	\$ (11,750,000)	\$ (11,750,000)	\$ (11,750,000)
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32				
FY23															
Nitrogen Removal		\$11,000,000													
FY25															
Pump Station #4				\$750,000											
Yearly Total Purchase		\$11,000,000		\$750,000											

Water		FY21 Balance \$ 427,226										
Summary	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	
Contribution required to balance	\$ 176,500	\$ 176,500	\$ 203,314	\$ 291,500	\$ 306,500	\$ 306,500	\$ 306,500	\$ 306,500	\$ 306,500	\$ 291,500	\$ 291,500	\$ 291,500
Change from FY21	\$	\$	\$ 26,814	\$ 115,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 115,000	\$ 115,000	\$ 115,000
Expense	\$ 207,000	\$ 447,700	\$ 87,000	\$ 338,000	\$ 113,300	\$ 81,000	\$ 895,000	\$ 64,000	\$ 178,300	\$ -	\$ -	\$ -
Reserve Balance	\$ 396,726	\$ 125,526	\$ 241,840	\$ 195,340	\$ 388,540	\$ 614,040	\$ 25,540	\$ 268,040	\$ 381,240	\$ 672,740	\$ 964,240	
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	
FY22												
Electrical metering & Efficiency	\$35,000											
Manganese Monitor & Analyzier	\$22,000											
Secondary Chlorination	\$50,000											
Vactron	\$100,000											
FY23												
Chemical Feed Pumps WTF		\$26,000										
Greensboro Road Storage Tank Paint		\$250,000										
SCADA & instrumentation upgrades		\$32,700										
Treatment Modules phase 5		\$90,000										
Utility Engineer Vehicle		\$49,000										
FY24												
F550 Dump Truck			\$87,000									
FY25												
1 TON Utility truck				\$73,000								
Balch Hill Water Storage Tank Paint				\$250,000								
Pressure Reducing valves 3				\$15,000								
FY26												
Backhoe Loader WTF1/2					\$61,300							
Backwash pump motors 20 Hp (5)					\$26,000							
Raw water pump motors 30 Hp (6)					\$26,000							
FY27												
Air Compressors (2) WTF						\$81,000						
FY28												
Pressure booster Pumps PS							\$20,000					
Solar Array WTF							\$875,000					
FY29												
Altos TRX 766i Tracked Zero Turn Rider								\$21,000				
Ford Ranger #1								\$30,600				
Trailer (flat bed pipe trailer)								\$12,400				
FY30												
Filter Modules MM4									\$53,300			
Meter communication system									\$125,000			
Yearly Total Purchase	\$207,000	\$447,700	\$87,000	\$338,000	\$113,300	\$81,000	\$895,000	\$64,000	\$178,300			

Bond W		FY21 Balance		\$ -											
<i>Summary</i>	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32				
Contribution required to balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change from FY21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expense	\$ -	\$ 5,352,996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,976,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Balance	\$ -	\$ (5,352,996)	\$ (5,352,996)	\$ (5,352,996)	\$ (5,352,996)	\$ (5,352,996)	\$ (5,352,996)	\$ (5,352,996)	\$ (13,329,160)	\$ (13,329,160)	\$ (13,329,160)	\$ (13,329,160)	\$ (13,329,160)	\$ (13,329,160)	\$ (13,329,160)
Sum of Cost	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32				
FY23															
Distribution Project 1		\$5,352,996													
FY29															
Distribution Project 2								\$7,976,164							
Yearly Total Purchase		\$5,352,996						\$7,976,164							

Town Properties



TOWN PROPERTIES

This service group category covers the operation and maintenance of all Town buildings whose operating costs are all borne by the General Fund. The facilities budget requests for the fire stations, the water and wastewater treatment plant and pump stations, and the municipal parking garage, are budgeted in the Fire, Water Utility, Water Reclamation, and Parking funds, respectively. Staff of the Public Works Department oversees the majority of the maintenance work performed on all of these properties.

The overall gross expenditure budget proposal for this area is down by (\$789,641) or -44.3%, below FY21 appropriations with net expenditures down (\$66,141) or -15.6%. The gross expenditure decrease is primarily due to fewer capital building projects to be undertaken in the coming fiscal year (\$102,500 down from \$868,000). The proposed capital projects are substantially funded from the Building Capital Reserve to complete the installation of lower siding (\$70,000) at the RW Black Community and Senior Center which is failing due to water damage; and for re-cabling & fire alarms (\$25,000) at Public Works Department and Town Hall.

Operations

This section of the budget includes all facilities maintenance salaries, as well as materials and supplies that are shared among all buildings. The Building-Full Time Services line-item reflects salaries for the Facilities Manager position, the Facilities Maintenance and Operations Technician., the Head Custodian and two Custodians (\$303,395 up from \$294,754). This line-item increase reflects changes due to step adjustments.

The Overtime request (\$2,963 down from \$7,963) provides funds for emergency repairs and for major annual cleaning of floors and windows that cannot be done during the regularly scheduled shifts. The major reduction is due to the elimination of sweeping of the parking garage which will now be accomplished by the Parking Division.

The Supplies and Materials (unchanged \$4,500) line-item provides for the purchase of technical supplies including new and replacement tools and cleaning supplies and chemicals.

Funds continue to be budgeted for various Energy Efficiency Projects to be undertaken throughout the year; however, are no proposed projects in the upcoming FY22 budget. Currently, investigations are under way to determine how to effectively monitor electricity production and consumption with real time metering which are not available from the utility. A saying in the efficiency industry “*You can’t manage what you don’t meter.*” Once data is available it will then be possible to determine how and when energy is consumed, allowing for the reduction of peaking charges, as well as, utilizing more of the generated energy behind the meter cutting transmission and distribution expenses.

Interdepartmental Charges represent the allocation of building maintenance labor to the various enterprise and special fund groups. To the Water Reclamation Fund <\$6,050 down from \$7,480 >, the Parking Fund <\$4,630 down from \$9,488>, Water Fund <\$2,571 down from \$3,179> and Fire Fund <\$4,054 down from \$5,012>.

A transfer of (\$160,000 up from \$155,000), to the Building Maintenance and Improvement Capital Reserve Account is proposed.

Municipal Infrastructure

The utility and related costs of our municipal infrastructure such as traffic signals, street lighting, etc. have been included within this section of the budget.

Electricity costs for streetlights and traffic signals have been projected based projected usage and kilowatt per hour charges (\$92,818 up from \$91,794) based on actual costs, increase is due to the new traffic signal at West & West Wheelock Streets. With the completion of the phase 1 of the Grasse road solar array in December 2020, the Town's annual "brown electricity" purchasing will drop to 49% of its electrical energy consumption. Once phase 2 of the Grasse Road array is operation sometime during the summer of 2021, approximately 92% of the municipal energy will be sell generated.

The recommended FY22 appropriation for streetlights is (\$87,533) and Traffic Signals – (\$5,285). Thanks to the efforts of City of Lebanon spearheading a lengthy process, a new tariff is available which will allow the Town to purchase and own LED streetlights on utility owned poles. In the coming year, staff will develop a *Streetlight Replacement Plan* for all utility owned streetlights. The plan will identify stranded costs (Utility residual asset values), recommend a new lighting system and present various funding options.

Streetlight Repair and Maintenance includes \$4,000 for the repair, painting and bulb replacement of the ornamental streetlights. Also included is a request for \$15,000 to continue to replace/repair ornamental streetlight fixtures that have begun to show signs of rust and deterioration around the pole base.

Funds for Traffic Signal Repair and Maintenance (\$16,200 unchanged) provides for controller and data module repairs, lights, load switches, push buttons, and additional pedestrian countdown timers. The added cost is due to the addition of school zone flasher programing and repairs which previously was managed by the Police Department.

