



CITY OF NEW BEDFORD
JONATHAN F. MITCHELL, MAYOR

November 1, 2020

City Council President Joseph P. Lopes
And Honorable Members of the New Bedford City Council
New Bedford City Hall
133 William Street
New Bedford, MA 02740

Dear City Council President Lopes and Honorable Members of the City Council:

I write to request the City Council's reconsideration of the starting salary of ROBERT DICKINSON as CITY AUDITOR for the City of New Bedford. I appreciate the Council's recent approval of Mr. Dickinson's appointment to the position, but the Council's decision to reduce the proposed starting salary has compromised the City's effort to successfully recruit Mr. Dickinson for the position.

The respectful reluctance of Mr. Dickinson to accept the position is entirely understandable. The existing compensation structure for the City Auditor within the City Code is already significantly below salaries being offered by other cities. The intent of establishing Mr. Dickinson at Salary Step 4 (of 8 Steps), was merely to mitigate the size of a compensation gap that already exists.

With the Council's reduction in proposed starting salary, the City finds itself at a major disadvantage in hiring a qualified municipal finance professional with the experience necessary to oversee the complex accounting of nearly half a billion in annual spending across the operating budget, capital budget, and grant accounts. Moreover, given the prolonged vacancy in the position, a continued search is not in the City's interest and the prospect of identifying a new candidate comparable to Mr. Dickinson is not certain.

The market for municipal finance professionals remains extremely challenging in Massachusetts, and the seriousness of the situation was highlighted in a recent study led personally by Lt. Governor Karyn Polito and a group of twenty Massachusetts local government experts. Their study, *Local Government Workforce Skills Gap Report*, found, for example:

A recent membership survey by the Massachusetts Municipal Associations (MMA) provided some hard data around the issue. It found that 33% of Treasurer/Collectors and 23% of Accountants/Auditors/Comptrollers plan to retire within the next five years. Across all vacancies within municipal government, less than 10% of the survey respondents had identified qualified internal candidates ready to step into vacancies. As a result, cities and towns across Massachusetts may soon struggle to maintain the necessary fiscal management required to accurately account for and provide adequate internal controls on municipal funds, comply with existing mandates and statutes, collect and invest municipal revenues, maintain bond ratings, manage debt, and plan, support and deliver core services.

As I noted in my October 6 submission to the Council, Mr. Dickinson is a seasoned municipal finance professional and the Assistant Town Accountant for the Town of Nantucket, Massachusetts. He has fifteen years of experience in municipal finance. As such, he is highly knowledgeable and is certified as a Massachusetts Municipal Accountant by the Massachusetts Auditor's and Accountant's Association. In sum, Mr. Dickinson is an excellent choice, having amply demonstrated the professionalism and technical expertise required to successfully lead the Office of City Auditor. Mr. Dickinson has indicated he will relocate to New Bedford in conjunction with his hiring. For all these reasons, I ask the Council's reconsideration of his starting salary.

I therefore respectfully repeat my request that Mr. Dickinson be established at Salary Step 4 (\$108,926) on the Unit C Salary Schedule, which is commensurate with his professional experience.

Mr. Dickinson, representatives from the Offices of CFO and Personnel, as well as the City's hiring consultant, Bernie Lynch of Community Paradigm Associates, all remain available to answer any questions. Thank you for your consideration.

Sincerely,



Jon Mitchell
Mayor

Enclosures

Robert Dickinson

August 6, 2021

Mr. Bernard Lynch
Community Paradigm Associates
BLynch@communityparadigm.com

Dear Mr. Lynch,

I am writing in regards to the recent posting for City Auditor. I saw the posting on the Massachusetts Municipal Association website, and I believe that I have the skills and qualifications you desire to fulfill this role. Through my experience I have come to believe that a strong fiscal program is the backbone of town government and has a significant impact on the community. For these reasons I know I would be a valuable member of New Bedford's Finance Department.

