

**THE EDWARD J. COLLINS, JR.  
CENTER FOR PUBLIC MANAGEMENT**

**MCCORMACK GRADUATE SCHOOL  
OF POLICY AND GLOBAL STUDIES**

University of Massachusetts Boston

100 Morrissey Boulevard

Boston, MA 02125-3393

P: 617.287.4824

[www.collinscenter.umb.edu](http://www.collinscenter.umb.edu)

# **Report on Town Hall Operations for the Town of Monterey**

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## Overview

The Town of Monterey retained the Collins Center for Public Management at UMass Boston to review the functions and services performed at Town Hall in order to provide a high-level, outside view of the strengths and weaknesses of current operations and recommend whether or not the Town would be well-served by a Town Administrator.

In order to accomplish this, the Collins Center project team conducted interviews with many staff, elected and appointed officials, and other stakeholders and reviewed a significant number of documents and financial information provided by the Town. The project team would like to thank the Select Board, all of the interviewees, and especially Melissa Noe, the Town's Administrative Assistant, for her assistance in coordinating the logistics and information-gathering phase of the project.

The Town has taken many important, positive steps in the past five or so years, including:

- Changing the Treasurer and Town Clerk positions from elected to appointed;
- Prioritizing professional staffing in financial positions;
- Committing to an annual financial audit;
- Seeking a review of its financial operations from the Commonwealth's Division of Local Services;
- Conducting periodic reviews of its IT function through an external expert; and
- Considering carefully the benefits (and drawbacks) of a Town Administrator.

Further, Monterey has a rich and vibrant tradition of residents playing an important role in the Town government and many dedicated, long-serving employees. There were many individuals that the project team spoke to that expressed deep caring for the Town and a desire to help the Town move forward.

This report lays out a path forward for Monterey to begin to address in a strategic manner some of the remaining challenges that the Town faces.

## Findings

As with virtually all municipalities, the Town of Monterey performs some Town Hall operations well and also has some areas for improvement. The discussion below covers day-to-day management, management of major projects, financial management, human resources (HR), information technology (IT), procurement/purchasing, and the culture in Town Hall.

### Day-to-Day Management

It is clear that the Select Board faces challenges in carrying out the role of day-to-day management and oversight. This is due to the fact that, as the Restructuring Committee wrote in 2015, “over the years both the complexity and the amount of work for the Select Board has increased dramatically.<sup>1</sup>” It is unlikely that the Select Board can effectively address the management and oversight deficits because, as volunteers, members lack the technical knowledge and professional expertise in critical municipal functions. The Select Board likely does not have the capacity to keep apprised of changes in state law and regulations and industry best practices. Further, the nature of an elected board means there is a potential for a lack of consistency over time. While policies and strategies can and should reflect the changing preferences of Town residents through elections, matters such as accounting, cybersecurity, procurement, and human resources must reflect state and federal laws and regulations and be guided by best practice and not by the preferences of elected officials. It is important to note that none of this is unique to Monterey. The world in which Massachusetts towns operate has grown increasingly complicated and will continue to do so at an accelerating pace. Changes in state and federal law, information technology, and resident expectations present significant challenges in municipalities across Massachusetts. However, the impacts can be heightened where elected, part-time boards operate without the support of a professional manager.

While Select Board members can and often do have a regular physical presence in Town Hall, this is distinct from the consistent presence of a professional manager with the authority to manage key processes, such as budgeting and capital planning, or to deal with personnel issues. The Massachusetts Municipal Association (MMA) *Handbook for Massachusetts Selectmen* states: “Town government in New England is largely government by committee, and the legal authority of selectmen is limited to actions taken by the board at a legally called, posted meeting with a majority of the board present.<sup>2</sup>” Thus, a Monterey Select Board member as an individual sitting in Town Hall has no authority and may not act independently of the Board (unless specifically authorized).

The requirements of Massachusetts’ Open Meeting Law mean that the Board must carry out deliberations and decisions at a public meeting. Further complicating matters in Monterey is that, as a three-member board, a quorum is reached with just two members. Thus, there are strict and severe limitations on communication between Board members outside of a meeting conforming to the Open Meeting Law. These restrictions, while conveying benefits such as transparency, mean that the Select Board must

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<sup>1</sup> Klein, Larry, et al. *The Report and Recommendations of the Ad-Hoc Restructuring Committee*. June 2015, pg. 1

<sup>2</sup> Ouellette, John, editor. *Handbook for Massachusetts Selectmen*. Massachusetts Municipal Association, fourth edition, pg. 3

manage and resolve relatively insignificant issues in this manner because it does not have the benefit of relying on a Town Administrator. Timelines can be quite drawn out based on the meeting schedule and posting requirements. In the case of relatively insignificant issues or routine decisions, this is an inefficient way of operating and diverts the Select Board's limited time away from more appropriate tasks and important decisions.

