



Sustainable Budget Task Force

November 16, 2021

Update to the Select Board



Context and Charge

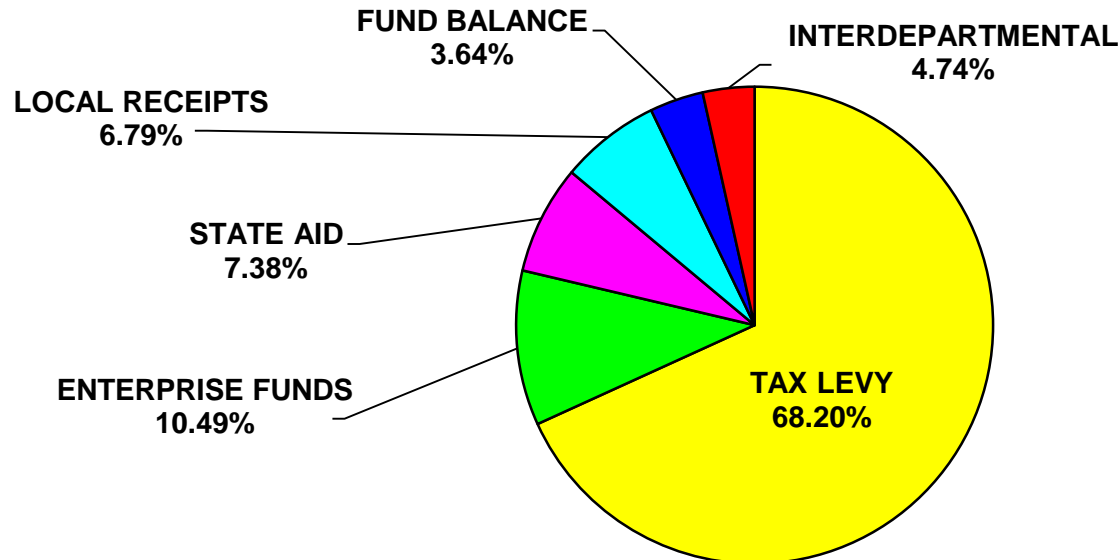
- Increased service demands outpacing revenue growth
- Need for longer-term financial planning
- Must balance increased investment in services/capital with impact on taxpayers
- Town lacks means to fully fund budget beyond FY22
 - FY22 budget balanced with \$5M in one-time funds
- **Task Force formed 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

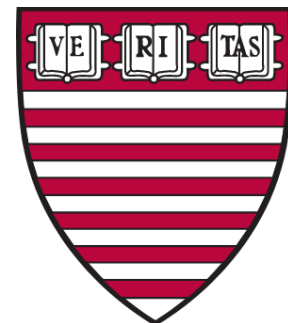


Potential Non-Tax Revenue Opportunities



- 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**