Municipal Building

This section of the budget covers the operation of Town Hall. The Telephone item reflects local and long-distance service costs (\$6,490 unchanged). Electricity is based on current usage levels at our contracted kilowatt per hour rate (\$8,739 up from \$8,475). With the new heat pumps installed in January 2019 and solar array on the roof installed in July 2019, insufficient data exist to project the actual electrical consumption. It is expected there will be an increase in electrical costs but we won't know until we have better electric metering. The backup heating system fuel usage, which is only used during extremely cold periods, is projected be 500 gal (down from 1,500 gal.) reducing fuel expenses (\$1,325 down from \$4,275). The projected heating oil price **(\$2.65/gal down from \$2.85)** for all buildings #2 fuel line items; and propane anticipated price **(\$1.60/gal down from \$1.75)**. The budget request for water and sewer services reflects actual usage (\$2,400 unchanged).

Repair and Maintenance Charges include the following: building repair materials (\$4,160 unchanged); and electrical and plumbing repairs (\$1,560 unchanged). These costs are based on a 5-year historical averages.

Purchased Services (\$4,737 unchanged) include: State boiler inspection, alarm and sprinkler testing, elevator service and testing, floor mat rental, trash removal, and a once-a-year cleaning of windows.

The Materials and Supplies line-item provide funds for cleaning supplies and paper products such as paper towels, toilet paper, trashcan liners, etc. (\$1,500 unchanged).

R.W. Black Community and Senior Center

The Telephone item (\$3,265 unchanged). Electricity (\$19,253 down from \$22,650), Heat (\$23,575 down from \$28,475) which is expected to fall once the heat pump system is operational, although electricity is expended to increase; and Water & Sewer (\$4,045) reflect anticipated utilities demand at projected pricing for the coming fiscal year.

Repair and Maintenance Charges include the following: building repair materials (\$9,900 unchanged based on a 5-year average). Charges include repairs to: HVAC, boiler, elevator, plumbing, electrical, flooring & wall repairs.

Purchased Services (\$7,570 unchanged) include: State boiler inspection, boiler inspection, tune-up and repair are now done in-house so no separate appropriation is requested, alarm and kitchen hood testing and inspection, elevator service and testing, recycling and trash removal and window cleaning.

The Materials and Supplies line-item provide funds for cleaning supplies and paper products such as paper towels, toilet paper, trashcan liners, etc. (\$3,500 unchanged), which represents a 5-year average.

The major facility related project planned this year is the replacement of the lower section of siding (\$70,000) which has deteriorated due to water damage.

Richard Hauger Public Works Facility

This section covers the cost of operation of the main Public Works Facility on Route 120. The budget request for FY22 to operate this building shows a decrease of \$182,614 due to smaller-scale capital projects this year.

The Telephone item (\$12,274 unchanged) telephone service, pagers, GPS devices used by for data collection devices to inventory and assess infrastructure and a charge for Network Fleet. Network Fleet is a cellular based monitoring and vehicle tracking service which is paid for from savings in the reduction in vehicle fuel usage by idle reduction and mechanic troubleshooting. Savings in the Fleet fuel use offsets almost 200% of the expense. Electricity (\$11,316 down \$11,520) is expected to decrease even further once the solar arrays are operational. However, we won't know until we have a full year of the vehicle storage garage and salt storage barn solar array generation. Heat is expected to decrease (\$19,520 down from \$24,430) with the replacement of the propane heating system in the Fleet shop with heat pumps relocated from the Town Hall. Water and Sewer (\$4,000) usage is expected to remain unchanged but may see an increase once the wash bay is completed and all Town department wash vehicles at DPW.

Repair and Maintenance Charges (\$10,200 unchanged) include building repair materials, boiler cleaning and maintenance, overhead door maintenance, outside contracted repairs for HVAC, electrical and plumbing repairs and for painting unfinished siding Salt Shed painting. This reflects a 5-year average of building repair and maintenance costs, overhead door repairs

Purchased Services (\$7,189 unchanged) include alarm and sprinkler testing, annual EPA inspection for fuel island, State boiler inspection, mat rental and safety supply cabinets.

The Materials and Supplies (\$2,500 unchanged) line-item provide funds for cleaning supplies and paper products such as paper towels, toilet paper, trashcan liners, etc.

The major facility related project planned this year is the re-cabling of telephone, computer and radio wiring at Public Works (\$25,000) as well as replacement of the Fire Alarm communication systems at Town Hall and Public Works. The existing Public Works cables are a mixture of 20 and 70 communication wiring that has had a number of failures. With the replacement of the Fire Alarm communication systems at Town Hall and Public Works, the hard-wired fire alarm system will finally be able to be retired. Replacing the hard-wired system with a radio will eliminate the Fire Departments from the need to maintain the antiquated hardwired system on utility poles which has been increasingly difficult and dangerous.

Highway Garage 2

This section covers the operation of the auxiliary garage located on Greensboro Road used to store equipment used in warmer months such as the sweeper and roadside mower. The building is heated on a limited basis to allow staff to work and to protect stored equipment. Expenses include electricity (\$370 down from \$405) and heat line-items (\$2,737 down from \$2,944). Repair and maintenance costs (\$300) include garage door servicing and furnace tune-up and repairs.

Howe Library

This section covers the operation and maintenance of the Howe Library building. An overall decrease in the budget of (\$508,640) below the FY21 budget is due to no capital projects planned in FY22. The Howe Corporation has undertaken a Retro-commissioning process and equipment evaluation which will identify energy efficiency priorities, future capital replacements and equipment adjustments.

The Telephone (\$2,740 unchanged), Electricity (\$35,700 down from \$47,600), Heat (\$14,755 down from \$26,465), and Water and Sewer (\$3,000) reflect anticipated usage levels. As with all buildings which where solar and/or heat pumps have recently been installed, the electricity and fuel estimates are somewhat of an unknown due to limited data. Over time we will have a better estimate of what we can expect for energy usage.

Repair and Maintenance Charges include the following: Building repair and maintenance (\$13,300 unchanged) based on a 5-year average. Includes general structure maintenance, boiler, plumbing, electrical, elevator and air handler programing/maintenance.

Purchased Services (\$11,865 unchanged) includes touch up painting, State boiler inspections, panic & fire alarm, and sprinkler testing, elevator service and testing, window cleaning 2x/year, and trash & recyclables removal.

The Materials and Supplies (\$3,000 unchanged) line-item provide funds for cleaning supplies and paper products such as paper towels, toilet paper, trashcan liners, etc. based on a 5-year average.

Etna Library

This section provides for maintenance of the Town Library in Etna. There is a slight decreases in the budget for FY22 due to lower anticipated heating costs due to anticipated pricing.

The Telephone item (\$900), Electricity (\$1,230), Heat (\$1,988 down from \$2,138), and Sewer (\$120) reflect anticipated utilities usage.

Repair and Maintenance Charges (\$1,400 unchanged) include building repair materials and furnace repairs.

Purchased Services (\$335) include funds for floor mat rental and alarm inspections.

The Materials and Supplies line-item provide funds for cleaning supplies and paper products such as paper towels, toilet paper, trash can liners, etc. (\$100).

Police Facility

This account covers the operation of the Police Station. The Electricity (\$10,219 down from \$10,325), Heat (\$18,300 down from \$19,725) for an anticipated 7,500 gallons of propane including the pass-through garage, Water and Sewer (\$3,000) reflect anticipated utilities usage.

Repair and Maintenance Charges (\$10,000 unchanged) include the following: building and boiler repair material electrical and plumbing repairs, HVAC (\$5,000 unchanged) and the pass-through garage maintenance (\$600 unchanged).

