



Town of Hingham

FY24 Budget Recommendations

March 9, 2023

Agenda



- 1. FY24 Budget Context**
- 2. Balanced Budget**
- 3. Town Administrator Recommended Budget**
- 4. Projected Tax Impacts & Tax Relief Programs**
- 5. FY24-28 Financial Plan**
- 6. Outreach Efforts**
- 7. Questions**



FY24 Budget Context

FY24 Budget Context

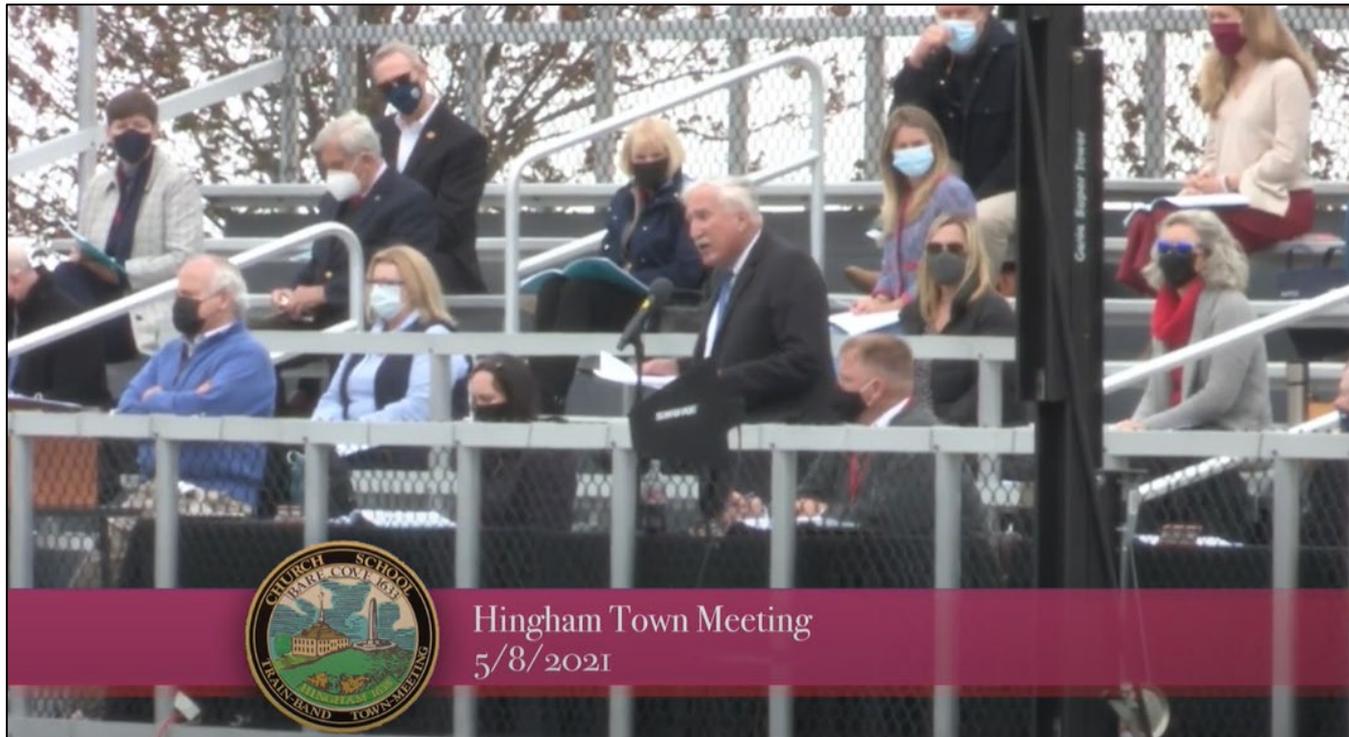


- **The Town is entering the FY24 budget season with a significant deficit that results from adding critical capacity to school and municipal services during COVID-19.**
- **In addition, Hingham is experiencing the same challenges as many Massachusetts communities where the cost of providing services has outpaced revenue growth allowed under Proposition 2 ½.**
- **The Town used one-time federal and local reserve funds in FY22 and FY23 to offset these deficits.**
- **As we move away from the pandemic and seek to bridge the funding gap permanently, the Town must either reduce services to balance the FY24 budget or raise recurring revenue through an override to maintain current operations.**