I have worked for the Town of Nantucket Finance Department for 15 years. I started as an Accounting Clerk in 2006 and through promotions have worked my way up to Assistant Town Accountant, a position I have held for 10 years. During my tenure I have had the opportunity to be involved in and learn the principals of Massachusetts Municipal Accounting. Nantucket just held its Annual Town Meeting (in a tent, no less). We approved a general fund budget of \$97,248,478. We also have five Enterprise funds with a combined operating budget of \$44,190,354. Total spending approved is over \$250 million. In Nantucket the Finance Director, per town charter, must be either the Town Accountant or the Treasurer, and historically the choice has always been to be the Town Accountant. Given his other responsibilities this means that it falls on me to do most of the work involved with keeping track of the town's money. I maintain the Town's accounting system (Munis), setting up the accounts to track spending. I work with the departments overseeing the cash receipt processes and accounts payable. I oversee the cash, accounts receivable, and withholding reconciliations. I am responsible for the Munis year end close, and provide the documentation for our annual audit. For the State, I file the balance sheets, balance sheet checklist, outstanding receivables, and cash reconciliation, and work with our DOR rep on the free cash certification. I also prepare the CP2, Snow and Ice, Schedule A, Statement of Indebtedness, and many of the schedules for the Tax Recap.

In addition to this I have worked on budgeting, union contract projections and negotiations, procurement, and records retention. I am certified as a Massachusetts Municipal Accountant by the Massachusetts Municipal Auditors and Accountants Association, and I have a Masters in Public and Private Management (MPPM) from the Yale School of Management.

Working for Municipal Government means a lot to me personally because of the impact it has on the community. Whether I'm preparing schedules for the auditors or responding to questions from departments or the voters, having precise and detailed information is crucial to maintaining the public trust. However appropriated, the community has to be assured that their hard-earned tax dollars are being looked after carefully and in full compliance with

Massachusetts general law and current municipal accounting standards. I would be honored to be selected to interview for New Bedford's City Auditor, and I look forward to hearing from you.

Sincerely,

A handwritten signature in dark ink, consisting of a stylized 'B' followed by a long, sweeping horizontal line that tapers off to the right.

Bob Dickinson

ROBERT D. DICKINSON

Work Experience:

March 2011 – Present, Town of Nantucket

Assistant Town Accountant

- Manage Accounting system (Munis) including Chart of Accounts setup, cash code setup, AP, AR, control accounts, year end close
- Prepare State reporting including combined balance sheets, cash reconciliation, schedule of outstanding receivables, Statement of Indebtedness, Community Preservation Act reporting, State Schedule A, Special Revenue and Capital accounts reconciliation
- Assist Auditors in preparing annual Town audit
- Assist in Preparing Tax Recap
- Reconcile Treasurer's Cashbook to Town accounting system (Munis)
- Supervise 3 positions:
 - Accounts Payable Clerk
 - Accounting Clerk: cash, accounts receivable, and withholding reconciliations, AP entry
 - Accounting Clerk: fixed asset recording, cash receipt posting, special revenue/trust fund reconciliation

February 2006 – March 2011

Accounting Clerk, Controller

- Assist in preparing State reporting – Combining Balance Sheets, Special Revenue accounts and Capital Accounts Reconciliation, Community Preservation Act Filings, State Schedule A
- Cash Reconciliation
- Supervise:
 - Operations Coordinator
 - Accounting Clerk for Account Receivable, Fixed Asset Reporting
 - Accounting Clerk for Cash receipt posting, Cash reconciliation
- Developed Fixed Asset Recording and Reporting for the Town of Nantucket

September 1997 – February 2006, Nantucket Coffee Roasters

General Manager

- Responsible for all aspects of running a specialty coffee roasting business including but not limited to Accounts Receivable, Accounts Payable, Payroll, Hiring, Scheduling, Cash Management, Inventory Control, Equipment Purchasing and Maintenance
- Researched and wrote business plan for the establishment of The Bean coffee shop.

