

TOWN OF HANSON REVIEW & ANALYSIS OF FINANCIAL CONDITIONS

Presented By

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December 12, 2023



TOWN OF HANSON

PROCESS STEPS

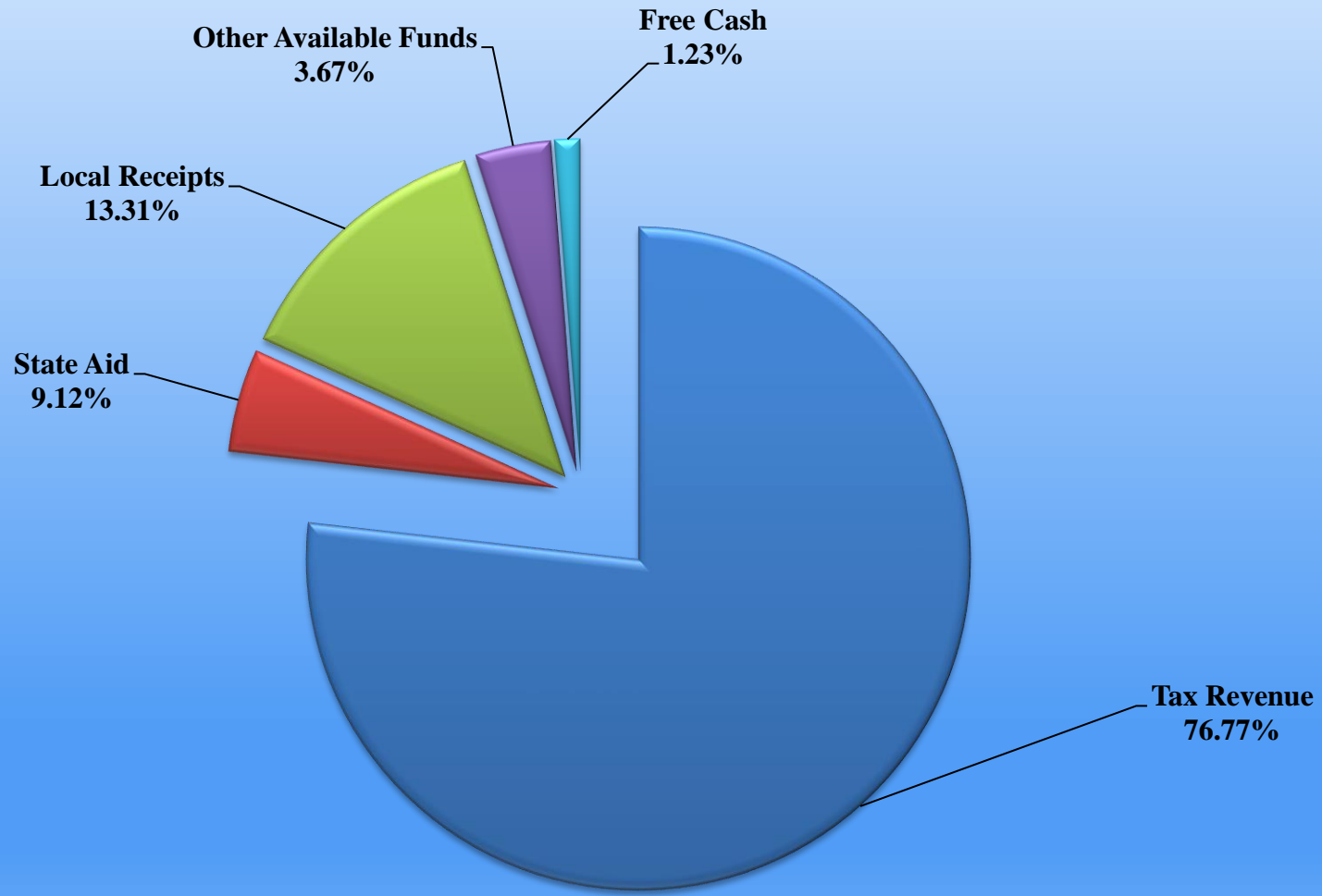
- Reviewed and identified financial trends over the past five years,
- Analyzed various documents and official statements submitted to the Department of Revenue,
- Met with the Town Administrator and various department heads,
- Projected forward five years of budgets, based on trends and my own recommendations,
- Considered the possibility of an override in the future.

