

**Speaker Suggests Plan to Scrutinize Municipal
Spending, Management**

SPEAKER SUGGESTS PLAN TO SCRUTINIZE MUNICIPAL SPENDING, MANAGEMENT

By Kyle Cheney
STATE HOUSE NEWS SERVICE

TUESDAY, MARCH 18, 2008.....As the pressure mounts on legislators to boost aid to cities and towns, House Speaker Salvatore DiMasi said the state should be more watchful of exactly how local leaders are spending billions of dollars.

"We are investing much in our cities and towns, and we should," he said at a Greater Boston Chamber of Commerce breakfast forum. "But when they call for more, as they do every year in good and in bad times, we have a right to know why, and for what."

DiMasi said he is considering proposing a Municipal Audit Bureau to "analyze and report on local management practices and spending patterns."

"The purpose would be to identify the kinds of efficiencies the voters expect and provide an independent source of analysis and information for state and local policy-makers," he said.

With economic indicators pointing toward a nationwide recession, the House agreed last week to a \$5.26 billion local aid package for cities and towns in fiscal 2009, a \$223 million, or 4.4 percent increase, over this fiscal year, about a fifth of the total state budget.

The increase outpaces expected state tax revenue growth of 3.8 percent.

During debate on the aid agreement, several leading Democrats, while promoting the total local aid they hope to deliver, said that cities and towns aren't guaranteed to spend that money wisely.

Rep. Patricia Haddad argued that some communities "skimmed off" some of the dollars the state provides for education. Rep. Angelo Scaccia said communities "need to get tougher" on their own spending, calling their desire for more funds "unquenchable." Scaccia noted that very few communities opted to participate in the state's group health insurance plan even though it is projected to save them costs.

"They choked," Scaccia said, citing the influence of local unions. "They didn't want to save money."

Massachusetts Taxpayers Foundation President Michael Widmer questioned the need for greater oversight, noting that the administration's Division of Local Services provides a similar function. He said the speaker's idea would have more merit if it established an advisory board, as opposed to a watchdog.

"It might be more productive to have this be a resource, a small group that can help local officials," he said. "Small communities may not have the kind of talent they need [to spend effectively]."

Massachusetts Municipal Association officials could not be reached for comment.

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MUNICIPAL OVERSIGHT IDEA ELICITS VARIED REACTION, DESIRE FOR DETAILS

By Kyle Cheney
STATE HOUSE NEWS SERVICE

STATE HOUSE, BOSTON, MARCH 19, 2008.....An idea to more closely review municipal finances, floated Tuesday by House Speaker Salvatore DiMasi, drew varied responses from stakeholders and other state officials charged with monitoring cities and towns.

In an address to the Greater Boston Chamber of Commerce, DiMasi previewed a plan for a Municipal Audit Bureau to "identify the kinds of efficiencies the voters expect and provide an independent source of analysis and information for state and local policy-makers."

The speaker offered few details about the plan, and a spokeswoman, Victoria Bonney, said the notion of a Municipal Audit Bureau was "not even at the proposal stage yet."

State Auditor Joseph DeNucci said in a phone interview that he was concerned a new audit bureau would conflict with some of the functions of his office.

"To add bureaucracy is unnecessary," he said. "If there are problems within cities and towns, we've always been there for them. And we'll continue to do that."

DeNucci continued, "We do an awful lot of work with cities and towns. I'm a little surprised that the speaker didn't talk to me about it because it certainly falls within our purview."

Traditionally, the Department of Revenue has conducted oversight of city and town budgeting through its Division of Local Services, although municipalities may request a financial review by the state auditor. Auditor spokesman Glenn Briere said Revere, Fall River, Springfield and Belchertown were among the communities being examined by the auditor.

Through a spokesman, Division of Local Services chief Robert Nunes said the administration is "interested in learning more about the speaker's proposal for a Municipal Audit Bureau and how such a bureau would be coordinated with the many municipal finance oversight responsibilities that the Division of Local Services already has under state law, as well as the many programs and services that DLS provides to cities and towns across the commonwealth."

In his speech Tuesday, DiMasi also promised to embrace Gov. Deval Patrick's proposal to use the fiscal 2009 budget to "fund better fiscal and municipal planning training for city and town leaders." The governor has proposed \$541,000 for University of Massachusetts-Boston's Edward J. Collins Jr., Center for Public Management in the McCormack Graduate School of Policy studies, which would administer the training.

Bonney said that on the Municipal Audit Bureau, the speaker would be "working together to . . . hash out the details with the key stakeholders."

Geoff Beckwith, executive director of the Massachusetts Municipal Association, said the group would support the speaker's plan if it involved expanding the resources of the Department of Local Services.

"It sounds as though the speaker's talking about building on what does exist now," he said. "I think that would be very welcome."

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