Need for an Override

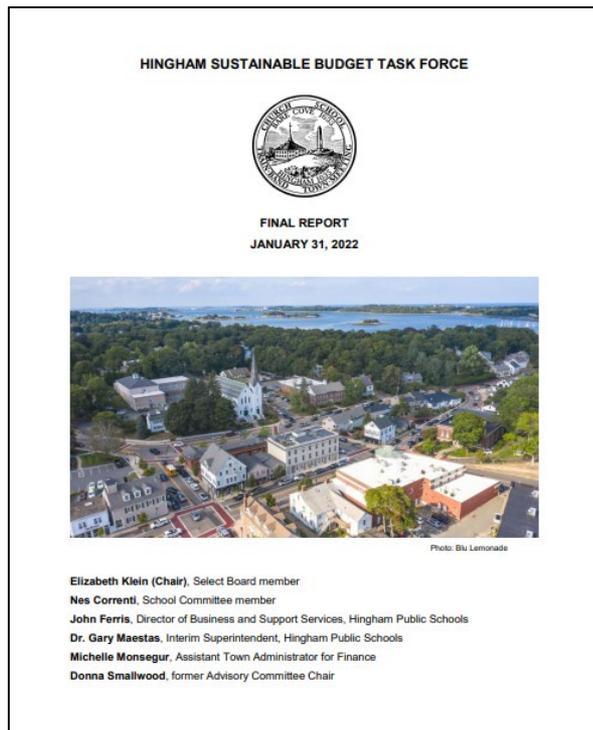
- **AdCom Chair Bob Curley at ATM 2021:** *“For Fiscal Year 23, the Town faces the prospect of an override to address what is essentially a structural deficit in the budget.”*



Sustainable Budget Task Force – Key Findings



February 2022



- The Town was experiencing increasing budget pressure from expenditure growth exceeding revenue growth prior to the pandemic.
- Hingham should seek both tax and non-tax revenue to provide high quality municipal and school services. New revenue sources require time - they are not solutions for the budget gap in the short term.
- Both municipal and school departments should target a 3.5% expenditure growth rate in future years to better align expenses with available revenue.
- The Town should consider closing the FY23 budget deficit by using remaining federal and other one-time funds.
- **The Town should consider proposing a potential override in FY24 to maintain or grow services.**

Need for an Override



- **ATM 2022 Warrant:** *"...Town needs to reconcile revenues with expenses through an override. ...it is expected that an override will be placed before the citizens at the 2023 Annual Town Meeting and 2023 Annual Election."*





Balanced Budget



Balanced Budget Requirement

- **Town is required by State law to adopt a balanced budget (this is the budget that matches expenditures to revenues)**
- **Current deficit = \$6,015,216 as of March 3, 2023**
- **Approach:**
 - **Meet contractual obligations and legal requirements**
 - **Maintain core municipal services**
 - **Remove new positions/services added in FY22**
 - **Spread impact among municipal departments/service sectors**
 - **Demonstrate community impact**
- **If override fails, reductions would go into effect July 1, 2023**

Proposed Municipal Reductions – Updated 3/9/23



Service Sector	FTEs	Amount
General Government	4.7	\$451,006
Public Safety	3.6	\$500,503
Public Works	9.0	\$536,047
Human Services	2.1	\$148,440
Culture & Recreation	TBD	\$469,330
Total	19.4+	\$2,105,326



**FY24 Recommended Budget:
Level Services + Additional Requests**



FY24 Level Services & Additional Requests

- TA recommendation contains level of services from FY23 (no service reductions)
- TA recommendation includes \$673,377 of the total \$1,164,277 additional requests from department heads
- TA recommendation includes \$500,000 additional request to be added to the Capital Budget (to put us in compliance with our Financial Policy)
- School Committee recommendation includes their level services from FY23 (no service reductions)
- School Committee recommendation includes additional requests of \$701,874 of the total \$1,547,174 identified unmet needs
- A total FY24 Override of \$7,890,467 is recommended which results in a total Article 6 amount of \$147,079,365