### Management of Major Projects

While Select Board members have historically devoted much time and effort to managing major projects and initiatives, interviews revealed disagreement as to whether the Board's management has been adequate. For example, interviewees discussed the multiple attempts to hire a Town Administrator with suboptimal outcomes, the Community Center, and several major capital projects. Much more information and investigation would be required to understand the complexities and challenges of specific projects, so it is outside the scope of this report to comment on the management of any specific initiatives and projects. However, it seems likely that the Select Board faces challenges in managing complex, longer-term projects due to the nature of the Board, namely that it is a part-time, volunteer, and elected board whose membership may change in the middle of a project. All of these characteristics make it more difficult to manage major projects. Contrast this with a municipality that has a Town Administrator who can provide professional analysis, project management, and support to the Select Board to improve processes and outcomes related to major projects.

### Financial Management

Monterey has made great strides in professionalizing its financial operations within the past five years and should be commended. Specifically, the transition from an elected to an appointed Treasurer was a significant, positive change. Also, whereas several years ago there were issues with substandard work, unfinished tasks, delays in key processes with the State, sudden departures, and high turnover in the positions of Treasurer and Accountant, the Town has more recently been contracting out these functions to professional firms, and the Select Board, in conjunction with the Town's Auditor, has been providing adequate, high-level oversight. Also, the Town has committed to regular, annual audits, taking the recommendation of the State Division of Local Services. It should also be noted that the Town is well-served by the incumbent Tax Collector and long-serving Assessor and Board of Assessors. The Tax Collector position, though still elected, is currently held by a long-serving incumbent who by all accounts has the skills and expertise to perform the job to professional standards. The Town, through the efforts of many staff and elected and appointed officials, has also been quite successful at seeking and receiving grants.

That said, the Center project team believes there is opportunity for improvement in the Town's financial operation. Most important is clarifying the responsibility for and ensuring the completion of three key financial functions: forecasting, budgeting, and capital planning. A financial forecast is a multi-year projection of revenues and expenses. It is a key process intended to provide the context necessary to make appropriate decisions and plan for a successful future as well as to provide a foundation for the annual operating and capital budgets and longer-term capital plan. It seems that the Town of Monterey, like many Massachusetts municipalities, does not have a financial forecast. The Town does have a listing

of capital assets with rudimentary projections of future cost, but it cannot truly be called a capital plan because there is seemingly no financial strategy around capital expenditures and little evidence of a robust process of assessing capital needs. In terms of the annual operating budget, there has apparently been a shift in the recent past from the Select Board to the Finance Committee in terms of primary responsibility for managing the budget process. It seems that this is an ongoing process of reorganizing the roles and responsibilities for the budget between the Select Board and Finance Committee. The Town's by-laws provide little direction on this topic outside of establishing the Finance Committee in accordance with Massachusetts General Law Chapter 39, Section 19 which provides that "such committee, or the selectmen if authorized by a by-law of the town, and, in any town not having such a committee, the selectmen, shall submit a budget at the annual town meeting."

Another opportunity relates to financial policies and procedures. It was reported that several years ago the Town lacked key financial policies and procedures. Although the financial services vendor at the time worked to implement some standardized procedures, it was reportedly a challenging process and one that achieved the minimum required by the vendor to be able to provide services, for example making the use of a timesheet standard practice or setting a travel reimbursement policy. The Select Board has, over the better part of the past year, adopted a limited number of financial policies and procedures (some in conjunction with the Finance Committee). It seems that both the Select Board and the Finance Committee could benefit from guidance from a trusted, knowledgeable source who could shepherd this process through to completion.

One additional concern is the diffuse and sometimes unclear responsibility for ensuring that financial policies and procedures are followed or appropriate changes, such as recommendations from the Town's annual audit for improved practices and enhanced internal controls, are made. There is no single position in Town Hall with the responsibility and expertise to coordinate and monitor practices of the financial offices and the financial services vendor to ensure compliance and adequate performance of duties, raising issues to the Select Board when appropriate. It is critical for the Town to do this in order to protect not only from financial risk and malfeasance, but also day-to-day inefficiencies that do a disservice to the taxpayers.

Finally, some interviewees reported that communication with the prior contracted financial services vendor was a challenge and that not having a treasurer and accountant "in-house" made their jobs more difficult. (It should be noted that some interviewees felt communication worked fine, and that the particular vendor is no longer working with the Town due to unrelated issues.) Some of this challenge is likely a result of the transition from in-house to contracted providers. Processes and procedures do have to be realigned, and this change can take time and be challenging for some who are used to doing things another way. However, there does seem to be an opportunity for smoother communications. This is also an example of the type of issue that may not rise to the level of concern to bring to the Select Board, but should be addressed by a high-level manager with the appropriate authority.

### [Human Resources \(HR\) Management](#)

HR management in the Town of Monterey is perhaps the most pressing deficiency facing the Town. Federal and state employment laws, regulations, and mandates have increased dramatically in the past few decades. As a result, employers must be diligent in matters dealing with employees. Liability for

missteps is significant. It is critical, just as with financial policies, to have comprehensive HR policies, not only for compliance and protection from liability, but to ensure fairness and that those policies are adequately enforced. Finally, municipalities typically spend a majority of their budgets on personnel costs, and so from a practical, budgetary perspective, a keen focus on HR management is important.