TOWN OF HANSON

REVENUES

- Taxation
 - Real Estate
 - Personal Property
- State Aid
 - Chapter 70
 - Unrestricted General Government Aid
 - Local Program Reimbursements
- Local Receipts
 - Motor Vehicle Excise
 - Meals Excise, Rentals, Fees, Licenses & Permits, Investment Income
- Other Financing Sources
 - Free Cash
 - Stabilization, Fire Apparatus Fund, Trust Funds

Fiscal Year 2024 Revenue Sources



TOWN OF HANSON

TAXATION

- Real Estate Tax

- Town-Wide Levy limited by provisions of Proposition 2 ½.
- Individual Tax Bill = Property Value/1,000 x Tax Rate
- FY 2024 Levy Limit =
 - FY 2023 Levy Limit + 2.5% Increase + New Growth + Debt Exclusions
- FY 2023 Levy Limit - \$25,405,077
- 2.5% Increase - \$635,127
- New Growth - \$316,309
- Debt Exclusions - \$535,430
- FY 2024 Levy Limit - \$26,891,943

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STATE AID

- FY 2024 Local Aid - \$1,761,054
 - Represents 4.40% increase over FY 2023
 - Five Year average increase – 3.24%
 - Chapter 70 - 89.46% increase over FY 2023
 - Five Year average increase – 4.68%
 - Unrestricted General Government Aid - 3.20% increase over FY 2023
 - Five Year average increase – 2.96%

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LOCAL RECEIPTS

- FY 2023 Local Receipts (net of Water SR) - \$3,078,478
 - Represents 22.42% increase over FY 2022 - \$563,889
 - Five Year average increase – 10.03%
- FY 2023 Motor Vehicle Excise - \$1,785,524
 - Comprises 58% of Total Local Receipts
 - Represents 1.79% decrease over FY 2022
 - Five Year average increase – 0.99%
- FY 2023 Meals Excise - \$82,399
 - Comprises 58% of Total Local Receipts
- FY 2023 Investment Income - \$227,227
 - Represents 1,326.78% increase over FY 2022 - \$211,302