June 1995 – September 1997, Swersey Consulting, Inc.

Consultant

- Researched Inventory Control Systems for Howmedica, a specialty medical supply company
- Implemented Production line restructuring for AmGold, a wholesale diamond ring manufacturing company, reducing manufacturing throughput from 3 days to 3 hours while reducing defects
- Researched Emissions Testing Station Siting for Oregon and Vermont using linear programming software to reduce travel distances and wait times.

Certified Massachusetts Municipal Accountant by the Massachusetts Auditor's and Accountant's Association

Proficient in Munis, Microsoft Excel, Word, Crystal Reports, Adobe Acrobat



Local Government Workforce Skills Gap Report

Preparing Future Local Government Finance Officials

Introduction

The impact of local government does not require deep data analytics or a lengthy white paper to understand. It can be seen in the average day of a third grader. On a cold winter morning, she boards the school bus to travel streets cleared and salted by a DPW crew. After passing by the police station where officers are beginning their shift, she arrives at her public school and spends part of her afternoon with an intergenerational reading mentor from the town's Senior Center. After the final bell rings, her father takes her to the public library, then to the fire station where they drop off a donation for the toy drive. As she rides home in the backseat, they pass the nearby playground, the town hall, and a recycling truck making its rounds. They pull into their driveway just as the street lights come on. The third grader may not understand what it takes to craft a budget that funds the roads, builds her school, or polices the streets, but she can see that all the people, resources and services add up to her community.

The cities and towns of the Commonwealth of Massachusetts rely on a dedicated core of municipal finance officials to sustain and support them. The following report will address the current administrative and staffing climate within these municipalities as they face a dwindling number these professionals. It will explore ways to encourage interest in public service in those who may not have previously considered a career in the field and in the next generation of local officials. It will emphasize a collaborative approach between state and local government, academia, professional associations and other partners. Each of these entities has an interest and commitment to addressing this important issue through practical steps, policy revisions and new initiatives. Developed through the Lieutenant Governor's Local Government Workforce Skills Gap Working Group, the recommendations contained within this report provide a roadmap designed to benefit the Commonwealth's residents, both now and in the future.

Section I: Understanding the Challenges Ahead

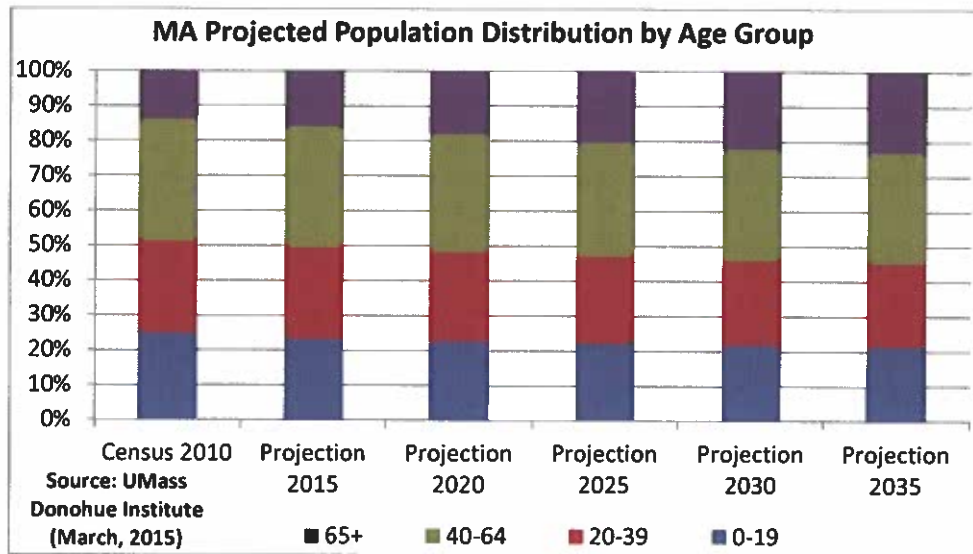
Massachusetts is home to 351 cities and towns, each with its own distinct characteristics and challenges. From the Blue Hills to the Berkshires, local governments have served as the backbone of the Commonwealth since its inception. Municipalities provide the services, programs and infrastructure residents rely on every day for education, public safety, recreation, waste management, public health, elder services, and many other responsibilities. The combined cost of delivery for these services totals over \$26B and results in some of the highest-rated public schools and quality of life of any state in the country.