While an in-depth review of human resources management is outside the scope of this report, it became clear through interviews and other information sources that HR management in Monterey could fairly be described as largely *ad hoc* and inconsistent. Responsibility is spread across multiple staff and the Select Board, or not clearly anyone's responsibility. A lack of training for staff on HR policies and a lack of enforcement of those policies was reported. Interviews also revealed a significant number of situations where there was confusion or disagreement about, for example, whether a key HR-related task had been done or not, or whether an HR-related action was legal or not. The following representative examples were reported:

- When the Town Administrator was hired, references were not checked.
- In a particular case, it was reported that the Town's disciplinary action policy was not properly followed, resulting in an inability to take appropriate action when the employee continued the offending behavior.
- Conflicts between and among employees have been left unresolved.
- Paid leave is not adequately managed and is operated on an "honor system."
- Timesheets have only recently been widely used and signed by supervisors; however, in some cases, the individual is acting as their own supervisor for this purpose.

Another important example is that the Town lacks a consistent policy for determining wages, salaries, and stipends, commonly known as a classification and compensation plan. Such a plan organizes all positions based on the supervision exercised and received, as well as decision-making authority, budgetary responsibilities, and other characteristics that allow for an evaluation of the position's level of authority, complexity, and importance to departmental and town-wide operations. This often begins with a review of job descriptions, but should likely involve interviews with staff to understand their jobs. (It should be noted that most of the Town's job descriptions that were provided are fairly uniform and seem relatively up-to-date.) Next, each position is rated using a standardized methodology, which allows the positions to be grouped within a classification system (into what is commonly called a "grade") based on their relative characteristics. The plan should also include a compensation schedule that reflects the classification system, as well as a review of external competitiveness and internal equity. In other words, each position's compensation should reflect its authority, complexity, and importance relative to other positions in the organization, as well as be competitive with compensation for comparable positions within the labor market. The compensation schedule typically includes a salary range as well as iterative compensation increases (often called "steps") within each grade. (It is important to note that it is typical for incumbents to be held harmless when a classification and compensation plan is implemented.)

## Information Technology (IT) Management

Monterey last performed an IT audit with an external consultant in May 2017 using free resources through its regional planning agency. The Town is to be commended for taking this step and for carefully considering and acting on most of the consultant's recommendations.

Many municipalities in Massachusetts, from small towns to large cities, use contractors to provide IT support to some degree. This is the case for Monterey. This model can work well, although it seems as though the Town's use of its contractor is very minimal (about 10-20 hours per year recently). The provider seems to be involved on a reactive basis to any computer or server issues that arise, as well as on a proactive basis for computer and other hardware purchases. However, the Town does not have a contract or other documentation of the arrangement, and it does not appear that the Town has reviewed the effectiveness of this arrangement recently.

Although interviewees focused less on IT, below are several examples of challenges facing the Town in terms of IT management:

- IT management appears quite decentralized, with several departments operating nearly independently from Town Hall, including Police, Library, and Highway. While some of this may be warranted, there may also be efficiencies to be gained by taking a holistic view of IT across the entire organization.
- The Town does not appear to have formal IT policies and staff training in place to address issues such as social media use, computer use, Town cell phones, and password security. This is especially important given that municipalities (and others) have increasingly been victimized through phishing techniques.
- Several interviewees reported that a fairly recent implementation of a new financial software was challenging mostly due to lack of communication around changes they should expect.
- It is not clear whether or not the Town has proper cybersecurity and continuity and recovery measures in place. Cybersecurity poses a real and significant threat to the Town. Although Monterey is a small town, it would benefit from appropriately-scaled strategies for mitigating risk.

## Procurement/Purchasing

In terms of procurement, the Town has recognized that there was a lack of expertise on staff, and the Administrative Assistant participated in the Massachusetts Certified Public Purchasing Official (MCPPO) Program and received designation as an MCPPO for Supplies and Services Contracting in summer 2019. The Town should certainly continue along this track. Massachusetts procurement law applies to all municipalities regardless of size, and it is incumbent on the Town to follow the law to avoid issues and legal liability.



## Town Hall Culture

Throughout interviews and other conversations, it became clear that the Town faces challenges in terms of workplace culture. Distrust, interpersonal conflict, and factionalization seem to dominate the Town Hall environment. The constellation of past issues that came up and the way in which they were discussed in the interviews made it clear how deeply personal the conflict has become for many and how impactful issues still are even though they may have happened years ago. In the experience of the Collins Center, the culture in Town Hall is not typical among Massachusetts municipalities, nor does it reflect a healthy and effective organization.

In 2016, the Massachusetts Office of Public Collaboration (MOPC) at UMass Boston released a study on conflict resolution in Massachusetts municipalities. The final report noted that:

“Destructive public conflict involves behavior that escalates conflict until it seems to have a life of its own and is dysfunctional and harmful. In destructive conflict, no one is satisfied with the outcome, possible gains are not realized and the negative taste left by one conflict episode is carried over to the beginning of the next conflict--creating a degenerating or negative spiral.”<sup>3</sup>

Unfortunately, it appears to the Center project team that Monterey faces this kind of conflict, with various decisions and situations negatively associated with and mired by entanglement with past interpersonal issues and incidents. This has harmed Monterey in predictable ways. The MOPC report stated that “destructive public conflict can reduce trust in government, community unity and togetherness, civility, discourage volunteerism and participation in government and cause a host of other financial and non-financial losses to municipalities and local communities.”<sup>4</sup> The Center project team saw numerous examples of distrust, eroded civility and civil discourse, and disunity in interviews and other conversations.