FY24 Recommended Additional Requests

Description	Amount
MUNICIPAL SERVICES	
Assistant Town Engineer	\$96,000
Senior Center Program Coordinator Position	\$65,255
Increase Veterans' Administrative Assistant to FT	\$20,842
Sustainability Coordinator	\$49,000
Budgeting software	\$50,000
Subtotal	\$281,097
Four FT Firefighters*	\$392,280
Municipal Total	\$ 673,377
SHARED SERVICES	
Increase Capital Outlay budget	\$500,000
Shared Total	\$500,000
SCHOOL SERVICES	
Reduction of School Technology Costs in Capital Outlay	\$300,000
Nursing Coordinator	\$115,174
Increased Professional Development to reflect needs and support Strategic Plan	\$200,000
Reduction of Full-Day Kindergarten Fee	\$86,700
School Total	\$701,874
GRAND TOTAL	\$1,875,251

* \$392,280 for 4 Firefighters hired in FY24 and on staff in FY25, which will offset OT in FY25



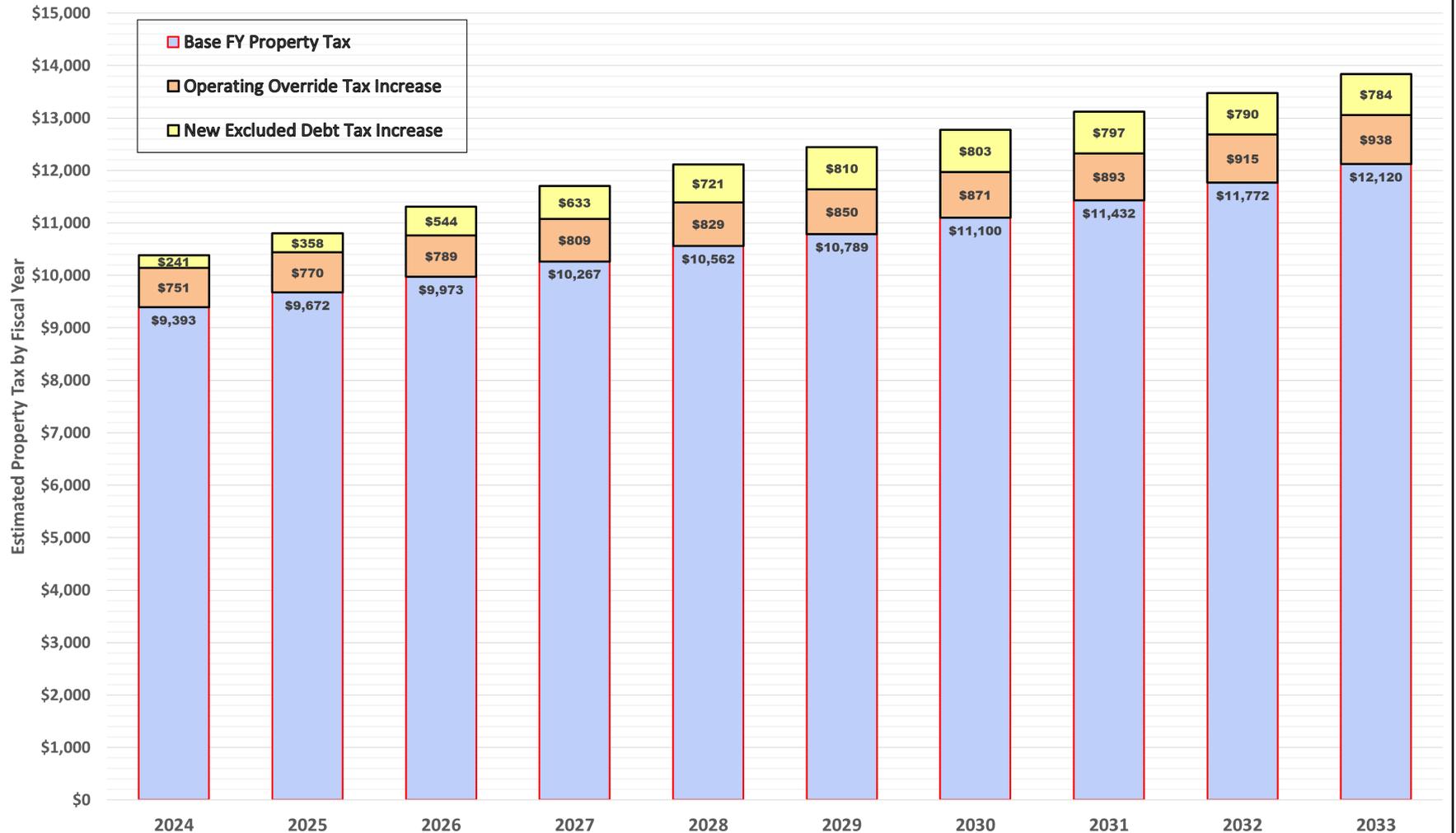
Projected Tax Impacts & Tax Relief Programs

