



Sustainable Budget Task Force

November 16, 2021
Update to the Select Board



Context and Charge

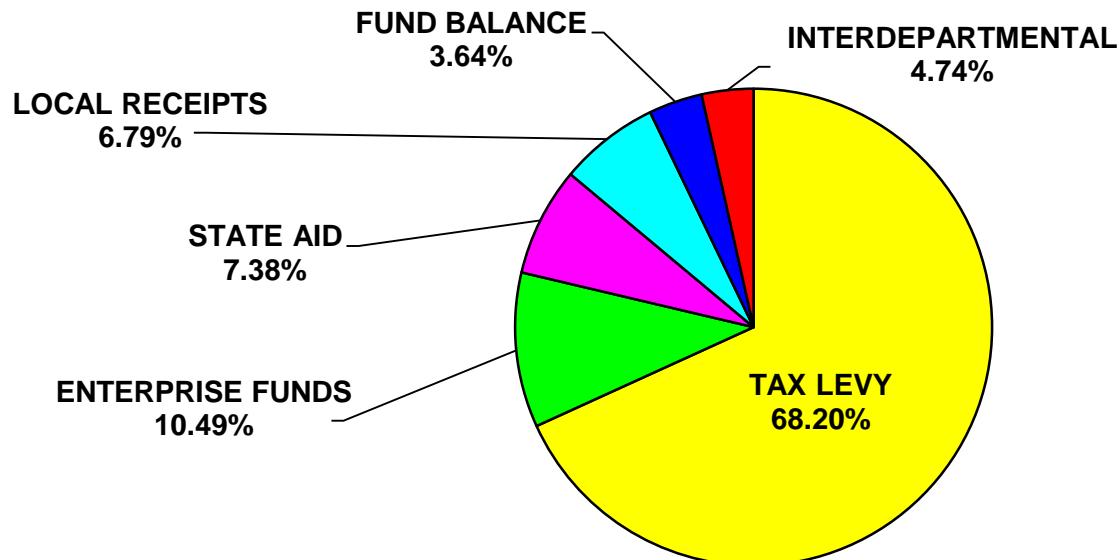
- Increased service demands outpacing revenue growth
- Need for longer-term financial planning
- Must balance increased investment in services/capital with impact on taxpayers
- Town lacks means to fully fund budget beyond FY22
 - FY22 budget balanced with \$5M in one-time funds
- Task Force formed to assess future needs and explore revenue opportunities (including a potential operational override) to balance FY23-27 budgets



Progress to Date

- A. Select Board update on 10/19
- B. Continue to meet weekly (since 9/10)
- C. Research potential non-tax revenue sources

FY22 SOURCES OF REVENUE

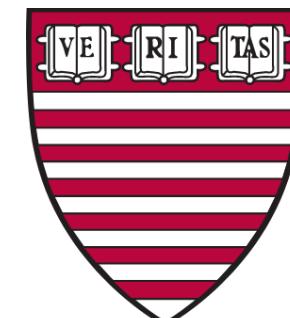




Potential Non-Tax Revenue Opportunities

- Revolving Funds
- Local receipts (including from benchmark towns)
 - Parking meters & fines, school bus fees, billboard/facility rentals, beach parking fees
- Transfer station stickers or PAYT program
- Corporation-funded recycling
- Marijuana
- Short-term occupancy tax
- Solar arrays, wind energy
- Real estate purchase fee on buyers
- Disposition of real estate

Potential
Harvard Kennedy
School project





Progress to Date

- A. Select Board update on 10/19
- B. Continue to meet weekly (since 9/10)
- C. Research potential non-tax revenue sources
- D. Factors contributing to an unbalanced budget



How did we get here?

Short-term:

- **FY21/FY22: Lost revenue due to pandemic + large increase in personnel to meet service demands and recover from COVID**

Longer-term:

- **Expenditures outpacing revenue and demand for services**
- **Proposition 2 ½ limits property tax revenue increases**
- **Personnel costs – need to remain competitive in municipal marketplace, address recruitment and retention issues**
- **Inflation (exacerbated by COVID-19)**



Progress to Date

- A. Select Board update on 10/19
- B. Continue to meet weekly (since 9/10)
- C. Research potential non-tax revenue sources
- D. Factors contributing to an unbalanced budget
- E. Benchmark data for all departments, including salary comps
- F. Preliminary FY23 budget projections
- G. Fund Balance use over past 20 years
- H. Override history in Hingham and benchmark towns



Public Feedback Highlights

- Request for funds for a Sustainability Director and prioritizing climate change mitigation
- Potential revenue idea: buyers pay a % fee to the Town upon purchase of Hingham real estate
- Support for an operational override and prioritizing funding for schools
- Override burden on current vs. future generations and anticipated tax impact based on income distribution
- Research/analysis required before proposing an override



Timeline

Month	Budget Process	Sustainable Budget TF
September		TF begins research & analysis
October	TA budget memo	TF work continues
November	Departmental budgets submitted to TA	
December	AdCom budget hearings	
January	School budget submitted to SC; AdCom budget hearings	TF presents findings to TA/SB
February	AdCom budget hearings	Public discussions of budget options
March	Final budgets voted, Warrant finalized	
April	Annual Town Meeting	



Next Steps

- Review 10-year budget growth trends
- Continue reviewing benchmark data for all departments
- Evaluate current services and opportunities for cost-saving
- Evaluate FY23 budget requests and priorities
- Identify strategies to control expenditure growth
- Demographic analysis/trends
- Develop options/scenarios and impact on residents
- Identify areas for further study