The project team makes no judgements and draws no conclusions about what is true and not true about past conflicts. Such conclusions would require a significant amount of investigation and, no matter the results, would not change the fact that Town Hall culture is characterized by distrust and interpersonal conflict. In this case, perception is reality, and people seem entrenched in their perceptions.

It is important to note that, throughout the interviews, the Center project team heard genuine concern and caring for the Town and a keen desire for the Town to operate appropriately and do well for the residents. Most staff, elected and appointed officials, and volunteers seem to work hard and do good work. Successfully breaking the cycle of conflict will likely require prioritizing transparency, objectivity, and consensus-building over an extended period of time. A Town Administrator hired from the outside and external, neutral facilitators or advisors may be helpful in achieving these priorities.

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<sup>3</sup> Massachusetts Office of Public Collaboration. *Legislative Study: Massachusetts Municipal Conflict Resolution Needs Assessment, Final Report*. Massachusetts Office of Public Collaboration, University of Massachusetts Boston, January 2016, pg. 3

<sup>4</sup> Ibid, pg. 3

## Recommendations

### **1. Hire a skilled, professional Town Administrator.**

Given the broad scope of the challenges facing the Town, the Collins Center strongly recommends that the Town hire a skilled, professional Town Administrator to lead Town staff and support the Select Board. In the Center's opinion, this is the most important step that the Town could take to address most of the challenges laid out in the previous section and mitigate future risks and liability. Both the Restructuring Committee and the Division of Local Services recommended the Town create a Town Administrator position, and Town Meeting adopted the enabling statute.

A Town Administrator in a small town does not have an easy job. To be successful, the administrator must have superior political and communication skills in order to effectively manage and work collaboratively with the many volunteers and elected and appointed officials who play vital roles in the government. Furthermore, he or she must have an incredibly broad yet deep understanding of municipal management, given the typical lack of staff to oversee important areas such as purchasing, human resources, and information technology. For these reasons, a town administrator is far from an unnecessary position in a small town. In fact, strong arguments have been made that small towns in particular need professional management, due to a lack of other staff and the significant complexity of municipal operations and regulations.

The Town can create a full-time or a part-time position. Given the current needs and challenges facing the Town, the Center project team believes it would be better to prioritize and invest resources in greater experience rather than greater hours. The challenges facing the Town require a manager with broad and deep knowledge of municipal management, superior communication skills, and a keen understanding of the unique operating environment in a small town. A part-time position with a competitive salary would position the Town to find a retired town administrator or someone else with significant experience. The Town would also be well-served by a full-time position, if the compensation were enough to attract someone with the necessary experience and skills to be successful. However, the Collins Center does not believe that it is necessary for a Town Administrator to be on-site full-time to serve the Town; part-time should be sufficient.

In the longer term, the Town could consider a shared Town Administrator position with a neighboring town or towns. The project team does not recommend this option in the short or medium-terms because of the challenges of structuring and negotiating such an arrangement. Concerns about split focus or divided loyalties are misguided, as a true professional should be able to manage in this situation. There are a number of examples of shared managers in Massachusetts municipalities, whether a Town Administrator shared across multiple municipalities, a Superintendent shared across multiple school districts, or a Finance Director or HR Director shared between a municipality and a school district. The Town could seek Community Compact grant funds to study the feasibility of a shared or regional administrator structure.

It is important that the Town recognize the recruitment challenges it faces. Geography and population decline and its impact on the labor pool in the region will effect Monterey's ability to recruit for the position. Further, candidates consider the specifics of the job, including full-time/part-time schedule, salary, benefits, and authority. While a part-time position may be a negative for some candidates, it should

be attractive to others, including retired administrators with significant experience. In the Center's experience, a well-compensated part-time job can attract higher quality candidates than a full-time position with a less competitive compensation package. The level of authority is also a key characteristic of the position that will impact recruitment. In the Center's experience, a position with minimal authority is less attractive to skilled, professional managers. Also, recommendations 2, 3, and 4 below will help the Town's recruitment efforts.

Monterey is not alone in facing a recruitment challenge. In 2018, the State released the *Local Government Workforce Skills Gap Report* that documented that municipalities all over the Commonwealth are facing difficulties in recruiting for finance positions due to an aging workforce coupled with a limited pool of qualified replacements. The same is true for municipal managers.

Sometimes towns promote internal candidates into the position of Town Administrator. This option was raised by multiple interviewees, and several names were raised as potential internal candidates. While there can be some important benefits to an internal selection, including substantial institutional knowledge and established relationships, the Center does not recommend an internal selection for the Town at this time because of the existing conflict in Town Hall and the breadth of the challenges facing the Town.