Purchased Services (\$2,109 unchanged) include alarm and sprinkler testing, floor mat rental and trash removal.

The Materials and Supplies line-item provide funds for cleaning supplies and paper products such as paper towels, toilet paper, trashcan liners, etc. (\$1,750 unchanged).

There are no capital Building Improvements planned for the Hanover Police Station in FY22.

Town of Hanover
Town Properties
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Mtce Endow Suppt/Howe Corp	24,395	23,500	24,400	298,500	-	-100.0%
Grants and Other Funding Sources	74	71	159,844	-	-	n/a
Transfer from Building Capital Reserve Fund	99,000	(1,100)	42,000	420,000	95,000	-77.4%
Total Revenues	123,469	22,471	226,244	718,500	95,000	-86.8%
<u>Expenditures</u>						
Personnel Costs						
Full-Time Wages/Town Properties	261,623	276,857	266,892	294,754	303,395	2.9%
Overtime Wages/Town Properties	9,598	4,369	2,830	7,963	2,963	-62.8%
Total Personnel Costs	271,222	281,227	269,722	302,717	306,358	1.2%
Operations						
Supplies and Materials	5,859	4,202	9,046	4,500	4,500	0.0%
Energy Efficiency Projects	50,000	65,000	2,683	-	-	n/a
Interdepartmental Charges to/from Other Depts.	(46,740)	(53,421)	(23,794)	(25,159)	(17,305)	-31.2%
Transfer to Capital Reserve Fund	80,000	114,500	146,737	155,000	160,000	3.2%
Total Operations	89,119	130,281	134,672	134,341	147,195	9.6%

Town of Hanover
Town Properties
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Municipal Infrastructure						
Streelights-Electricity	77,523	87,757	71,114	86,509	87,533	1.2%
Traffic Signals-Electricity	11,387	5,991	5,830	5,285	5,285	0.0%
Streetlight Repair and Replacement	19,565	18,649	17,850	19,000	19,000	0.0%
Traffic Signal Repair and Replacement	19,828	17,291	14,062	16,200	16,200	0.0%
Total Municipal Infrastructure	128,303	129,687	108,856	126,994	128,018	0.8%
 Town Hall - Municipal Building						
Telephone	6,793	6,970	7,787	6,490	6,490	0.0%
Electricity	7,472	12,932	10,029	8,475	8,739	3.1%
Heat	6,779	6,587	4,088	4,275	1,325	-69.0%
Water & Sewer	2,180	2,233	2,306	2,400	2,400	0.0%
Repair and Maintenance	15,354	16,352	5,187	4,160	4,160	0.0%
Purchased Services	4,528	3,891	5,137	4,737	4,737	0.0%
Materials and Supplies	1,512	1,151	1,358	1,500	1,500	0.0%
Building Improvements and Major Equipment	77,400	104,640	(22,930)	-	-	n/a
Total Town Hall - Municipal Building	122,019	154,756	12,963	32,037	29,351	-8.4%

Town of Hanover
Town Properties
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
R.W. Black Community and Senior Center						
Telephone	1,225	1,867	5,176	3,265	3,265	0.0%
Electricity	20,208	25,988	18,670	22,650	19,253	-15.0%
Heat	17,777	19,774	25,161	28,475	23,575	-17.2%
Water & Sewer	3,360	3,360	4,064	4,045	4,045	0.0%
Repair and Maintenance	10,127	22,889	11,345	9,900	9,900	0.0%
Purchased Services	6,107	6,303	6,839	7,570	7,570	0.0%
Materials and Supplies	3,082	7,895	2,978	3,500	3,500	0.0%
Building Improvements and Major Equipment	95,000	-	285,999	173,000	70,000	-59.5%
Interdepartmental Charges to/from Other Depts.	(19,125)	(19,125)	-	-	-	n/a
Total R.W. Black Community and Senior Center	137,761	68,952	360,232	252,405	141,107	-44.1%
R. Hauger Public Works Facility						
Telephone	5,377	7,241	13,708	12,274	12,274	0.0%
Electricity	14,210	17,654	13,206	11,520	11,316	-1.8%
Heat	19,658	20,095	15,417	24,430	19,520	-20.1%
Water & Sewer	3,760	3,973	3,417	4,000	4,000	0.0%
Repair and Maintenance	16,021	6,007	12,407	10,200	10,200	0.0%
Purchased Services	5,634	5,957	6,390	7,189	7,189	0.0%
Materials and Supplies	2,131	1,647	2,535	2,500	2,500	0.0%
Building Improvements and Major Equipment	-	8,400	-	210,000	32,500	-84.5%
Total R. Hauger PW Facility	66,790	70,973	67,080	282,113	99,499	-64.7%
Highway Garage 2						
Electricity	399	1,800	347	405	370	-8.6%
Heat	2,455	3,075	2,556	2,944	2,737	-7.0%
Repair and Maintenance	35	472	-	300	300	0.0%
Total Highway Garage 2	2,889	5,346	2,903	3,649	3,407	-6.6%

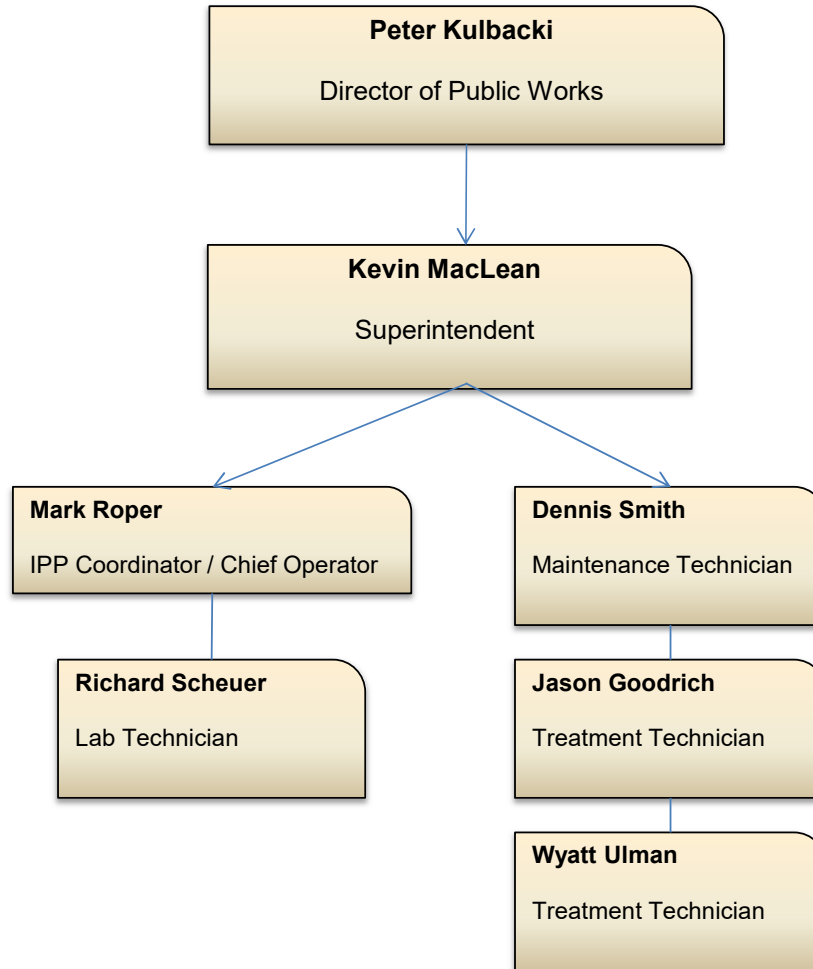
Town of Hanover
Town Properties
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed</u> <u>FY22BUDG</u>	<u>% Change FY21</u> <u>Budget to FY22</u> <u>Budget</u>
Howe Library						
Telephone	2,141	2,697	3,283	2,740	2,740	0.0%
Electricity	41,341	44,275	28,840	47,600	35,700	-25.0%
Heat	16,252	22,131	16,234	26,495	14,755	-44.3%
Water & Sewer	2,896	2,945	2,724	3,000	3,000	0.0%
Repair and Maintenance	27,263	30,147	13,704	13,300	13,300	0.0%
Purchased Services	3,997	6,511	15,074	11,865	11,865	0.0%
Materials and Supplies	3,282	3,702	2,953	3,000	3,000	0.0%
Building Improvements and Major Equipment	-	-	17,230	485,000	-	-100.0%
Total Howe Library	97,173	112,408	100,041	593,000	84,360	-85.8%
Etna Library						
Telephone	753	802	1,448	900	900	0.0%
Electricity	1,250	1,280	1,057	1,230	1,230	0.0%
Heat	1,427	1,052	2,827	2,138	1,988	-7.0%
Water & Sewer	108	125	120	120	120	0.0%
Repair and Maintenance	345	63	405	1,400	1,400	0.0%
Purchased Services	204	174	79	335	335	0.0%
Materials and Supplies	8	4	15	100	100	0.0%
Total Etna Library	4,096	3,500	5,950	6,223	6,073	-2.4%