\$7.9M Override:

Projected Tax Impact for Median Assessed Value (\$898,850)



10-Year
Taxpayer Impact Summary

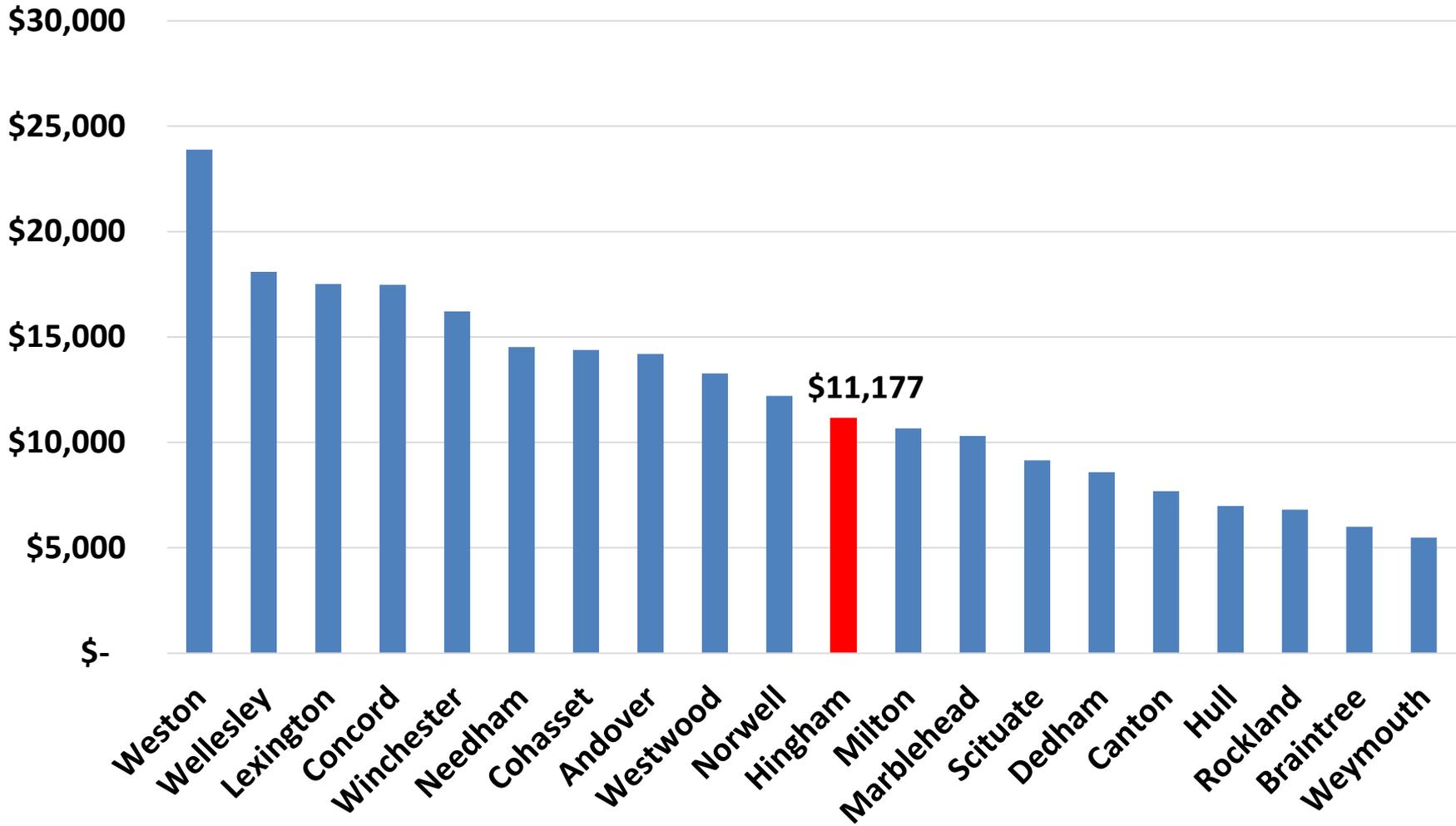


\$7.9M Override: Projected FY24 Tax Impact



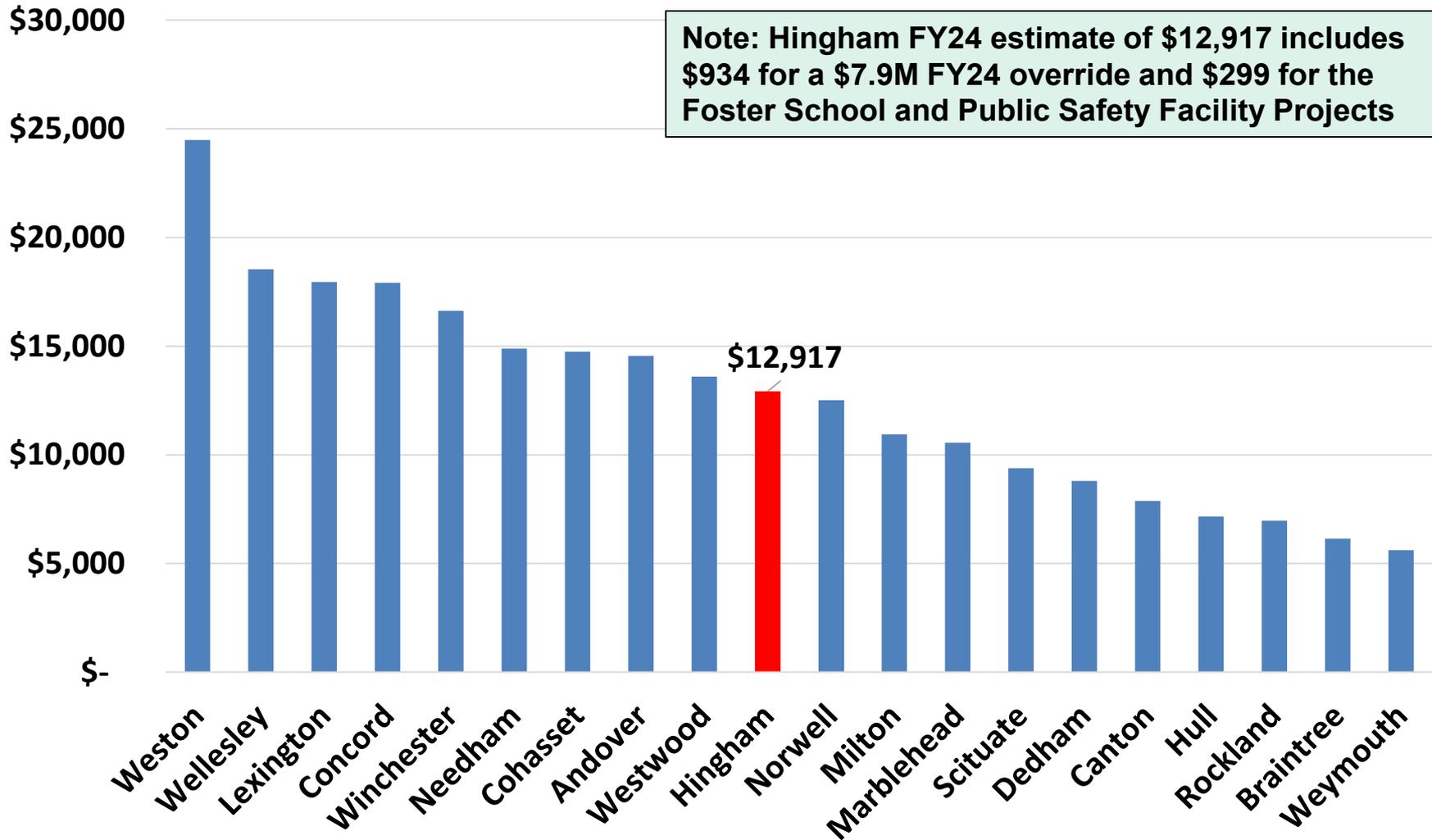
	25th Percentile Assessed Value (\$658,400)	50th Percentile Assessed Value (\$898,850)	75th Percentile Assessed Value (\$1,230,600)
Base FY24 Property Tax Bill	\$6,877	\$9,393	\$12,866
FY24 Estimated Tax Increase for Foster and Public Safety Facility Projects (approved Nov. 2022)	\$176	\$241	\$330
FY24 Estimated Tax Increase for \$7.9M Operating Override	<u>\$550</u>	<u>\$751</u>	<u>\$1,029</u>
New FY24 Property Tax Bill with Both Projects and Override	\$7,603	\$10,385	\$14,225
% Increase from Base Property Tax Bill with Both Projects and Override	10.6%	10.6%	10.6%