## **2. Formally define the responsibilities and authority of the Town Administrator position in a by-law.**

The Center project team strongly echoes the recommendation made by the Division of Local Services that the Town should codify the town administrator position's authority and responsibilities in a by-law. As noted by DLS, a well-written by-law would appropriately empower the position and eliminate confusion for the Select Board, other elected officials, staff, and residents. In particular, given Monterey's history with its previous Town Administrator, the chosen candidate must have clear guidance as to responsibilities and authority, and the Select Board must have a clear understanding of and be fully accepting of the role of the Town Administrator. The Select Board should respect the authority of the position and not allow staff to circumvent and undermine it. An ill-defined position with weak or unclear authority will likely reduce interest in the position, hinder the recruitment process, and make success harder to achieve. In contrast, a well-defined position with clear authority will lay the foundation for a successful transition for the Select Board and staff alike.

Furthermore, the Center recommends that the Town bring in a neutral, external facilitator with experience in Massachusetts municipal government to lead a collaborative effort to write the by-law. The facilitator should be able to offer the Select Board knowledge of how other municipalities have structured their Town Administrator positions. Through a transparent and collaborative process, the Town can position the next Town Administrator for success.

The roles and responsibilities of a Town Administrator position can vary significantly from municipality to municipality. For example, there is a range in the level of appointment authority and the level of control over the budget and capital planning processes. Common responsibilities held by a Town Administrator in a small town include:

- Providing day-to-day management and oversight of department heads/central staff;
- Carrying out the policy directives of the board;

- Preparing all town meeting warrants;
- Drafting and recommending all manner of policies and procedures to the board;
- Overseeing and managing the budgeting, capital planning, financial forecasting, and other long-range financial planning processes;
- Grant writing and management;
- Providing human resources management and negotiating contracts;
- Providing IT management and oversight;
- Acting as procurement official;
- Managing relationships with external entities, including State government; and
- Staying abreast of industry changes, regulations, laws, and best practice.

The Center project team, reiterating the recommendation of the Division of Local Services in its 2016 report, strongly recommends that the Town give authority for managing the budgeting and capital planning processes to the Town Administrator. The Select Board and Finance Committee would retain their roles of providing guidance, review, and ultimately making recommendations to Town Meeting. As DLS noted: “In our opinion, the town administrator is best suited for this [orchestrating the annual operating and capital budget processes], having the perspective to understand the needs of departments in context with long-range, town-wide goals.”<sup>5</sup> This is also a key responsibility that potential candidates may look at when considering the attractiveness of the position.

Finally, the process of defining the Town Administrator position would necessarily involve considering and documenting the roles and responsibilities of the Select Board and Administrative Assistant. There are many tasks currently assigned by design or default to the Select Board and Administrative Assistant that would fall to the Town Administrator. It is undisputed that the position of Administrative Assistant needs to be clarified, and in fact the Select Board has for some time been engaged in the process of documenting the roles and responsibilities of that position. In its 2016 report, DLS noted that the incumbent “has assumed many responsibilities, often exceeding her job description and without clear authority.”<sup>6</sup> Reportedly, this is out of necessity, because the Town lacks other full-time staff with general administrative responsibilities, and the position has been the Select Board’s “go-to” position. The Center project team recommends that this process be put on hold until the Town comes to a decision regarding the Town Administrator position. Additionally, the Center project team reiterates the recommendation from DLS that the Administrative Assistant position should report to the Town Administrator rather than to the Select Board.

### **3. Create a job profile to attract potential candidates and/or work with a search consultant.**

A Town’s transition to its first professional administrator can be a fraught and challenging process, as the Town of Monterey has learned. It is apparent that errors were made throughout the process of selecting and hiring the Town Administrator and during his brief tenure. Transparency, objectivity, and consensus-building will be essential ingredients for future success.

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<sup>5</sup> *Financial Management Structure Review*. Division of Local Services, October 2016, pg. 9

<sup>6</sup> *Ibid*, pg. 4

When Monterey previously attempted to hire a Town Administrator, it had a brief help wanted advertisement, but no formal job description. Given the recruitment challenges facing the Town, the Center project team recommends that the Select Board consider hiring an executive search consultant and creating a job profile to attract potential candidates. A search consultant would help the Town construct a job profile that defines the Town's values and objectives in hiring a Town Administrator, clearly outlines the role's authority and responsibilities, and communicates the challenges and opportunities facing the Town in the coming years. Importantly, a search consultant can help the Town expand the pool of potential candidates through advertising and networking.

Worse than leaving the position vacant would be hiring a candidate who is ill-suited or unprepared for the job in Monterey. A search consultant can help mitigate these risks by guiding and supporting the Select Board through the search.

#### **4. Consider negotiating an employment contract with the chosen candidate.**

Massachusetts General Law Chapter 41, Section 108N authorizes the Select Board to establish an employment contract with its Town Administrator. A contract is a beneficial vehicle to outline responsibilities and expectations for performance. It also provides both parties with a mechanism to continue or discontinue the employment relationship through a structured and fair process. Additionally, not being willing to enter into an employment agreement may be a hurdle to hiring some candidates, especially those who are more experienced.

#### **5. Finalize and adopt financial policies; Consider the need to document financial procedures.**

The adoption of financial policies has been a long, slow process. The Center project team recommends that the Town wait until a Town Administrator is in place and allow him or her to take over the process and make a recommendation for a final package of policies to the Select Board. While there may be a handful of policies that deserve debate and discussion (guided by the expertise of the Town Administrator), many policies may not require much debate as State law, generally-accepted accounting principles, and best practices are quite clear. If the Town decides not to hire a Town Administrator, the Center project team recommends that the Select Board prioritize finalizing the policies, perhaps by holding a day-long retreat with the Finance Committee. Such an event would be open to the public.