Town of Hanover
Town Properties
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Police Facility						
Electricity	6,755	16,662	16,947	10,325	10,219	-1.0%
Heat	12,453	11,765	11,969	19,725	18,300	-7.2%
Water & Sewer	2,862	2,904	2,991	3,120	3,120	0.0%
Repair and Maintenance	8,273	19,600	6,220	10,600	10,600	0.0%
Purchased Services	2,241	1,870	2,597	2,109	2,109	0.0%
Materials and Supplies	1,586	1,247	1,671	1,750	1,750	0.0%
Building Improvements and Major Equipment	117,154	83,764	258,333	-	-	n/a
Total Police Facility	151,324	137,812	300,728	47,629	46,098	-3.2%
Total Gen'l Fund Town Property Non-Personnel Costs	799,473	813,715	1,093,427	1,478,391	685,108	-53.7%
Activity Totals						
Operations	360,341	411,507	404,394	437,058	453,553	3.8%
Municipal Infrastructure	128,303	129,687	108,856	126,994	128,018	0.8%
Town Hall - Municipal Building	122,019	154,756	12,963	32,037	29,351	-8.4%
R.W. Black Community and Senior Center	137,761	68,952	360,232	252,405	141,107	-44.1%
R. Hauger Public Works Facility	66,790	70,973	67,080	282,113	99,499	-64.7%
Highway Garage 2	2,889	5,346	2,903	3,649	3,407	-6.6%
Howe Library	97,173	112,408	100,041	593,000	84,360	-85.8%
Etna Library	4,096	3,500	5,950	6,223	6,073	-2.4%
Police Facility	151,324	137,812	300,728	47,629	46,098	-3.2%
Total Expenditures	1,070,694	1,094,942	1,363,148	1,781,108	991,467	-44.3%
Net Expenditures	947,225	1,072,471	1,136,905	1,062,608	896,467	-15.6%

Water Reclamation Department



WATER RECLAMATION FACILITY (WRF)

Operations continue to be stable, with the methane system working optimally and reliably, we continue to generate excess methane from the processes. During the heating season we can shed some of the heat from the digester hot water loop into the domestic side further reducing our fossil fuel consumption.

The current National Pollutant Discharge Elimination System {NPDES} expired on February 1, 2022. Based on the data generated from increased testing, permits issued to other facilities which discharge to the Connecticut River permit limits are anticipated. In particular, a Nitrogen and potentially Phosphorus limit will be a requirement. Based upon the limit we receive some level of additional treatment will be required. An engineer has been selected to perform a 20-year facility plan which will address permit limits, energy efficiency and a review of the existing equipment CIP evaluations/prioritize replacements. By May 1st of this year, a level of magnitude of expected future costs is anticipated.

Revenues

The operating expenditures of the Water Reclamation Facility are wholly funded by charges to those who utilize the facility. Although the rates will not be formally set until a public hearing in June, we are anticipating a 4.0% increase in rates across-the board to keep pace with increased operating costs. This proposed rate increase will result in the quarterly (3-month) sewer bill for a typical family of four using 12,000 gallons of water per month going from \$208 to \$216.

Sewer connection fees reflect an inspection fee and a charge to “buy-in” to the previous capital expenditures in the plant. This “buy-in” amount is calculated by looking at the net-book value of the sewer infrastructure plus the capital reserve amount divided by the treatment facility permitted capacity of 2,300,000 gallons per day. The connection fee is not used to offset operating expenditures but, rather, is transferred to the Sewer Equipment and Facilities Improvements Capital Reserve Fund to ensure that plant equipment is well maintained and functioning.

In the past several years we have experienced much greater unpredictable connection fee revenues from large Dartmouth and Lebanon related projects. Several large projects are proposed in Lebanon which are connected to the Hanover system. The Town and City of Lebanon entered into an Intermunicipal Wastewater Agreement (IMA) in October 2012 with a 10-year with a renewal in October 2022. The IMA regulates the conditions under which the Town will receive and treat sewage from Lebanon services on Route 120 (which includes the DHMC campus, Centerra and Altaria commercial developments) and Route 10 properties north of Wilder Dam. Based on this we are estimating sewer connection revenues for FY22 based on 24 new equivalent single-family residential connections (\$54,804).

The New Hampshire Department of Environmental Services (NH DES) administers a state aid program that provides a 20% grant to defray the cost of qualifying wastewater treatment plant improvements; including the debt service on existing loans from the NH DES State Revolving Loan Fund (SRF). In 2014 grant funds were reinstated for approved and deferred projects. Two projects we completed are on that list and we have received two payments out of five. The budgeted State Aid Grant of (\$104,874 down from \$105,889) represents the anticipated award against the FY22 debt service on the Town’s existing SRF loans as the delayed and deferred funding shrinks.

Other sewer fund revenues include a combination of charges to septage haulers who use the Hanover Water Reclamation Facility to dispose of what they collect; interest collected on late sewer payments;

and fees assessed as part of the Town's Industrial Pretreatment Program (IPP). Participation in the IPP is required for larger wastewater generators (institutional, industrial, commercial and restaurants) to ensure that harmful pollutants are managed on site, so they are not discharged to the wastewater treatment system.

A proposed draw on the Sewer Fund Undesignated Fund Balance of \$182,200 is proposed to provide funding for certain one-time expenditures: door replacements at the facility (\$10,000); roof blower (\$6,800); and a garage air handler (\$15,000). Also included is a budgeted draw of \$150,000 to balance the fund; however, if usage of the system picks back up (that is, Dartmouth back in full session), we may not need to utilize these funds.

Personnel Costs

The Full-Time Services line-item under Personnel Costs (\$449,554 up from \$441,641) reflects the salary costs for 6.0 Full-Time Equivalent (FTE) employees, and one-half of the Utility Engineer's salary.

The Overtime Services proposed budget (\$25,000 down from \$29,021) will be utilized primarily to provide rotating coverage for plant operations on weekends, coverage during holidays, and on-call compensation.

The employee benefits (\$235,434 up from \$218,485) line-items are calculated based on projected Water Reclamation Facility salaries and the benefits eligibility profile (1-Person, 2-Person, or Family coverage) for existing employees. Changes reflect a combination of anticipated plan changes, eligibility profile changes and have been projected based on modeling rates and benefits elections on year-to-date actual salary expenditures. Also reflected is the significant increase in the employer contributions to the New Hampshire Retirement System for employees whose salaries are funded by the Sewer Fund.