TOWN OF HANSON

OTHER FINANCING SOURCES

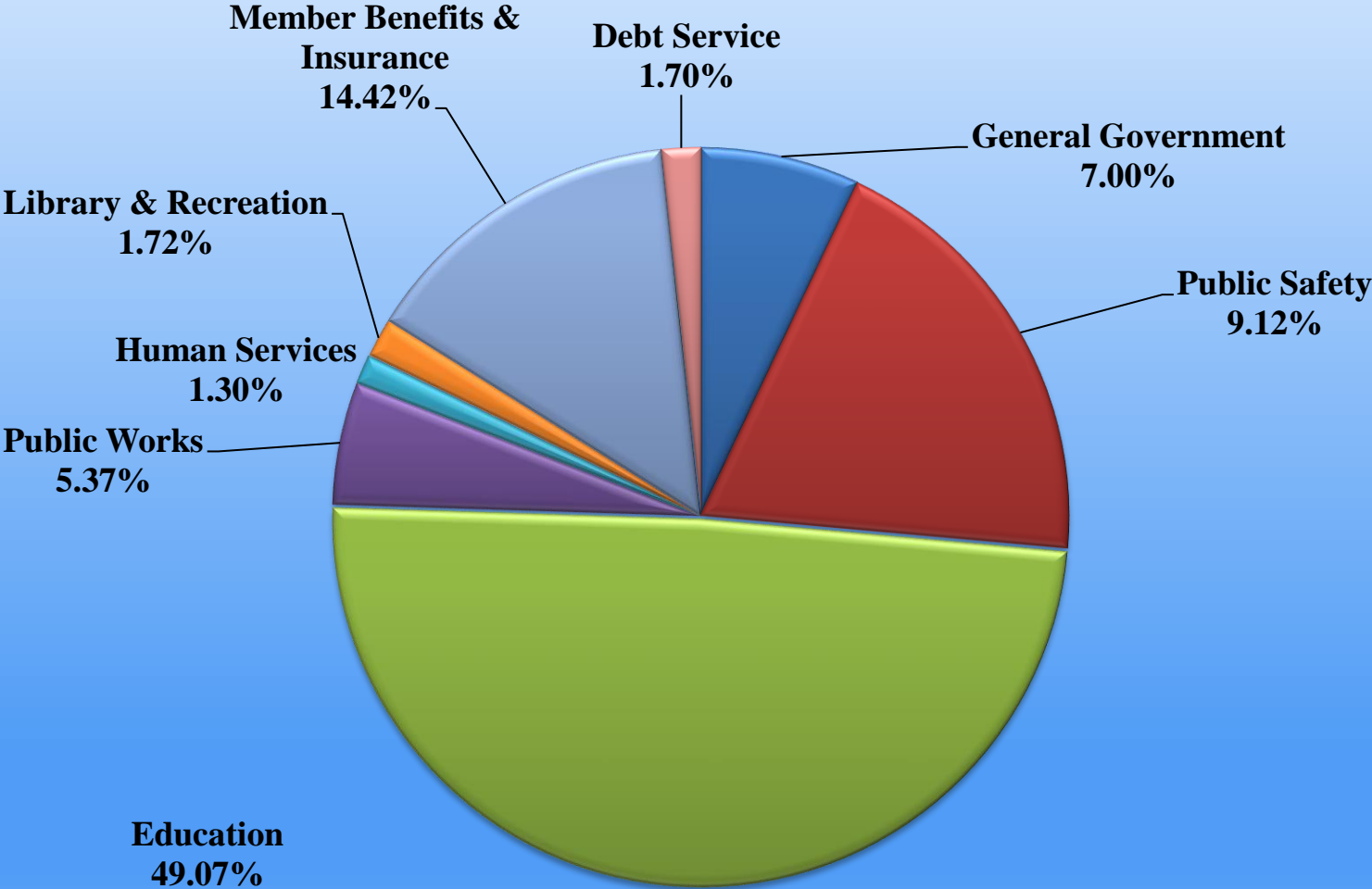
- **Ambulance Receipts - RRFA**
 - Established to provide offset funding for ambulance operations and purchase/replacement of ambulance equipment.
 - \$791,000 collected in FY 2023
 - Used to offset Fire Department operating expenses and capital expenditures
 - FY 2024 - \$725,000 used to offset Fire Department operating expenses
 - Five Year average appropriated - \$577,000
- **Title V Septic Program - RRFA**
 - Established to provide offset funding for replacement of residential septic systems program.
 - Covers costs of Long-term debt associated with the program
 - FY 2024 - \$152,2500 used to offset Debt and Interest expenses

TOWN OF HANSON

OTHER FINANCING SOURCES

- Free Cash
 - Classified as One-time Revenue. Basically an “accident” of budgeting.
 - More revenue collected than anticipated
 - Less expended than voted at Town Meeting
 - Division of Local Services Best Practices Recommendation
 - “As a nonrecurring revenue source, free cash should be restricted to paying one-time expenditures, funding capital projects, or replenishing other reserves”.
 - Use of Free Cash to Fund Operating Budget.
 - FY 2024 Free Cash Utilized - \$357,453
 - Use to balance Operating Budget increased by 35% over FY 2023