Further, it may benefit the Town and the financial staff to document financial procedures, especially given that there is a relatively new software system and a new provider providing accounting and treasury services. A new Town Administrator should also play a significant role in this process, coordinating the conversations with the provider and the staff. Importantly, he or she would also be able to identify any workflow improvements and efficiencies.

## **6. Change the Tax Collector position from elected to appointed, and combine the Collector and Treasurer positions.**

As noted in the previous section, the elected Tax Collector position is currently held by a long-serving incumbent who by all accounts has the skills and expertise to perform the job to professional standards. However, should the incumbent decide not to run again, the Center project team recommends that the Town once again pursue a change from an elected to appointed Tax Collector. The benefits of such a change are widely known in Monterey, as the Town has changed its Treasurer and Town Clerk from elected to appointed based on its own past experiences and on the recommendation of both the Restructuring Committee and the Division of Local Services.

At the same time, the Town should combine the Collector and Treasurer positions. This was also a recommendation in DLS' *Financial Management Structure Review*. As DLS noted, the majority of municipalities in the Commonwealth have adopted this structure. There are a number of probable benefits, including process efficiencies, a more substantive presence in Town Hall, and a higher likelihood that the Town could find and recruit a knowledgeable, skilled employee.

## **7. Complete a HR management review with a qualified consultant.**

HR management is perhaps the area in which the Town needs the most assistance. The findings in the section above demonstrate that the Town has not always followed best practice in this area, has in many cases seemingly taken an *ad hoc* approach, and is potentially exposed to significant liability. The Center project team recommends that the Town hire a qualified consultant to perform an in-depth review of HR management to review more deeply and completely the situation in Town. Such a project would be eligible for a Community Compact grant.

This review should be completed regardless of whether the Town decides to hire a Town Administrator. However, the Center project team believes that the hiring of a Town Administrator would bring much-needed consistency, clarity, and professionalism to HR management in Monterey. It would also be helpful for the Town Administrator to be involved in the review process, so the Town could wait to begin such a process until the position is filled.

The study should include an assessment of and recommendations regarding:

- Job descriptions
- Classification and compensation
- Employment application / hiring process
- New hire procedures
- Policies and training
- Payroll and employee benefits
- Performance evaluations
- Leave administration
- Discipline and termination / separation
- Workplace injuries
- Regulatory compliance, including with the Fair Labor Standards Act (FLSA)

- Official records maintenance

## **8. Create a classification and compensation plan.**

As noted in the previous section, the Town is in need of a classification and compensation plan to ensure that it is fairly and appropriately compensating its employees. It is typical for municipalities to work with a consultant to create such a plan, and recently many have used the Community Compact grant program as a funding source.

## **9. A. Complete an IT review through services provided by the Commonwealth's Office of Municipal and School Technology or with a qualified consultant.**

### **B. Review the current arrangement for IT services to determine if it best meets the needs of the Town, perhaps through an *ad hoc* Information Technology Committee.**

Since it has been nearly three years since its last IT audit, the Town should undertake another high-level review. One potential option is to work with the Office of Municipal and School Technology within the State Executive Office of Technology Services and Security, which offers two free services to municipalities: an IT Health Check, a high-level assessment of current IT assets, and a Cybersecurity Health Check, a basic cybersecurity assessment. More information can be found at: <https://www.mass.gov/orgs/office-of-municipal-and-school-technology>

In addition, the Town should review its current arrangement for IT services because it was established many years ago, and it does not seem that Town has assessed whether the arrangement continues to meet its needs. The Center project team recommends that the Town consider establishing a five-member *ad hoc* Information Technology Committee to:

- Study and document the Town's current arrangement for IT services;
- Report to the Select Board how other small towns in Massachusetts accomplish their IT functions;
- Explore the market for IT services by eliciting proposals and cost estimates from vendors, after establishing qualifications for said vendors; and
- Advise the Select Board as to their findings and make a formal recommendation on how the Town should accomplish its IT needs.

This process should ideally be undertaken after the Town has hired a Town Administrator and after that person has had a chance to fully understand the Town's needs. The Town Administrator should serve as a voting, *ex officio* member of the Committee. Besides the Town Administrator, the Committee could include two members appointed by the Select Board and two appointed by the Finance Committee. The Center project team recommends that the appointments be made based on the potential member's technical expertise and experience. In addition, the appointments could seek to engage individuals who are not currently involved with Town government. (If the Town decides not to hire a Town Administrator, this process should still be done.)

**10. Use the resources of the Massachusetts Office of Public Collaboration or another external organization as needed to address conflict between and among staff and elected and appointed officials.**

The Massachusetts Office of Public Collaboration can provide services to municipalities dealing with destructive public discourse. These services include: capacity-building and training, conflict assessment, consensus-building, deliberative dialogue, mediation, and facilitation/neutral forum services. More information can be found at: <https://www.umb.edu/mopc>

The Center project team recommends that the Select Board view MOPC as a resource should they plan to engage in community dialogue around the Town Administrator position or other issues facing the Town.