WRF Plant Operation

The Utilities line-item includes funds for telephone and alarm lines (\$6,836 up from \$6,820); plant electricity (\$137,571 unchanged) 11% lower than previous costs due to the roof top solar installed in 2019; water (\$3,040 up from \$3,015) which includes the testing of two backflow preventors; fuel for building and digester heating (\$16,000 down from \$18,010). Fuel costs are expected to continue to fall as changes to the heating system are made which will utilize methane in lieu of fuel oil; propane to light the gas flare for burning excess methane and generator fuel; and fuel for the generator.

The Repair and Maintenance (\$66,625 down from \$68,125) line-item includes; (5) RAS pumps service; (2) WAS pumps; (2) recirculation pumps primary pumps; rebuild kits; primary grinders; secondary scum ejectors; grit system which is under warrantee; head works screen; aeration support equipment; pump station repairs and parts; lubrication for equipment; secondary clarifiers; thickened waste units; (4) polymer make-up systems; (4) heat exchangers; disinfection system; (2) fixed gas detectors; methane systems; epoxy paints, pipe fittings, concrete repair and various parts; plant air; plant water system; screw conveyors; hot water loop system; draft tube mixer; (4) pump room sump pumps; UPS battery backups; Surveillance system; Electronics-circuit boards, etc.; treatment boiler maintenance and repairs; HVAC repairs; floor repair, stripping and waxing; overhead doors; and in house building repairs.

The major component of sludge disposal is the disposal of bio-solids at the Lebanon Landfill (\$110,800 down from \$157,300) the large decrease is from the periodic Digester #1 cleaning and disposal which is done every 3 years. Staff continues to work with surrounding communities on a viable

long-term organics reduction option, including composting, and land application. Also included on this line-item are sludge certification testing including PFAS testing; and sampling and annual SHSGC fees.

The Other Purchased Services (\$92,413 down from \$236,739), the decrease is attributed Professional Services in FY21 to engage a consultant assist in our NPDES permit renewal and develop a facility plan based on expected of nutrient removal requirements. This line-item includes funds for Lebanon system flow monitoring system for (\$36,440 unchanged) at all the large connections to Hanover's system, this charge is back-charged to Lebanon users in their base rates; landfill fees for influent solids removal (\$16,000); parts washer (\$400); Septage receiving fence (\$3,000); laboratory equipment calibration and cleaning (\$750); laboratory water and e-coli testing (\$1,150); septic service truck emergency use to prevent pump station overflows (\$1,750); flow meter calibration (\$500); annual QA/QC study (\$615); electrical and alarm services (\$7,500) servicing by third party; Alarm testing (\$1,000); SCADA system repairs (\$7,000); motor control services (\$3,000); pump station grit removal (\$3,000); hoist and crane inspections (\$500); NHPDES renewal testing (\$1,800 new); effluent toxicity testing (\$1,500); fire alarm and sprinkler testing (\$649); medical cabinet service (\$400); rental of floor mats (\$300); state boiler inspections (\$250); recycling (\$324); landscaping (\$2,500) for large tree removal; classified advertising (\$250); Industrial Pretreatment Program expenses (\$6,161 up from \$5,750).

The Supplies and Materials line-item (\$118,800 up from \$112,529) increase is driven by chemical price increases. This item includes funds for purchase of technical supplies such as polymer for dewatering of sludge (\$60,000 up from \$56,000); sodium hypochlorite for disinfection of the wastewater effluent (\$27,000 up from \$25,000); sodium bi-sulfite to keep chlorine residuals below permit limits (\$11,000 up from \$10,000); lab chemicals and supplies (\$11,600 up from \$10,729); laboratory equipment repairs and replacements (\$2,500 down from \$2,600); degreasers and cleaners (\$2,000); NH DES permit required testing (\$2,000 down from \$2,500); soda ash for pH adjustment (\$1,000); personal protective equipment such as coveralls, gloves, masks (\$900); harnesses, ropes and lanyards (\$750 down from \$900); and storm water prevention plan materials (\$300). Funds are also included for custodial supplies (\$750).

The Operational Equipment line-item includes funds for purchase of hand tools for maintenance (\$3,500); non-sparking tools (\$2,500); welding supplies (\$1,200); chain saw personal protective equipment (\$500); and eye wash station/refill kits (\$400) two units require replacement this year.

The Direct Staff Support Expense line-item includes funds for uniform allowance for employees (\$5,050) dues and membership fees for related professional associations (\$1,340 down from \$1,390); meals and mileage reimbursement (\$300) purchase of office supplies and equipment (\$1,000); books and subscriptions (\$1,000 up from \$750).

The Direct Office Administration Expenses line-item includes funds for postage (\$1,650); and the annual lease and service contract on the office's photocopier/printer (\$1,980); and property and liability insurance (\$20,151 up from \$19,497).

Interdepartmental Charges include the administrative charge from the General Fund <\$164,454 up from 145,817>; charges from Dispatch for alarm monitoring and dispatching services <\$4,716 up from \$4,079>; charges from the Public Works Department for oversight provided by the DPW Administration <\$186,507 up from \$182,255>; from MIS <\$7,446 down from \$25,646>; from the Highway Division for manhole raising and sewer repairs and flushing assistance <\$11,600>; from the Line Maintenance Division <\$261,366 down from \$266,356>; charges from the Fleet Maintenance Division for labor to repair of plant related vehicles and motorized equipment <\$60,483 down from \$63,550>; and support provided by the Building division <\$6,050 down from \$7,480>; <\$41,875> charge from the Water

Utility Fund in the amount equal to one-half of the capital lease payment (last \$39,303 payment FY22) for water meters.

Outside Projects

The Outside Projects line-item (\$50,000) represents projects that are performed by the Wastewater staff or Line Maintenance staff for developers or customers that are then reimbursed. Corresponding offsetting revenues are budgeted in Outside Projects.

Capital Expenditures

Transfer to Capital Reserve Fund

The Transfer to Capital Reserve line-item recommends an Equipment Reserve contribution (\$391,757 up from \$363,757) to continue the Town's ongoing commitment to funding an appropriate reserve for replacement of plant equipment.

Debt Service

In 2003 a warrant article was approved to make various upgrades to the wastewater treatment facility which included aeration, digestion, outfall, disinfection and pump station Improvements. The project was completed in three phases with loans being obtained for each phase. The Town will receive a 20% grant on the annual interest and principal payments for the first loan for \$2.9M, 50% principal forgiveness for the second loan \$1.7M (ARRA funding), the third loan for \$4.235M received 20% grant as part of the deferred funding.

<u>Current Loans</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
-2008 SRF \$2.9 M loan <i>Matures 12/1/2027</i>	\$148,198	\$36,184	\$184,382
-2013 ARRA Loan <i>Matures 12/1/2026</i>	\$62,393	\$11,718	\$74,111
-2013 SRF \$4.235 M loan <i>Matures 7/1/2026</i>	\$287,827	\$55,479	\$343,306

Capital Equipment Purchases

The equipment planned for replacement in FY22 are the Pump Station #2 Phase 2 payment, and Grasse Road Solar Phase 2 initial payment.

PS# 2 Phase 2 payment	\$198,000
Grasse Rd Solar Phase 2 initial payment	<u>\$304,000</u>
Total	\$502,000

PS # 2 Phase 2 is the second installment payment to Dartmouth College for the Town's share of the pump station replacement (total \$438,000 out of reserve FY21 & FY22).