Fiscal Year 2024 Operating Budget by Function



TOWN OF HANSON

GENERAL OPERATING BUDGET

- Three Year Average Increases

• General Government	4.98%
• Public Safety	7.19%
• Education	7.08%
• Public Works	13.35%
• Human Services	12.74%
• Library & Recreation	5.07%
• Debt Service	(12.03)%
• Employee Benefits & Insurance	7.26%

TOWN OF HANSON

GENERAL OPERATING BUDGET

- FY 2024 Operating Budget (net of Water) - \$32,241,150
 - Represents an overall increase of 5.88% over FY 2023
 - Town Increase over FY 2023 – 2.55%
 - Vocational Education Increase over 2023 – 7.03%
 - WHRSD Increase over FY 2023 – 4.80%
 - Three Year average increase DESE Local Contribution Determination – 4.39%
 - Other Budgetary Highlights
 - Regional Old Colony Call Center (ROCCC) Increase over FY 2023 - \$200,000
 - Plymouth County Retirement Increase over FY 2023 – 11.23%
 - Snow & Ice Increase over FY 2023 – 0.00%
 - Artificially low Utilizing MGL Chap 44, sec 31D

TOWN OF HANSON

REVENUE BUDGET

- Projected Revenue Increases

• New Growth	Fixed
• Chapter 70	3.00%
• Undistributed Gen'l Government Aid	2.96%
• Veterans Benefits	(1.00)%
• Motor Vehicle Excise	1.00%
• Penalties & Interest on Taxes	8.42%
• Payments in Lieu of Taxes	5.00%
• Fees	1.00%
• Rentals	10.0%
• Other Departmental Revenue	2.00%
• Licenses & Permits	15.0%
• Earnings On Investments	2.00%
• All Other Categories	0.00%