**11. Consider expanding the Select Board from three to five members.**

Although a three-member Select Board is overwhelmingly the norm for smaller towns in Massachusetts, and certainly for towns of a similar size to Monterey, the Center project team recommends that the Town consider the pros and cons of expanding the Select Board from three to five members. A number of other Massachusetts municipalities have made this change.

The Division of Local Services characterized the benefits in this way when recommending such a change for the Town of Duxbury:

“...a five-member board offers broader representation of viewpoints, enhances problem solving, and enables more research and analysis. It also reduces the risk of dominating biases, open meeting law violations, and conflicts of interest. With a five-member board, two selectmen may legally speak with one another (but not deliberate), and there is greater availability to attend meetings of other committees to help arrive at important town decisions. Furthermore, because winning a majority of three votes, versus two, is more difficult, the prospects increase for greater collaboration. With no more than two members elected each year, the board will also experience greater stability and continuity. Lastly, should a board member fall ill or become otherwise unable to perform his or her duties, the town can continue to achieve quorums and operate effectively in the best interests of the residents.”<sup>7</sup>

For Monterey, the most important benefits of such a change would be:

- Reduction of risk of open meeting law violations;
- Easier communication between Select Board members;
- Enhanced prospects for collaboration and moderating of positions; and
- Potential for new voices to participate in Town government.

The main challenges or drawbacks would be:

- Potential difficulty in recruiting candidates to run;
- Cost for additional Select Board members if stipends were maintained at current levels; and

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<sup>7</sup> *Government Study Advisory, Town of Duxbury*. Division of Local Services, November 2017, pg. 3.



- General opposition to change.

Despite the challenges, the Center project team believes that it is worth considering. If the Town decides to hire a Town Administrator and the Select Board realigns its role to focus more on strategy and a vision for the Town, it may be easier to recruit candidates to run for seats on the Board. (The Town could also consider changing its 9am meeting to the early evening. This could have the dual benefit of increasing interest in running for the Select Board and enhancing access to the Board by meeting at a time that is more convenient for more people. With a Town Administrator, it would be less likely that other staff would need to meet consistently with the Select Board, so a meeting during normal business hours may not be as important.)

## **12. Consider the benefits of enacting a Town Charter.**

The Town of Monterey was incorporated in 1767 (as Tyringham), 13 years prior to the Massachusetts Constitution and 21 years prior to the US Constitution. In the more than 250 years since its incorporation, the Town has yet to enact a charter that would serve as a constitution for the Town. Instead, the Town has continued to operate with what is often called a “legal base,” which refers to the Town’s by-laws, general laws accepted, and special acts of the legislature specific to the Town.

Although the lack of a charter is common among Massachusetts towns with populations under 10,000, there has been a trend over the last few decades for these towns to write and adopt charters. The reasons for this are clear: the world in which towns operate has gotten significantly more complex over the last half century, and the pace of change continues to accelerate. Even in the past couple of decades, the environment that municipalities operate in has changed substantially, with new state and federal laws, new demographic and environmental challenges, changing financial circumstances, rapidly-advancing technology, and evolving expectations of residents.

A charter does not mean that the Town of Monterey must or should radically alter its structure. On the contrary, a charter can protect and preserve a traditional governance model by getting community-wide support for the existing structure while simultaneously clarifying and tweaking it to make Town government more effective. Or, put another way, a charter can strengthen the Town more or less as it is now, preventing some of the problems that could lead to more substantial change down the road.

## Background

### Relevant Recent Background in Monterey

In late 2014, the Select Board created a nine-member *ad hoc* Restructuring Committee. In its final report, published in June 2015, the committee described its purpose as such:

“to study the structure and dynamics of Town Hall, enhance the Select Board’s understanding of problems, and make recommendations to the Select Board of ways to improve the overall administration of our municipal government as well as to provide suggestions for improving the work environment of our employees in Town Hall.<sup>8</sup>”

The report highlighted several important, high-level findings, including that there were concerns about the roles and responsibilities of the Select Board and Administrative Assistant, concerns about the performance of some financial officers, and a universal feeling that the “atmosphere in Town Hall was either strained at best or hostile at worst.”

The report made 11 recommendations, some of which are relevant to this report. Several of the recommendations dealt with the roles and responsibilities of the Select Board and ways in which the Board could enhance its performance. There were also two structural changes recommended:

1. Create a Town Administrator position; and
2. Change the “elected office of Treasurer, Town Clerk, and possibly the Tax Collector to appointed positions.<sup>9</sup>”

At the May 2015 Annual Town Meeting, Town Meeting adopted Massachusetts General Law Chapter 41 Section 43A by a vote of 66 in favor and 10 opposed. The full text is included here:

“A town may by vote or by-law authorize and empower the selectmen to appoint an executive secretary or town administrator who may be appointed by them for a term of one or three years and to remove him at their discretion. An executive secretary or town administrator appointed under the provisions of this section shall be sworn to the faithful performance of his duties. During the time that he holds office he shall hold no elective town office, but he may be appointed by the selectmen or, with their approval, by any other town officer, board, committee or commission, to any other town office or position consistent with his office. He shall receive such aggregate compensation, not exceeding the amount appropriated therefor, as the selectmen may determine. He shall act by and for the selectmen in any matter which they may assign to him relating to the administration of the affairs of the town or of any town office or department under their supervision and control, or, with the approval of the selectmen, may perform such other duties as may be requested of him by any other town officer, board, committee or commission.”