The Grasse Road Solar Phase 2 initial payment is the connection cost upgrades by Liberty Utilities to enable the 1,004 MW DC PPA solar array located adjacent to the Water Treatment Solar Phase 1. Phase 1 is located on 41 Grasse Road, Phase 2 is to be located on 39 Grasse Road. At the completion of the project in the summer of 2021, > 92% of the Municipal energy consumption will be via onsite solar

generation. Phase 2 will be purchased out of reserves by the Town from the owner of the array in FY30 for \$1,196,461.

Additional Operating Budget Funded Capital

There are several energy efficiency related projects proposed for FY22. The office and laboratory area of the facility which was constructed in the 1960's has seen little improvement and in need of improvements. Improvements will include repair/replacement of the roof mounted air handler (\$6,800); and replacement of 4 doors (\$10,400) and replacement of the garage air handler (\$15,000). Funding for these items is proposed to come out of the Sewer Fund's Undesignated Fund Balance.

Town of Hanover
Wastewater Treatment Plant (Sewer Fund)
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Sewer Connections	39,289	88,861	165,495	54,804	54,804	0.0%
Sewer Utility Charges Hanover Customers	1,832,307	1,896,976	1,831,620	2,139,895	1,950,000	-8.9%
Sewer Utility Charges City of Lebanon	705,286	718,818	675,323	772,730	772,000	-0.1%
Outside Project Funding	3,025	1,426	7,704	1,050,000	50,000	-95.2%
NH DES State Aid Grant	288,658	178,626	177,378	105,889	104,874	-1.0%
Other Sewer Fund Revenues	10,071	13,495	9,323	10,000	10,000	0.0%
Transfer from Capital Reserve Fund	17,000	632,500	273,000	499,500	502,000	0.5%
Use of Sewer Fund Undesignated Fund Balance	-	-	-	310,000	182,200	-41.2%
Total Revenues	2,895,637	3,530,702	3,139,844	4,942,818	3,625,878	-26.6%
<u>Expenditures</u>						
Personnel Costs						
Full-Time Wages/Water Reclamation Facility	367,610	383,329	396,774	441,641	449,554	1.8%
Overtime Wages/Water Reclamation Facility	10,382	12,263	14,311	29,021	25,000	-13.9%
Employee Health and Other Sec. 125 Benefits	108,944	109,133	121,534	120,510	125,501	4.1%
Social Security and Medicare	26,726	28,003	22,596	36,006	36,303	0.8%
NH Retirement System/Employer Contributions	43,118	45,013	45,783	52,573	63,207	20.2%
Workers Compensation Insurance	7,038	7,748	8,696	9,396	10,403	10.7%
Total Personnel	563,818	585,490	609,695	689,147	709,969	3.0%

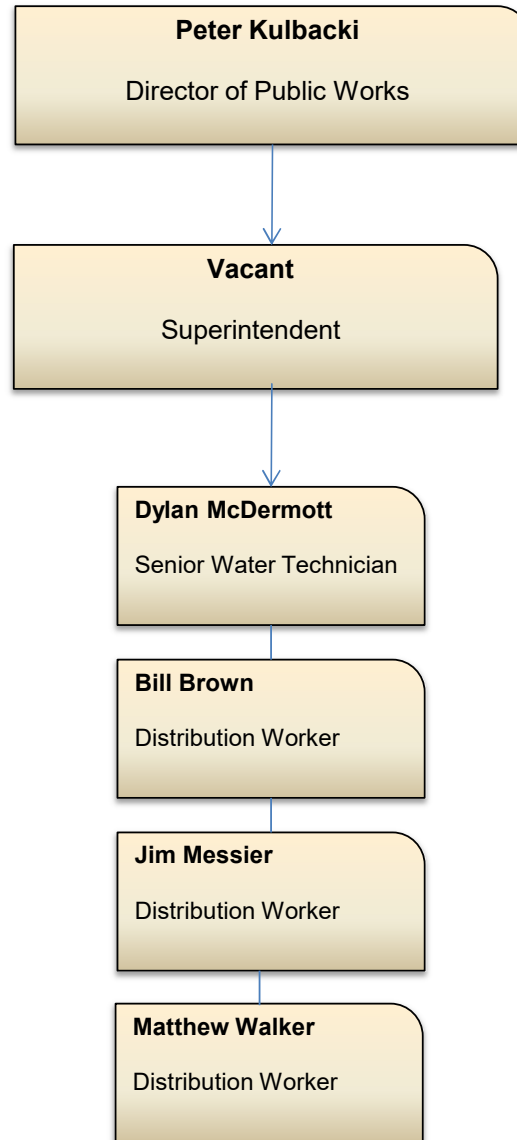
Town of Hanover
Wastewater Treatment Plant (Sewer Fund)
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
WRF Plant Operation						
Utilities	171,434	183,313	117,637	165,416	163,447	-1.2%
Repair and Maintenance	108,729	60,870	82,424	68,125	66,625	-2.2%
Sludge Removal and Disposal	99,633	79,377	89,975	157,300	110,800	-29.6%
Other Purchased Services	89,336	98,913	131,706	236,739	92,413	-61.0%
Supplies and Materials	118,407	90,117	92,669	112,529	118,800	5.6%
Operational Equipment	3,849	53,430	(690)	8,100	8,100	0.0%
Direct Staff Support Expenses	6,341	3,513	4,549	10,590	9,690	-8.5%
Office Administration Expenses	22,763	22,455	22,432	23,127	23,781	2.8%
Interdepartmental Charges to/from Other Depts.	653,769	647,387	664,334	749,321	744,498	-0.6%
Total Plant Operation	1,274,260	1,239,376	1,205,034	1,531,247	1,338,154	-12.6%
Outside Projects						
Sewer Projects Funded by Outside Entities	1,555	-	319	1,050,000	50,000	-95.2%
Total Outside Projects	1,555	-	319	1,050,000	50,000	-95.2%
Capital Expenditures						
Transfer to Capital Reserve Fund	130,000	222,817	363,757	363,757	391,757	7.7%
Debt Service-Principal	464,076	472,331	480,803	489,496	498,418	1.8%
Debt Service-Interest	158,399	144,974	131,334	117,471	103,381	-12.0%
Capital Outlay-Major Plant Equipment	-	795,253	290,064	701,700	534,200	-23.9%
Total Capital Expenditures	752,475	1,635,375	1,265,958	1,672,424	1,527,755	-8.7%
Total Non-Personnel Expenditures	2,028,289	2,874,751	2,471,310	4,253,671	2,915,909	-31.4%

Town of Hanover
Wastewater Treatment Plant (Sewer Fund)
Department Budget FY2022 (July 1, 2021 - June 30, 2022)

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Activity Totals						
WRF Plant Operation	1,838,078	1,824,866	1,814,728	2,220,394	2,048,123	-7.8%
Outside Projects	1,555	-	319	1,050,000	50,000	-95.2%
Capital Expenditures	752,475	1,635,375	1,265,958	1,672,424	1,527,755	-8.7%
Total Expenditures	2,592,107	3,460,242	3,081,005	4,942,818	3,625,878	-26.6%
Net Expenditures	(303,529)	(70,461)	(58,839)	-	-	n/a

Water Department



WATER UTILITY FUND

Since becoming municipalized in 2010, the Town has made significant improvements to the management of the water utility system. These improvements have included investments in infrastructure, new meters, investment in invasive growth management on watershed property, replacement of sections of failing mains, aggressive preventative maintenance and the establishment of a capital reserve fund. Tighe & Bond has developed a rate model which will allow the Town to plan the next 10-years of capital projects and ensure stable rates and adequate revenues. The model provides the ability to determine appropriate levels of in-house projects, capital plan funding, as well as the rate impacts of a phase out of the Fire Fund charge and the General Fund Payment In Lieu of Taxes over a 5-year period beginning in FY22 or any other time frame desired. Waiting until the economy has recovered would ensure that there is less impact on larger metered services.

