

Navigating Truro's Budget Challenges

We have entered a new Budget season. Every Tuesday at 8:30 AM, the Finance Committee, the Select Board, and interested citizens meet to review the department heads' submissions to the budget. This is a great opportunity to hear the departments' service and plans for the year. I highly recommend viewing these sessions. I would like to share Truro's financial health perspective in this article.

<https://www.mass.gov/info-details/municipal-financial-self-assessment>

| | 2014 | 2024 |
|---------------------|---------------|---------------|
| Resident Population | 2,008 | 2479 |
| School Population | 196 | 173 |
| Total Budget | \$ 18,119,113 | \$ 31,015,687 |

The population of Truro has increased but the median age is getting older. In the past 10 years, the population has grown by 21%. We are NOT a dying community. Our Real Estate market is excellent; Home values are increasing, and demand is high. The school population has decreased by 12% compared to the State average. According to Education Week (article by Mark Lieberman – July 29, 2024 *Rural Schools are Fighting For Their Existence. What the Future could look like*) “Enrollment in rural schools declined 14% between 2012 to 2020”. The Article uses the report created by Massachusetts Special Commission on Rural School Districts.

(<https://malegislature.gov/Commissions/Detail/510/Documents>). In short, we are an average Rural Massachusetts Town.

As a resident, I've heard countless times that the Truro Tax was low compared to other Towns in Massachusetts. To validate this statement, I looked at the state Average Single Family Tax bill compared to the Truro Single Family tax bill. The Average Single Family tax bill can be found on the Massachusetts Department of Revenue website.

<https://www.mass.gov/info-details/massachusetts-average-single-family-tax-bill>

| | 2022 | 2023 | 2024 |
|-------------------------------|-----------|-------------|-------------|
| State | | | |
| Single Family Tax Bill | \$6,724 | \$7,056 | \$7,399 |
| Single Family Value | \$525,721 | \$600,855 | \$665,227 |
| Truro | | | |
| Single Family Tax Bill | \$6,401 | \$6,775 | \$7,318 |
| Single Family Value | \$828,119 | \$1,035,937 | \$1,221,657 |
| Income Per Capita | \$49,681 | | \$49,165 |
| Single-Family Parcels | 2123 | 2127 | 2137 |
| Residential Tax Rate | 7.73 | 6.54 | 5.99 |

Massachusetts DOR clearly shows that Truro's Lower Tax advantage over other Towns in the State has vanished. In 2024, our Real Estate Tax was within \$81 of the state average (\$7,399/single-family house). The Bottom line is that today, Truro, based on Real Estate Tax, is an average Massachusetts Town.

Truro is facing a significant financial challenge due to its future capital needs. The Draft Capital Facilities Plan (https://www.truro-ma.gov/sites/g/files/vyhlif9766/f/uploads/draft_capital_facilities_plans.pdf) outlines several major projects that will require substantial funding in the coming years, including:

- **Infrastructure:** DPW facility upgrades, drinking water system expansion, wastewater treatment improvements, and beach and harbor erosion control.
- **Affordable Housing:** Development of affordable housing units at various locations.
- **Building Maintenance:** Repairs and upgrades to aging town buildings.

Cost estimates for these projects were not provided. This makes it difficult to accurately assess the full financial impact on Truro. However, it is clear that the town will need to carefully manage its budget and prioritize investments to address these challenges.

To ensure long-term sustainability, Truro should consider the following strategies:

1. **Comprehensive Financial Planning:** Develop a detailed financial plan that incorporates all projected capital costs and identifies potential funding sources. The current Capital Improvement Plan (CIP) plan does not have all the projects.
2. **Prioritization:** Carefully evaluate the urgency and impact of each project to prioritize investments and allocate resources effectively. After 3 years of attending the CIP budget review, I have never seen a project rejected. Furthermore, projects have been added to the Warrant after the CIP plan was reviewed.
3. **Grant Opportunities:** Actively seek out grants and other external funding sources to offset costs.
4. **Public-Private Partnerships:** Explore partnerships with private developers or investors to share costs and expedite project timelines.
5. **Long-Term Planning:** Develop a long-term capital improvement plan to address future needs and avoid short-term decision-making. Many projects are not on the CIP plan.

By taking a proactive approach to financial planning and strategic decision-making, Truro can mitigate the potential budget headwinds and ensure the continued well-being of its community.

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