In 2016, a year after the completion of the Restructuring Committee report, the Town received a Community Compact Best Practice Program grant for the Division of Local Services (DLS) to complete a

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<sup>8</sup> Klein, Larry, et al. *The Report and Recommendations of the Ad-Hoc Restructuring Committee*. June 2015, pg. 1

<sup>9</sup> *Ibid*, pg. 6

financial management structure review for the Town. The DLS review made several recommendations for reorganizing the Town's financial management structure in order to "optimize coordination, minimize the risk of control failures, maximize resources and efficiencies, and provide long-term service continuity."<sup>10</sup> Key relevant recommendations made include:

1. Clearly define and empower the new Town Administrator by codifying the position in a bylaw.
2. Clearly define the authority and responsibilities of the Administrative Assistant.
3. Change the Collector and Treasurer positions from elected to appointed.
4. Combine the Collector and Treasurer positions to create a new Collector/Treasurer position assisted by a support staff member.
5. Improve financial management, including by developing financial policies, a long-term capital plan, and completing regular external audits.

In mid-2016, the Select Board began the search for a Town Administrator. After writing a job advertisement, posting the job, and forming a resume review committee, the Select Board filled the position. The Town Administrator started in November 2016, but his employment with the Town ended shortly thereafter in February 2017. The Select Board began another recruitment process and made an offer, but it was declined in part because of the candidate's stated concerns about "a sense of faction around this position." An attempt to bring on a part-time, experienced Town Administrator on a consulting basis was made, but again an offer was declined. Since that time, the Select Board has decided to take a step back and assess whether the Town needs a Town Administrator.

There had also been turnover in the positions of Treasurer and Accountant during the same time period. Since 2015 there have been multiple individuals or firms acting as Treasurer either on a permanent or interim basis. Likewise, there have been multiple serving as Accountant. The arrangement with the firm that had been providing treasury and accounting services since 2017/2018 ended as of late 2019, and the Select Board has addressed these vacancies. Also, at an October 2016 Special Town Meeting, the Treasurer position was converted from elected to appointed. This change had been rejected at a February 2016 Special Town Meeting, as was a change to make the Collector position appointed. To the Town's credit, the trend has been toward stabilization and professionalization of these financial positions.

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<sup>10</sup> *Financial Management Structure Review*. Division of Local Services, October 2016, pg. 7

## History of Evolution to Professional Town Administration in Massachusetts

For the first several centuries of the nearly 400-year history of the Massachusetts town form of government, boards of selectmen managed much of the executive function of a town without the assistance of any kind of professional manager. Even portions not under the board's purview were typically handled by elected officials tasked with specific day-to-day responsibilities, including treasurers, collectors, assessors, clerks, and highway surveyors.

This basic system of governance served Massachusetts towns well, although the business of running towns continued to evolve and grow. Eventually, towns began to recognize the need for more consistent and skilled administration. Boards saw the need for professional management of some aspects of the town's business, so that selectmen could focus on and effectively complete their most important responsibilities, including policymaking and oversight. The Town of Norwood hired the first professional administrator in the early 1900s, and many other towns followed suit in the years that followed.

The increasing complexity of issues and challenges facing towns made adding a professional manager important for two reasons: (1) by selecting an individual trained in management and knowledgeable about municipal operations, a town could be sure that the executive had the knowledge, expertise, and skills to manage the day-to-day, and (2) with fewer day-to-day management responsibilities, the board of selectmen could focus more attention on policy-setting and on developing a vision and strategy for the town.

The MMA handbook helps to illustrate these points. The handbook defines the legal authority of boards, which are found in numerous State laws, Town by-laws, a charter (if one exists), and special acts (if any). The basic important legal powers include:

- “The power to prepare the town meeting warrant
- The power to make appointments to town boards and offices
- The power to employ professional administrator staff and town counsel
- The power to sign warrants for the payments of all town bills
- The authority to grant licenses and permits<sup>11</sup>”

Importantly, the board is also responsible for the town's policy and strategy. With professional administrative staff, a board can delegate day-to-day management responsibilities and the handling of lower-level issues in order to focus on policy-setting and strategy development. The MMA handbook includes the following caveat:

“Sometimes, boards of selectmen misunderstand this broad policy role. They may overstep their bounds by getting involved in the daily operations of a department; or fail to set sound written policies or do long-range planning; or be too quick to try to solve problems that should be handled by the administrator, another board or town employees. There is more than enough for selectmen to do without getting bogged down in matters that are better delegated to someone else. The board's time is best spent by concentrating on making the whole of town government work<sup>12</sup>.”

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<sup>11</sup> Ouellette, John, editor. *Handbook for Massachusetts Selectmen*. Massachusetts Municipal Association, fourth edition, pg. 3

<sup>12</sup> *Ibid.*, pg. 4