The water department continues to partner with the LMC Division working with the Highway Department to tackle in-house water line replacement projects. With this arrangement, we are now able to complete smaller sections of water main replacement identified in Appendix B of the 2016 Water system Capital Distribution Replacement Plan as well as undertake sewer replacement projects. The Utility Crew has the capacity to complete upwards of 1,000 feet of water main replacement each year, to go along with routine water and sewer collection maintenance and sewer line repairs/replacement projects. With the Utility Crew we can now more seamlessly coordinate with our paving schedule to contain costs and reduce disruptions due to main failures.

Revenues

The operating expenditures of the Water Utility Fund are wholly funded by charges to those who utilize the water system. The fund continues to struggle with the continued community conservation efforts under the current rate structure. Revenues are recommended to increase 2.8% to balance the fund irrespective to a rate structure change. Although billing rates for FY2022 will not be formally set until a public hearing in June, and assuming no systemic change in how rates are structured, we are anticipating a 4.0% increase in rates across-the board to keep pace with increased operating costs. This proposed rate increase will result in the quarterly (3-month) water bill for a typical family of four using 12,000 gallons of water per month going from \$267 to \$280.

Personnel Costs

The Full-Time Services line-item under Personnel Costs (\$280,657 up from \$269,798) reflects the salary costs for 4.0 Full-Time Equivalent (FTE) employees, and one-half of the Utility Engineer's salary. There are anticipated merit steps factored into this line-item.

The Overtime Services proposed budget will be utilized primarily to provide rotating coverage for plant operations and call-ins, emergency call-ins, and "operator on-call" compensation for a total of (\$12,000 up from \$7,353) reflects actual costs. The overtime budget historically did not include on call compensation which will now be fully funded in this budget.

The employee benefits line-items are calculated based on projected Water Department salaries and the benefits eligibility profile (1-Person, 2-Person, or Family coverage) for existing employees. The attendant fringe benefits include Health insurance costs, Social Security, Retirement and Worker's Compensation have been calculated based upon the anticipated health insurance premium increase and projecting other employee benefits based on projected salaries. The amount of \$164,875, up from \$148,933, is budgeted with most of this increase due to the double-digit spike in employer contribution rates to the New Hampshire Retirement System.

Treatment and Distribution Operations

As part of the Utility Crew arrangement, distribution-related expenses have been shifted to the Line Maintenance and Construction Budget and then back charged as a single charge. Portions of Equipment Repair and rental, Leases and Contracted Services and all of Distribution Technical Supplies are eliminated from Water Fund line items and then back charged from LMC. This allows distribution-related expenses to be better managed by the Utility Crew.

The Utilities line-item includes funds for telephone and communications charges (\$6,702 up from \$3,331); electricity for the pump stations, shop, and treatment facility (\$63,600). With the completion of phase 1 of the ground mount array it is anticipated that the electrical costs will be less than allocated. This is due to the fact the array will be behind the meter and while consuming electricity directly from the array there will not be any transmission or distribution charges further reducing energy costs, at this time there is only one month worth of data, so it is not possible to project an exact amount. Other utilities include sewer treatment for facility and shop (\$4,510 actual costs); and fuel for facilities and generators (\$10,400 down from \$11,375).

The Repair and Maintenance line-item includes Maintenance of Tanks and Pump Station Telemetry (\$1,500), Greensboro Pump Station repairs (\$1,000), Maintenance of Pressure Reducers (\$1,500), Filtration facility and Pump station instrumentation, lubrication and equipment fittings, filtration equipment repairs (\$5,000); Water Facility switches, paint, fittings (\$1,000), small hand tools and outside maintenance (\$2,350).

The Property & Facility Services line-item includes funds for in-house building repair and maintenance, overhead door maintenance and repair, electrical and plumbing repairs (\$1,700); fire alarm testing, trash removal, boiler inspections and Closed-Circuit security video monitoring maintenance contract (\$5,143 unchanged). Also included is lease of specialty equipment (\$1,000).

Treatment Services & Supplies requests an appropriation for treatment and lab chemicals (\$90,343 unchanged). Also, in this line-item are funds for lab tools and equipment repair/replacement unchanged and small equipment.

Contracted Services (\$39,576 unchanged) includes funds for compressor servicing and other equipment repairs at the Treatment Facility, supervisory control and data acquisition services SCADA, reconditioning of raw water and other pumping systems, storage tank cleaning and inspection, treatment tech services, third party lab testing, reservoir muskrat and beaver control program, storage tank inspection & cleaning, backflow testing devices.

Administrative Direct Costs (\$23,770 down from \$24,385) are comprised of State required dam permits, operator certification licenses (4), dues, and memberships, NH Air Resources generator emissions charge, CDL licenses, uniforms and safety clothing, food for training and meetings, office supplies, advertising, postage, books and subscriptions, professional development funds for classes (down \$800) and seminars, and property and liability insurance (up \$185).

The Water Utility Fund will make annual payment in lieu of taxes transfer of funds to the Town's General Fund, and to the Hanover School District to offset the loss of tax revenue on property taxes formerly paid by Hanover Water Works Company, based on the value of hydrants and the distribution system, to the Town and School District prior to the transfer of water utility assets to the Town.

The amount back-charged to the Fire Fund for the hydrant system critical for fire suppression in FY20 is <\$400,000 unchanged>.

The Charges from Other Departments includes the administrative charge from the General Fund <\$120,258 up from \$101,665>; charges from Dispatch for a pro-rata share of the emergency notification system and dispatching services <\$4,716 up from \$4,079>; from the Public Works Department for oversight provided by the DPW Administration <\$ 127,700 up from \$124,601>; from MIS for annual support utility billing software, Win-911 alarm software maintenance, Water CADD support, Zenner water meter data hosting and maintenance fee, Customer service portal, Munismart Maintenance and pro-rata share of online GIS and Mobil 311 <\$23,025 down from \$27,625>; charges from the Fleet Maintenance Division for repair of vehicles and motorized equipment <\$25,620 up from \$24,950>; from the Highway Division for scheduled repairs and other maintenance assistance as part of the Utility Crew arrangement <\$3,500 unchanged>; and Town property charges for labor <\$2,571 down from \$3,179>. Against these charges to the Water Utility Fund is a back charge (\$41,875 unchanged) to the Water Reclamation Fund for one-half the water meter lease and related fees used for billing by both funds.

The final component on this line-item is the Charges from Line Maintenance and Construction <\$188,719 down from \$199,394> which includes expenditures previously budgeted in detail in the Water Fund. These are now budgeted for in detail in the General Fund and back charged as part of the Utility Crew allocation. Included in this item are the following:

Equipment Repair and Maintenance:

Hydrant repairs (\$5,000), 4 hydrant replacements (\$10,458) up from 3, repair clamps (\$4,600), gate box repairs (\$4,800), repair sleeves (\$2,850), 6" DI pipe (\$2,200) and curb stop repairs (\$1,860). There is no increase from FY21.

The Property & Facility Services

Mower rentals for mowing dams and ROW's (\$3,000 down from \$4,000)

Contracted Services

Contracted Distribution repairs (\$15,000), Contracted repairs on private property (\$1,000) and pavement patching (\$5,000). These items are unchanged from FY21.

Distribution Services & Supplies

contracted main repairs (\$15,000); pavement patching (\$5,000); and reservoir steep slope mower (\$5,000), tools, pumps, cut off saw blades and parts, marking paint, tubing and signs (\$9,140). These items are unchanged from FY21.

Outside Projects

Projects completed in-house for others (\$50,000 unchanged). This expense only occurs if there is off setting revenue provided by others.

