

## FY2025 Truro Budget

The FY2025 Truro Budget process is almost at an end. This is a good time to share some observations on the FY2025 budget and to look at the budget trend by comparing the FY2021 (in Sep 2021) and the proposed FY2025 budget. In Sept 2021, we were still in the middle of the pandemic. We hired a new Town Manager. The Chair of the Select Board was Robert Weinstein with Kristen Reed as vice chair, Susan Areson was the Clerk, with members Janet Worthington and Stephanie Rein. It was not that long ago.

Before we get into the details, I want to remind you that the FY2025 Budget is still evolving and becomes final with a town meeting vote in May. So last-minute changes are possible. For example, the Truro Motor-Inn was just put in the Warrant.

		FY2020	FY2022	FY2023	FY2024	as of Apr 12, 2024 FY2025	FY2021 to FY2025 Y-to-Y
I	<b>General Government</b>	2,994,423	3,605,813	3,795,402	4,206,085	4,775,310	54%
II	<b>Public Safety</b>	3,710,084	3,966,589	4,072,445	4,335,353	5,306,478	43%
III	<b>Public Education</b>	6,003,900	6,239,391	6,108,259	6,290,785	6,397,385	7%
IV	<b>Public Works</b>	1,683,941	1,775,639	1,908,002	1,943,588	2,182,986	30%
V	<b>Public Services</b>	708,044	800,709	814,719	860,598	578,126	-18%
VI	<b>Culture &amp; Recreation</b>	1,097,488	1,209,009	1,244,134	1,297,248	2,093,943	91%
VII	<b>Debt Services</b>	818,933	921,563	868,334	866,675	866,175	6%
VIII	<b>Employee Benefits</b>	2,914,111	3,133,116	3,220,594	3,548,673	4,007,000	38%
IX	<b>Muni Liability Insurance</b>	235,500	235,500	235,000	234,500	257,950	0%
	<b>Total</b>	<b>20,166,424</b>	<b>21,887,329</b>	<b>22,266,889</b>	<b>23,583,505</b>	<b>26,465,353</b>	<b>30%</b>

The chart shows the Operating Budget from FY2021 to FY2025. The following items are noteworthy:

- The growth from FY2021 to FY2025 is around 30% or \$5,890,429.
- Culture & Recreation shows the biggest percent growth. This is due to the 2½ override for the childcare related programs in FY2024. That was a \$703,050 override.
- General Government shows the next biggest growth of 54% or \$1,607,888.
- Employee Benefits between FY2021 and FY2025 have grown by 38%.

The General Government growth is of great concern. In FY2025 and FY2026, the Town is looking to hire an HR Coordinator, a Public Record Request/Assistant Town Clerk and a Climate Action Coordinator. In FY2024 we hired (with no tax impact as we were assured by the Town Manager) the Short-term

Rental/Housing Coordinator. That is 4 additional headcounts in the General Government budget line. That is an additional \$450,000 to \$500,000. In addition, the Town Manager is alerting the Town of potentially more staffing needs. This headcount increase will put upward pressure on the General Government and Employee Benefits lines of the budget. Both of these lines are already growing too fast. And this headcount growth will make the General Government budget even larger, and that will have an impact on the taxpayers.

## Are we growing Overhead at a higher rate than the Service?

### Budgets per Town Warrants

Groupings	FY2021	FY2022	FY2023	FY2024	as of Apr 12, 2024 FY2025	FY2021 to FY2025
General Overhead – I	2,994,423	3,605,813	3,795,402	4,206,085	4,775,310	54%
Service – II to VI	13,203,457	13,991,337	14,147,559	14,727,572	16,558,918	25%
Other Overhead – VII to IX	3,968,544	4,290,179	4,323,928	4,649,848	5,131,124	29%
Total	20,166,424	21,887,329	22,266,889	23,583,505	26,292,353	30%

Note:

- General Overhead = General Government
- Service = Public Safety + Public Education + Public Works + Public Service + Culture & Recreation
- Other = Debt Services + Employee Benefits + Municipal Liability Insurance

The key function of Town is to deliver Service to its residents. To pay for this Service, the town generates revenue primarily by Taxing its citizens. Our Budget shows that Service is the biggest part of the budget at \$16,558,918. But it is NOT the largest growth leader. Overhead owns that distinction. We are growing General Overhead and Other Overhead at a higher rate.

**The Town is raising funds to grow its Overhead and not to grow Services for its citizens.**

In the Private Sector this is a bad signal. Is it a good practice in the Public Sector?

## How Much is the Town Spending in the Upcoming FY2025?

Truro is projected to spend in FY2025 more than \$26,292,353. How much more? To get to Truro's Total spending request in the May 2024 Warrant, we must add Spending funded by Free Cash, Spending Funded by Community Preservation Act, Spending funded by 2½ override (override and Debt Exclusion) and Spending funded by Other Funds (in FY2025 we are requesting approval to use the Dennis Family Gift Account and/or Affordable Housing Trust to fund to purchase the Truro Moter Inn). In addition, we want to re-appropriate from prior Town Hall Construction and re-appropriate from Environmental Construction Projects.

Total Authorized Spending per Warrant  
Including all spending from all sources of funding

	FY2021	FY2024	as of Apr 1 2024 FY2025	FY2021 to FY2025
<b>Budgeted Spending</b>	<b>20,166,424</b>	<b>23,583,505</b>	<b>26,292,353</b>	30%
<b>Free Cash Spending</b>	<b>2,325,700</b>	<b>3,295,718</b>	<b>2,899,280</b>	
<b>Comm Preservation Funds</b>	<b>651,813</b>	<b>1,117,229</b>	<b>1,117,229</b>	
<b>2½ Overrides</b>	-			
<b>Spending Override<sup>1</sup></b>		<b>1,304,172</b>	<b>113,500</b>	
<b>Debt Override<sup>2</sup></b>	-	<b>260,000</b>	<b>2,573,097</b>	
<b>SubTotal Spending</b>	<b>23,143,937</b>	<b>29,560,624</b>	<b>32,995,459</b>	43%
<b>Other Spending<sup>3</sup></b>	-		<b>1,953,000</b>	
<b>Total Spending</b>	<b>23,143,937</b>	<b>29,560,624</b>	<b>34,948,459</b>	<b>51%</b>

In the four years from FY2021 to FY2025 the Town wants to grow its spending from \$23,143,937 to \$34,948,179. That is **an increase of \$11,804,242 or a 51% increase in spending**. This is **not sustainable**.

As the late Senator Everett Dirksen of Illinois said, while warning that federal spending could get out of control, “*A billion here, a billion there, and pretty soon you’re talking real money*”. Luckily for the taxpayers, Truro is not growing the budget by Billions (yet). But we are growing it by Millions. The Town is using a Total Government approach to minimize the impact on taxes. They are raising fees, using saved funds and pre-allocated but not used funds, and borrowing against the future.

In my opinion this is all done to mask the true cost of these decisions. It is time for the Voters to **JUST VOTE NO** to this out-of-control spending regardless of where funding comes from. Voters need to understand that Free Cash Spending, CPA Funds, and re-appropriation of funds are NOT FREE.

-Michael Forgione

<sup>1</sup> Spending Overrides increase the budget in the following year and EVERY year thereafter.

<sup>2</sup> Debt Exclusion Overrides increase the budget for the life of the debt by the amount of principle and interest paid each year.

<sup>3</sup> Spending for special projects that are typically funded by reducing the balances in reserve or other saved funds, making those funds unavailable for other future uses.