FY23 Average Single Family Property Tax Bill



Source: MA DLS Municipal Databank

FY24 Projected Average Single Family Property Tax Bill



Hingham Tax Relief Exemptions & Programs



Tax Exemption/Relief Program	FY23 Max. Benefit
1. Financial hardship	varies
2. Senior Means-Tested Tax Exemption (new)	\$1,170
3. Residents over 65 years old	\$1,000
4. Surviving spouses or persons over 70 years old	\$334
5. Elderly and Disabled Taxation Aid Fund	varies
6. Residents who are legally blind	\$500
7. Various programs for disabled veterans	varies
8. Gold Star Family tax exemption	full exemption
9. Community Preservation Act exemption	varies
10. Tax Deferral Program	varies - can defer all
11. Senior Tax Workoff Program	\$1,781
12. Valor Act (Veterans) Tax Workoff Program	\$1,500

Hingham Property Tax Relief



- **300% increase in participation in Senior Means-Tested Tax Exemption this year over FY22**
- **Three tax relief articles on the ATM2023 Warrant:**
 - **Article M: Permanently extend Senior Means-Tested Tax Exemption**
 - **Article O: Increase max Veterans' Tax Workoff amount by \$375**
 - **Article W: Double all current statutory exemptions**
- **Ongoing outreach campaign**

You May Qualify for Property Tax Relief

The Town of Hingham offers a number of different property tax relief programs for residents based on age, income, and veteran or disability status. Town staff can help direct you to the right programs and exemptions. See below for a list of property tax relief programs and contact information to learn more.

PROPERTY TAX RELIEF PROGRAMS	APPLICATION DEADLINE	CONTACT
<ul style="list-style-type: none"> Financial Hardship Person over 65 years old Surviving Spouse or Person over 70 Elderly and Disabled Taxation Aid Fund Legally Blind Persons Various programs for Disabled Veterans Gold Star Family tax exemption Tax Deferral Program Community Preservation Act exemption 	Submit your application by April 1 to the Assessor's Office	<u>Assessor's Office</u> Town Hall, 1st floor Call: 781-741-1455 Email: Assessors@hingham-ma.gov
<ul style="list-style-type: none"> Senior Means-Tested Tax Exemption 	Submit your application by September 1 to the Assessor's Office	

Did you know that you may be able to "work off" a portion of your property taxes by completing tasks/projects for Town Departments? See below for more information:

TAX WORKOFF PROGRAMS	PROGRAM TIMELINE	CONTACT
<u>Senior Tax Workoff Program</u> <ul style="list-style-type: none"> Individuals age 60+ Must meet income eligibility guidelines Work up to 125 hours max per calendar year May have a representative work on your behalf if you are physically unable 	Hours must be worked between January 1 and October 1	<u>Hingham Senior Center</u> Town Hall 781-741-1458 Frugolm@hingham-ma.gov
<u>Valor Act Tax Workoff Program</u> <ul style="list-style-type: none"> Available to eligible veterans May earn up to \$1,500 per household per year May have a representative work on your behalf if you are physically unable No criteria based on income 	Hours must be worked between July 1 and March 15	<u>Veterans' Services</u> Town Hall – 2nd floor 781-741-1440 VeteransServices@hingham-ma.gov

Not sure where to start? The Assessor's Office would be happy to help!

Call: 781-741-1455

Email: Assessors@hingham-ma.gov

Visit: First floor of Town Hall

Online: hingham-ma.gov/178/Board-of-Assessors

Hingham Property Tax Relief Programs/Exemptions



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FY24 Financial Management Plan

Financial Management Plan - Signatories



- **Tri-party Agreement (similar to the FY21 Financial Management Plan for the pandemic) signed by:**
 - **Select Board**
 - **School Committee**
 - **Advisory Committee**

*** The Town Administrator and School Superintendent will also sign on signaling agreement to implement and manage to the terms of the agreement.**

Financial Management Plan – Key Terms



- **No Override until FY28 at the earliest**
- **Both Municipal and School Departments commit to growth rate of 3.5%**
- **Override amount of \$7.89M**
- **School Department access to Reserve Fund Transfer process for OOD SPED tuitions and specialized contracts above 2% increase**

Financial Management Plan – Other Commitments



Further commitments to:

- Pursue economic development opportunities
- Seek efficiencies in operations
- Continue to fund Capital within financial policy guidelines
- Continue to fund OPEB
- Continue to advance tax relief programs
- Seek new non-tax revenue sources
- Maintain AAA credit rating



Outreach Efforts

Outreach



- **Two Public Information Sessions:**
 - **March 30, 7-9pm at Town Hall**
 - **April 11, 7-9pm by Zoom**
- **Information session to be held at Linden Ponds in late March**
- **Information flyer will be mailed on March 22**
- **Series of five weekly videos explaining the Budget and the Override. First video will be released March 14.**
- **Select Board office hours – TBD**
- **Interviews through Harbor Media and local news outlets**
- ***Central Times* (Senior Center newsletter) will continue to contain information on Town Meeting**



Updates will continue to be posted to
hingham-ma.gov/override

FY24
Override



Hingham
Massachusetts

Departments

Government

Services & Resources

Residents

How Do I...?



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Town of Hingham FY24 Override

Introduction

The Town is entering the FY24 budget season with a significant deficit that results from adding critical capacity to school and municipal services during COVID-19.

In addition, Hingham is experiencing the same challenges as many Massachusetts communities where the cost of providing services has outpaced revenue growth allowed under Proposition 2 ½.

The Town used one-time federal and local reserve funds in FY22 and FY23 to offset these deficits. As we move away from the pandemic and seek to bridge the funding gap permanently, the Town must either reduce services to balance the FY24 budget or raise recurring revenue through an override to maintain current operations.

Office Hours

Select Board member Liz Klein and School Committee Vice Chair Nes Correnti will be hosting joint office hours, making themselves available for community members to discuss and provide feedback on the budget proposal for this spring's Town Meeting

Wednesday, March 1 from 7 – 8 p.m.
(In Person)

East Hearing Room, 3rd floor of Hingham
Town Hall, 210 Central St.



Override Approval Requirements

- 1. Budget appropriations (Article 6) require a majority vote at Town Meeting on April 24, 2023**
- 2. Override ballot question requires a majority vote at the Town Election on April 29, 2023**





Questions?

Visit hingham-ma.gov/override
or email us at override@hingham-ma.gov