Water Main Replacement

Infrastructure replacement program (\$75,000 unchanged). This represents the funding required for the utility crew to complete a 1,000' section of water main replacement.

Capital Expenditures

Transfer to Capital Reserve Fund

The Transfer to Capital Reserve line-item recommends an Equipment Reserve contribution (\$176,650 unchanged) into a reserve for replacement of Water Utility Fund equipment.

Debt Service

As part of Town Meeting action to municipalize the Hanover Water Works Company, the Town was authorized to assume three existing loans: (1) Drinking Water State Revolving Fund (DWSRF) Loan of \$4,035,000 for Water Main Replacement issued in 1999; (2) DWSRF Loan of \$6,500,000 for Filtration Plant and Water Storage Tank issued in 2005. The two DWSRF loan were assumed intact by the Town of Hanover.

<u>Loans</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999 DWSRF Loan <i>Last year matures FY22</i>	\$293,553	\$11,155	\$304,708
2005 DWSRF Loan <i>Matures FY28</i>	\$361,970	\$93,967	\$455,937

Capital Lease-Meter Replacement/Upgrade

There is an annual capital lease payment of (\$78,606) for the water meter replacement project; this represents the last payment of this 10-year lease.

Capital Outlay-Equipment

The capital expenditure (\$207,000) reflects the plan expenditure for installation of:

1. Manganese Monitor & Analyzer	\$ 22,000
2. Secondary Chlorination	\$ 50,000
3. Electrical metering & Energy Efficiency	\$ 35,000
4. Vactron	\$100,000

1. NHDES is proposing a new manganese (Mn) standard (currently it is only aesthetic) which will limit levels to 0.1 mg/l without a notice and above 0.3 mg/l as a limit where treatment is required. Historically, system levels of Mn are well below 0.1 mg/l except for during reservoir turn over (spring & fall). Mn is a dissolved mineral that is predominantly seen in waters along with elevated iron levels. One treatment method to remove Mn, that we have, is to add a chemical oxidant (potassium permanganate) which allows Mn to precipitate out of solution where it can be removed through filtration. An online Mn analyzer (\$22,000) will allow the system operators to predict when treatment may be required and enable necessary equipment adjustments well before of a potential issue.
2. Secondary chlorination is necessary during the warmer months (June-September) in the Greensboro Road pressure zone which is the furthest parts of the water system. This is due to the chlorine low levels that we use and the greater reaction during the warmer months. To ensure adequate chlorine exist at the end of the system we have been chlorinating at the Greensboro

Road tank utilizing a constant flow feed pump. The proposed Secondary Chlorination System (\$50,000) will use flow pacing and a chlorine analyzer that will be housed in the Greensboro Road pump station. The system will only add chlorine if needed and at the actual rate of flow, rather than at an estimate based on the tank volume change as is the current practice.

3. The town does not currently have a method of determining how much electricity is used or generated on a real time bases at the treatment facility. It is currently not possible to take advantage of the behind the meter consumption reducing peaking charges, transmission and distribution charges. Energy Efficiency and Metering (\$35,000) proposed will provide this ability.
4. The remaining capital item is the replacement of the Vactron (\$100,000) which is a piece equipment what the utility crew uses to clean valve boxes, curb stops, small drains and assist in operating valves. Vacuum excavating valve and curb stops eliminates the need to dig up valves and allows the staff to proactively remove materials which would otherwise render the valves unusable during an emergency.

**Town of Hanover
Water Utility Fund
Department Budget FY2022 (July 1, 2021 - June 30, 2022)**

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
<u>Revenues</u>						
Water Customer Billings	1,847,625	1,960,516	1,950,931	1,972,587	2,028,918	2.9%
New Water Connection Fees	-	2,293	25,694	16,530	16,530	0.0%
Outside Projects Revenue	7,374	7,354	23,256	50,000	50,000	0.0%
Miscellaneous Revenues	14,701	10,293	10,614	8,700	8,700	0.0%
Transfer from Capital Reserve Fund	41,500	97,031	121,100	53,314	207,000	288.3%
Total Revenues	1,911,200	2,077,487	2,131,595	2,101,131	2,311,148	10.0%
<u>Expenditures</u>						
Personnel Costs						
Full Time Wages	244,897	228,586	247,299	269,798	280,657	4.0%
Overtime Wages	4,412	11,046	12,392	7,353	12,000	63.2%
Employee Health and Other Sec. 125 Benefits	75,768	66,034	72,571	89,859	94,531	5.2%
Social Security and Medicare	17,880	17,108	24,957	21,202	22,388	5.6%
NH Retirement System Employer Contributions	29,057	24,465	28,776	31,540	41,147	30.5%
Workers Compensation	5,027	5,523	6,201	6,332	6,790	7.2%
Total Personnel	377,041	352,761	392,196	426,084	457,513	7.4%

**Town of Hanover
Water Utility Fund
Department Budget FY2022 (July 1, 2021 - June 30, 2022)**

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Treatment and Distribution Operations						
Utilities	90,485	91,496	71,208	81,506	85,212	4.5%
Repair and Maintenance	35,812	44,503	14,942	12,350	12,350	0.0%
Property & Facility Services	44,077	46,339	10,437	7,843	7,843	0.0%
Treatment Services & Supplies	68,438	66,209	73,165	90,343	90,343	0.0%
Distribution Services & Supplies	82,347	79,592	51,473	39,576	39,576	0.0%
Administrative Direct Costs	20,945	18,127	16,751	24,385	23,770	-2.5%
Special Payment in Lieu of Taxes	276,762	281,248	253,830	267,556	267,556	0.0%
Charges to Fire Fund (Hydrant System)	(400,000)	(400,000)	(400,000)	(400,000)	(400,000)	0.0%
Other Interdepartmental Charges	185,767	215,909	403,855	447,736	454,234	1.5%
Total Treatment and Distribution Operations	404,634	443,424	495,662	571,295	580,885	1.7%
Outside Projects						
Water Utility Projects Funded by Others	3,620	7,660	8,281	-	-	n/a
Total Outside Projects	3,620	7,660	8,281	-	-	n/a
Capital Expenditures						
Transfer to Capital Reserve	84,300	135,529	176,650	176,500	176,500	0.0%
Debt Service-Principal	570,117	590,360	611,325	633,037	655,523	3.6%
Debt Service-Interest	190,529	170,286	149,321	127,609	105,122	-17.6%
Capital Lease-Meter Replacement/Upgrade	78,606	78,606	78,606	78,606	78,606	0.0%
Capital Outlay-Equipment	41,500	97,031	94,502	88,000	207,000	135.2%
Capital Outlay-Water Main Replacement	53,019	54,497	17,601	-	50,000	n/a
Total Capital Expenditures	1,018,071	1,126,308	1,128,004	1,103,752	1,272,751	15.3%
Total Non-Personnel Expenditures	1,426,324	1,577,392	1,631,947	1,675,047	1,853,636	10.7%

**Town of Hanover
Water Utility Fund
Department Budget FY2022 (July 1, 2021 - June 30, 2022)**

	<u>FY18ACT</u>	<u>FY19ACT</u>	<u>FY20ACT</u>	<u>FY21BUDG</u>	<u>Proposed FY22BUDG</u>	<u>% Change FY21 Budget to FY22 Budget</u>
Activity Totals						
Treatment and Distribution Operations	781,674	796,185	887,858	997,379	1,038,397	4.1%
Outside Projects	3,620	7,660	8,281	-	-	n/a
Capital Expenditures	1,018,071	1,126,308	1,128,004	1,103,752	1,272,751	15.3%
Total Expenditures	1,803,365	1,930,153	2,024,143	2,101,131	2,311,149	10.0%
Net Expenditures	(107,835)	(147,334)	(107,452)	-	1	n/a