

## **INTERIM REPORT TO SOUTH HADLEY RESIDENTS FINANCIAL POLICY ADVISORY TEAM (FinPAT)**

### ***Background***

In January 2011, the Massachusetts Department of Revenue (DOR) issued a report<sup>1</sup> to the Town of South Hadley. The recommendations included in the DOR report included a number of actions that the DOR believed would strengthen and modernize South Hadley's governmental structure, making it more efficient and effective. In the report, the positions of Town Administrator, a proposed Assistant Town Administrator, and hired (instead of elected) Town Clerk/Treasurer and Town Collector are discussed in that context. These four positions constitute critical aspects of the total fabric of the Town's financial management. As such, it made sense to assess those recommendations together.

### ***FinPAT's Composition and Mission***

The Financial Advisory Policy Team (FinPAT) was formed by South Hadley's Selectboard, and is comprised of members of the Selectboard, the School Committee, and the Appropriations Committee. FinPAT's mission is to "Advise the South Hadley Selectboard on major issues, primarily financial, affecting the Town of South Hadley."

Specifically, FinPAT was charged with assessing three major issues recommended in the DOR report: The extent of authority and responsibility for the Town Administrator; establishment of an Assistant Town Administrator position; and, whether the positions of Town Clerk/Treasurer and Town Collector should move from elected to appointed (i.e., hired).

### ***Methodology***

To make our assessment and recommendation process predictable, comprehensive, and transparent, FinPAT established our methodology:

1. Determine goal – what is the issue being addressed?
2. Define the issue under consideration.
3. Who are the subject matter experts needed to understand the specifics of what already exists relative to the issue. What are its components? Is there any policy already existing that could serve as a precedent, or that might be complementary or conflicting? In addition to the subject matter experts, are there others in Town Hall who might be affected by the issue?
4. Given the particulars of the issue, determine the specific research and analysis necessary. Involve subject matter experts and others as necessary. Discuss preferred format for findings. Discuss target timeframe.
5. Assess the results of research and analysis. Continue research and analysis as necessary.
6. Determine results of research and analysis. Discuss and determine conclusion. Use subject matter experts and others to assess impact of conclusion, including

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<sup>1</sup> "Town of South Hadley Financial Management Review" is available on the Town's website.

unanticipated consequences on departments. Discuss preliminary findings with Selectboard, School Committee, and Appropriations for feedback.

7. Develop recommendation for presentation and discussion.

### ***Specific actions taken***

FinPAT has met 15 times since mid-May. In following our methodology, we received, reviewed, and assessed three detailed reports<sup>2</sup> from the Collins Center for Public Management. Additionally, they prepared “Key Decision Points for a Town Administrator Special Act,” The Collins Center was engaged by the Selectboard to assist in research and analysis of the topics under review. All of their reports are available through the Selectboard office.

We are grateful to the many subject matter experts who freely gave their time and input to us. Our meetings with subject matter experts began in June with those individuals working within Town Hall. Subsequently, we met with:

- Members of the South Hadley Selectboard
- Jennifer Wolowicz, Acting Town Administrator
- Carlene Hamlin, Town Clerk/Treasurer
- Deborah Baldini, Town Collector
- Candice Walczak, School Business Administrator
- Bill Sutton, Town Accountant
- David Labrie, Chief of Police
- Jim Reidy, DPW Superintendent
- Tom Scanlon, Auditor, Scanlon & Associates CPAs
- Barry Del Castilho, former South Hadley Interim Town Administrator, former Amherst Town Administrator, former Wilbraham Interim Town Administrator
- Patricia Vinchesi, former South Hadley Town Administrator, former Longmeadow Town Administrator, current Scituate Town Administrator
- Stephanie O’Keeffe, Chair, Amherst Select Board
- Patrick Brady, former Chair, Wilbraham Select Board

We also solicited information from the Massachusetts Collectors Treasurers Association and the Massachusetts Town Clerks Association. The minutes of all our meetings, which were posted and open, are available via South Hadley’s website. Specific invitations for public input and comment were made through local media.

### ***Current Status***

We are now at the point in our methodology where we have developed a preliminary direction for each major question and associated details. Before these preliminary directions become recommendations, we are again soliciting public input, comments, and questions. In addition to that request being made through the local newspapers, we have a request running on South

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<sup>2</sup> Memorandum #1 – South Hadley General Background and Legal Base; Memorandum #2 – South Hadley Town Administrator Position; Memorandum #3 – Conversion of Currently-Elected Financial Positions to Appointed

Hadley Public Access TV (Channel 15). Any input received will be considered as we develop our recommendations to the Selectboard.

