

Truro's Way Forward: Codifying Our Fiscal Future

In my last articles, we looked at how Truro's capital plan works, the scary \$66 million plan that's 15 times bigger than before, and the fact that we don't have a solid plan for prioritizing projects or limiting our debt.

Now, it's time for solutions. This article is a direct call to action to change how we manage our town's money by putting **new, clear rules** in place for capital investment.

Right now, Truro is driving without a roadmap or guardrails. We treat every capital "wish" as a "need," which is why we end up with a huge bill we never saw coming. It's time to stop reacting to every request and start planning with purpose.

Step 1: Get a Plan on Paper

First, we need to create and officially adopt a system for deciding which capital projects get funded. This system has to be open and fair, so everyone knows why one project is chosen over another. The Select Board should propose a resolution to create this process, with clear rules for every project. We can judge them on:

- **Health and Safety:** Is this a life-or-death need, like replacing a fire truck or fixing a crumbling bridge?
- **Legal Must-Haves:** Are we required by state or federal law to do this?
- **Long-Term Savings:** Will this project, like an energy-saving upgrade, actually save us money in the future?
- **Town Goals:** Does this project align with what we say our town's long-term vision is?
- **Affordability:** Can we really afford this, and what are the ongoing costs?

Putting this framework on paper will make sure our decisions are based on facts and common sense, not just who asks for something first. It's how we start saying "yes" to the right things and "not yet" to others.

Step 2: Set a Clear Debt Limit

Second, and most importantly, we have to officially set a limit on our debt. You've heard about the UMass Collins Center's recommendation of a **5% debt service ratio**—this is our acknowledged target. This simple number tells us the percentage of our yearly

budget that goes to paying off old debt. It's a financial "guardrail" to keep us from overborrowing and then having those debt payments crowd out other town services.

This policy should be voted on and made official at a town meeting. The new rule should state that we will keep our debt payments within 5% of our annual budget. And to be completely honest with ourselves, this must include all our long-term financial promises, like our **OPEB (Other Post-Employment Benefits)** for retirees.

Step 3: Use the Debt Limit to Evaluate Projects

Going forward, whenever a new project requires borrowing money, our town leaders must show us a **Debt Impact Statement**. This will clearly show how the new debt affects our 5% limit. It's the final piece of the puzzle, making sure voters have all the information they need to make smart choices.

Conclusion: From Mystery to Mastery

Truro is at a turning point. We can keep stumbling forward with a surprise bill every year, or we can take control of our financial future. By formally adopting a clear prioritization plan and a strict debt limit, we can transform our capital spending from a confusing, reactive process into a smart, proactive strategy. This isn't just about money; it's about making sure our community is strong and financially secure for years to come.

- Michael Forgione