

**OFFICE OF THE
TOWN MANAGER**



Richard D. Carney
Municipal Office Building
100 Maple Avenue
Voice: 508-841-8508
Fax: 508-842-0587
dmorgado@th.ci.shrewsbury.ma.us

Town of Shrewsbury
MASSACHUSETTS 01545-5398

December 13, 2005

To: Board of Selectmen
From: Daniel J. Morgado
Re: Per Capita Spending

Attached is an article that appeared in Sunday's Boston Globe on the subject of per capita spending.

While I agree the methodology is not fully accurate the results are useful for the purposes of the ongoing dialogue on the matter of budget growth and overall spending levels.

I always caution on the use of community comparisons since data is based on the classification, appropriation and reporting practices of individual communities that vary greatly based on local custom and practice.

Please advise with any questions.

Cc Finance Committee
Anthony Bent

Weston tops area per-capita spending

By Missy Ryan
GLOBE CORRESPONDENT
and Matt Carroll
GLOBE STAFF

Are they spending your tax dollars wisely?

The amount of money spent by local governments for each resident varies widely in communities in Boston's western suburbs.

Weston, whose residents are among the wealthiest in the state, was the biggest per-capita spender among Globe West communities, plunking down \$5,117 per person.

Upton spent the least, just \$2,233, according to a survey of cities and towns recently released by the Massachusetts Taxpayers Foundation, a business-backed budget watchdog group.

The foundation said the figures were useful to begin a discussion of local spending, but it agreed with local officials that they didn't tell the whole story.

The figures "just give you a hint of what's really going on," said Cam Huff, a senior research associate at the foundation.

The foundation took fiscal 2005 budget totals for each community that had been collected by the state Department of Revenue and divided them by each community's population.

Communities can look at the figures and compare themselves to others, said Huff. But he cautioned that the comparisons could be misleading.

Communities can have fundamental differences, including different geographies and different populations, that might impact their spending.

Even among communities that are similar, comparisons can be difficult due to differing budget reporting practices.

One community's budget might, for instance, include the expenses of a light department, while the other might have spun off its light department.

The data are "useful for raising questions, not for drawing hard conclusions about how efficient or inefficient a particular town is," Huff said.

Who spends what

Dividing a municipality's budget by the number of its residents produces a per capita spending figure. The state average for 2005 was \$2,716. In this ranking, the community with the highest spending rate is listed as first.

CITY/Town	Per capita spending	Rank
Weston	\$5,117	1
Wayland	\$4,117	2
Sherborn	\$4,116	3
Dover	\$3,984	4
Sudbury	\$3,873	5
Southborough	\$3,793	6
Westborough	\$3,647	7
Hopkinton	\$3,643	8
Wellesley	\$3,573	9
Medfield	\$3,446	10
Bolton	\$3,394	11
Newton	\$3,305	12
Needham	\$3,276	13
Holliston	\$3,138	14
Berlin	\$3,070	15
Lincoln	\$3,068	16
Franklin	\$3,034	17
Natick	\$2,956	18
Stow	\$2,956	19
Framingham	\$2,955	20
Ashland	\$2,914	21
Medway	\$2,893	22
Waltham	\$2,792	23
Marlborough	\$2,768	24
Bellingham	\$2,764	25
Maynard	\$2,757	26
Northborough	\$2,719	27
Wrentham	\$2,644	28
Water-town	\$2,635	29
Plainville	\$2,595	30
Boylston	\$2,548	31
Norfolk	\$2,507	32
Hudson	\$2,494	33
Millis	\$2,446	34
Shrewsbury	\$2,363	35
Milford	\$2,282	36
Upton	\$2,233	37

SOURCE: Massachusetts Taxpayers Foundation

... a more informed debate on municipal spending, the foundation has been calling for collection of more detailed and uniform spending data.

"It is striking that... the basic data needed to make apples to apples comparisons of spending among those communities simply do not exist," the foundation said in its report last month.

"The goal would be regularly updated, easily accessible analyses of the costs of providing local services, and the reasons for differences in costs," said the report, which made the improved data gathering one of its two major recommendations.

Towns do estimate overall spending and revenue each year for the Department of Revenue

before setting their tax rate.

They provide some detailed information to the federal government, but there may be discrepancies in the way they report that data that make it hard to compare communities accurately, said Joan Grounke, spokeswoman for the DGR's Division of Local Services.

"There would have to be more standardized reporting of financial information and it would have to be at a greater level of detail," Huff said.

Donna VanderClock, acting town manager, said one reason for Weston's high spending is its generosity with its employees. The town contributes 90 percent of employees' health insurance costs, and efforts are underway to cut back, VanderClock said.

Across Massachusetts, cities and towns spent a per-capita average of \$2,716, according to the foundation's report. Ten of the 37 communities in the Globe West circulation area spent less than the state average, while 27 spent more.

Weston far outspends other Globe West towns, but others are up there. Neighboring Wayland spends \$4,117 per citizen; Sherborn was a close third at \$4,116.

On the frugal front, Milford came in behind Upton at \$2,282 per person, followed by Shrewsbury at \$2,363.

"That's what our goal has always been — to provide most appropriate services at [the lowest] cost," said Milford Board of Selectmen chairman Dino DeBartolomeis.

VanderClock said town officials also would benefit from having to collect more standardized and more detailed information, because they also want to determine if their spending is judicious.

Huff acknowledged that standardizing municipal budget reporting would be a difficult task — requiring personnel and perhaps new legislation.

The effort to make the changes would be "a major undertaking," Huff said. "But there should be better ways of comparing."