### ***Current Direction Summary***

Before focusing on the changes we might recommend, it is important to note that much of what is currently in place works well and does not need to be changed. Reviewing each aspect of well-functioning processes is beyond the scope and purpose of this report. Therefore, aside from the items 1 and 2, below, which set the stage for our preliminary direction, this report and the accompanying “FinPAT Preliminary Direction” matrix focus almost exclusively on changes we might recommend.

Based on all the research conducted, analysis performed, and input received, the major aspects<sup>3</sup> of FinPAT’s current direction are:

1. The role of the Selectboard as being “responsible for policy development and review for compliance,”<sup>4</sup> is affirmed
2. The role of the Town Administrator as the Town’s Chief Administrative Officer (see footnote 3) is also affirmed
3. To strengthen the authority and responsibility of the Town Administrator Officer to include:
  - a. Requirement for stronger demonstrated experience in certain areas, especially financial management
  - b. Coordination of annual budget process and recommendation of overall general government budget, following policy direction provided by Selectboard and in consultation with Appropriations, all in coordination with the Schools
  - c. Authority to sign warrants after appropriate review by department head and Town Accountant
  - d. Authority to sign contracts up to a dollar-amount ceiling, to be determined by the Selectboard. Selectboard would retain signature responsibility over that ceiling
  - e. Authority to hire (or terminate) all department heads (following established HR processes) under Selectboard jurisdiction, with exception for “key” positions: Police Chief, DPW Superintendent, Town Accountant, Town Clerk/Treasurer (if changed to hired), and Town Collector (if changed to hired). Personnel for key positions hired (or terminated) by the Selectboard after Town Administrator recommendation.
  - f. Authority to hire (or terminate) all others (following established HR processes) under Selectboard jurisdiction, in consultation with the appropriate Department Head.
4. The positions of Town Clerk/Treasurer and Town Collector should be hired rather than the elected. The individuals currently holding those positions should be given the opportunity to maintain their current responsibilities without further application, but

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<sup>3</sup> Additional details are contained in the FinPAT Preliminary Direction matrix

<sup>4</sup> Policies and Procedures Town of South Hadley Selectboard, Adopted April 2001, as amended October 4, 2011

otherwise should become regular employees of the town, responsible to the Town Administrator. They would then be subject to normal HR policies and procedures as they pertain to “Key” positions.

5. FinPAT has not reached a preliminary direction on the need for an Assistant Town Administrator (ATA) position. Resolution of this issue requires answers to several questions, including: What amount of priority work should an able Town Administrator reasonably be able to handle, especially given the additional responsibilities that could ensue from our recommendations?; which priority issues (e.g., economic development, facilities management, financial team oversight, master plan tasks, Falls redevelopment) could suffer without the assistance of additional skilled personnel?; can additional tasks be assigned to personnel already in place without establishment of a formal ATA position, and what pay and career inequities might arise from this latter approach?

### **Summary**

The work that FinPAT has done over the past several months, together with the direction that we have established up to this point, was done with two main tenets in mind: **What** can we recommend that will improve the governmental structure in South Hadley; **How** can those recommendations “fit” South Hadley, reflecting and respecting our past, yet moving us in concert with the requirements of the future.

A careful reading of the details of our direction will reveal that most of the required qualifications, responsibilities, and authority of our Town Administrator would not change. What would increase is the emphasis on financial and managerial accountability. Similarly, the fact that our Town Clerk/Treasurer and Town Collector are financial professionals would be affirmed by those positions being hired, just as we do the Town Accountant. The method of transition protects our incumbents, and a rigorous hiring process for future candidates protects the interests of the town.

We need to hear more, from the public, from the Selectboard, and possibly from a new Town Administrator, before we can make a recommendation on the ATA position.

### **Next Steps**

Before FinPAT is able to make its recommendations to the Selectboard, our methodology requires us to hear from all interested parties. This public forum is designed to solicit input from the residents of South Hadley. We look forward to hearing from you, and thank you for your time, your suggestions, and your opinions.

Priscilla Mandrachia, Chair (Appropriations Committee)

Frank DeToma (Selectboard)

John Hine (Selectboard)

Kevin McAllister (School Committee)

Thomas Terry (Appropriations)

Barry Waite (School Committee)