



The Research Bureau

What do businesses and residents expect for their tax dollars?

The fact that voters across the Commonwealth have rejected 65% of the Proposition 2 ½ overrides proposed indicates that they are not convinced that public officials are making the most effective use of their tax dollars. Most residents expect local government to provide core services on which every citizen's well-being depends: public safety, public education, and public infrastructure. If we use Worcester as an example, at least one of these services has been short changed.

When was the last time you drove on the City's streets and didn't wonder whether your vehicle would arrive at its destination with its tires and suspension systems (to say nothing of the condition of your own internal organs) undamaged? The Research Bureau's systematic surveys documenting the physical problems of thirteen neighborhoods, comprising one-third of Worcester's population, confirm the anecdotal evidence. 49% of almost 13,000 problems identified since 2001 related to the poor condition of streets and sidewalks. Why are they in such deplorable condition?

In 2004, Public Works and Parks Commissioner Robert Moylan reported that while "these assets serve every resident and business of the City every day, over the past 20 years, the City has inadequately funded street and sidewalk maintenance." Apart from the harm that this neglect causes to the basic quality of life in Worcester, the Government Accounting Standards Board (GASB) is now requiring municipalities to report on the condition of capital assets in their annual balance sheet and income statement, along with a qualitative measurement of how assets are being maintained. Hence, inattention to asset maintenance can affect the City's bond rating, thereby increasing the cost of borrowing, leaving even fewer dollars for repairs as well as other services.

In his 2004 report, Commissioner Moylan observed that while Worcester should be spending \$11.2 million per year on streets and sidewalk maintenance it had been averaging less than \$7.5 million annually. He recommended a "better balance of public expenditures." Unfortunately, our public officials have failed to heed this advice. During each of the last two fiscal years, after \$2 million was added to the street and sidewalk maintenance budget, it was promptly diverted to other services instead.

"A better balance of public expenditures" would mean focusing on services from which *all* residents benefit, not just a few. The Research Bureau has suggested that the City divest itself of services and infrastructure that are not related to its core mission. These would include the following:

<u>Service</u>	<u>Annual Tax Levy Subsidy</u>
Hope Cemetery	\$1,000,000
Senior Center	\$915,000
Union Station	\$775,000
Worcester Regional Airport	\$700,000
Public Access Cable TV Station	\$650,000
DCU Center	\$400,000
Worcester Memorial Auditorium	\$120,000
Total	\$4,560,000

While most of these services and facilities have vocal constituencies that would loudly protest any cutoff of taxpayer support, the time has come to distinguish between the services that City residents as a whole need and those that benefit only rather small minorities – and for which private maintenance or operation (profit-making in some cases, nonprofit in others) could easily be substituted. Other towns can benefit from Worcester’s example and establish priorities accordingly.

\$4.5 million would enable Worcester to maintain many more streets and sidewalks, to say nothing of cars and feet!

To read more about this subject, visit www.wrrb.org.

Roberta R. Schaefer, Ph.D.
Executive Director
The Research Bureau