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GENERAL OPERATING BUDGET

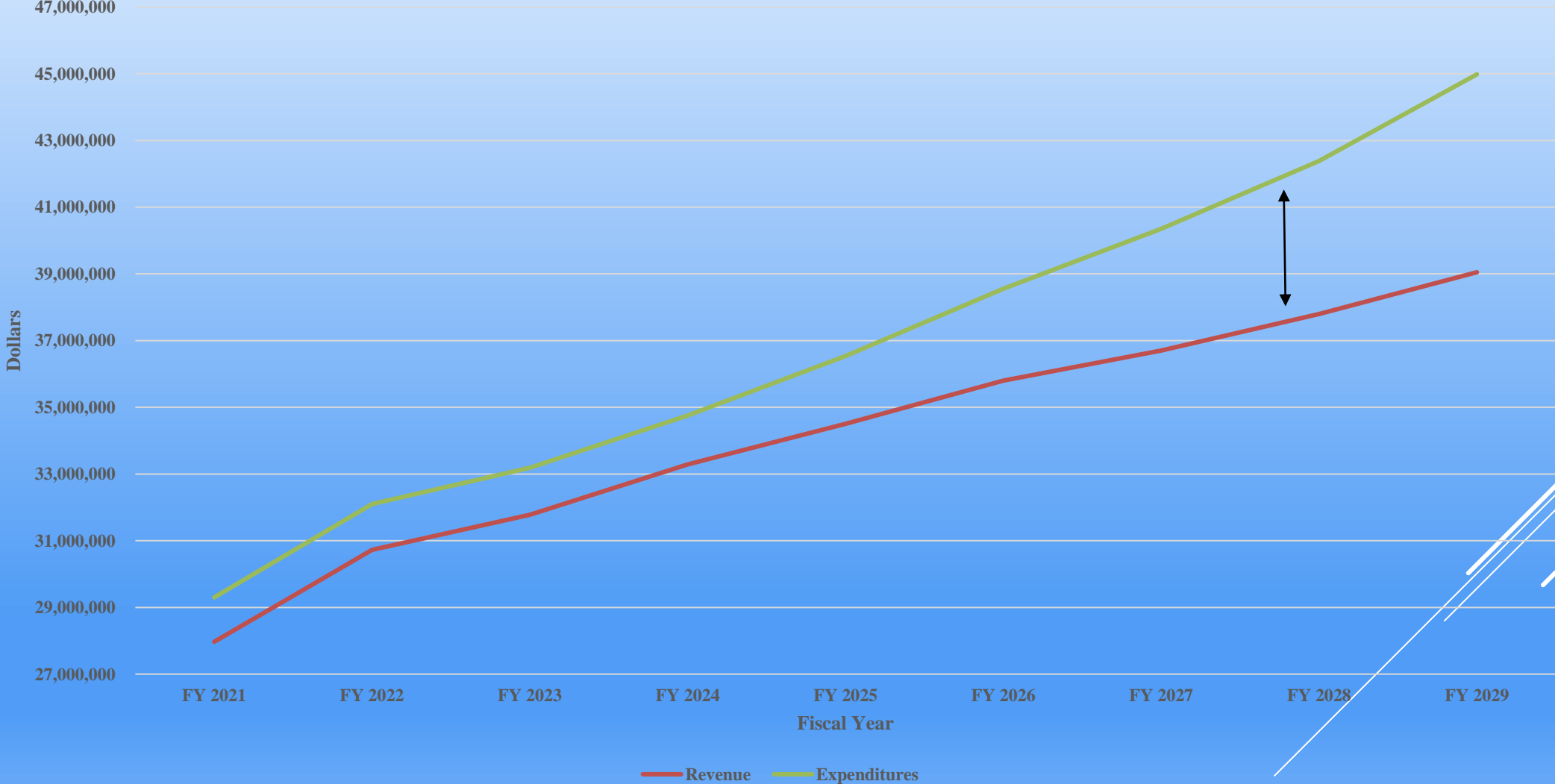
- Projected Expense Increases

• General Government	4.98%
• Public Safety	7.19%
• Education	7.08%
• Public Works	13.35%
• Human Services	12.74%
• Library & Recreation	5.07%
• Debt Service	Fixed
• Employee Benefits & Insurance	7.26%
• State & County Assessments	1.75%
• Abatements & Exemptions	Fixed

TOWN OF HANSON
Projection of Revenues vs. Expenditures
Fiscal 2025 Through Fiscal 2029
(Summary)

Categories	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
(A) Revenue Budget:					
Tax Revenue	27,939,236	29,057,881	29,921,009	30,801,825	31,941,870
State Aid Revenue	1,807,286	1,854,893	1,903,916	1,954,395	2,006,374
Local Receipts	4,761,965	4,887,899	4,880,816	5,044,281	5,102,279
Trans From Water Ent (Ind Costs)	0	0	0	0	0
Other Available Funds	780,500	779,640	768,950	748,450	727,950
Free Cash	0	0	0	0	0
Total Budgeted Revenue:	35,288,988	36,580,313	37,474,691	38,548,951	39,778,474
(B) Expenditure Budget:					
Assessments & Other Charges	430,244	399,020	437,618	414,405	421,943
Operating Expenses	35,677,928	37,778,209	39,771,969	41,851,500	44,458,801
Debt Service	432,613	380,950	139,450	118,950	98,450
C.I.P. Allocation	0	0	0	0	0
Recurring Articles	0	0	0	0	0
Additional Articles	0	0	0	0	0
Total Budgeted Expenditures:	36,540,784	38,558,179	40,349,037	42,384,855	44,979,194
(C) Surplus/(Shortfall):	(1,251,796)	(1,977,866)	(2,874,346)	(3,835,904)	(5,200,719)
Revenues vs Expenditures					
(D) Estimated New Growth in Dollars:	405,000	480,000	389,000	370,000	370,000

Town of Hanson Trending Revenues vs Expenditures



TOWN OF HANSON

PRELIMINARY OUTLOOK

Operating Budget

- Average annual increase – 6.23%
- Not sustainable compared to annual increases in Town revenues
- \$357,453 of Free Cash used to supplement FY 2024 budget
- Discipline and realistic budget requests/approvals
- Operating Override ultimately necessary