An aging municipal workforce coupled with a limited pool of qualified replacements means cities and towns face the same challenge: identifying and attracting capable municipal finance employees. Professional and effective budgeting, collections, capital planning, and accounting lay at the foundation of good governance. Proper fiscal management is integral and necessary to plan, support and deliver core services to every resident, in every neighborhood,

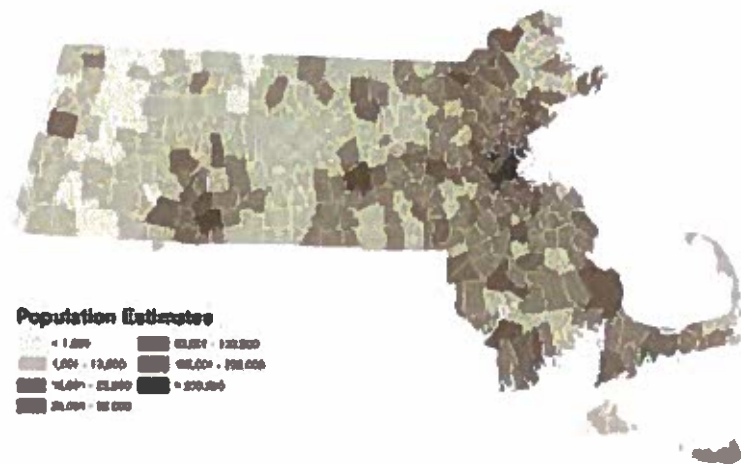
A 2015 study by Accenture reports 64 percent of 70 public sector leaders across 18 states report difficulty attracting and retaining talent. Similarly, a recent Pew Research study found that state HR organizations were challenged to recruit and retain skilled workers.

"Winning the War for Talent in the Public Sector" - Government Executive 2/16/18

in every corner of the Commonwealth. As time passes, this issue compounds as retirements increase and available, qualified finance professionals become scarce, particularly in certain regions of the state.



In order to understand the impact on local governments, it is important to acknowledge the population dynamics of the Commonwealth. Massachusetts is predominantly comprised of small towns and a few large population centers. Nearly 75% of municipalities have a population less than 20,000. The median population is 10,000. The median municipal budget is approximately \$30M. These budgets are crafted, reviewed and implemented by a relatively small collection of municipal finance professionals and that workforce is dwindling. In smaller communities, financial management duties are often limited to part-time employees. These same individuals may perform similar functions for multiple towns, thereby cobbling together the equivalent of a full-time salary.



Given this current structure and the lack of support staff, one can see the obvious ripple effects that occur when an employee retires or leaves local service. With no existing support staff, key financial positions remain unfilled or lack qualified professionals. Communities in Central and Western Massachusetts are particularly vulnerable as they already face recruitment challenges. With a limited existing career ladder, upward mobility is often limited for local officials who find the best path for advancement through transitioning from a smaller community into larger municipality where higher

pay generally attracts more qualified candidates. The lack of opportunity will soon give way to a different problem, a statewide scarcity of qualified professionals.

A recent membership survey by the Massachusetts Municipal Associations (MMA) provided some hard data around the issue. It found that 33% of Treasurer/Collectors and 23% of Accountants/Auditors/ Comptrollers plan to retire within the next five years. Across all vacancies within municipal government, less than 10% of the survey respondents had identified qualified internal candidates ready to step into vacancies. As a result, cities and towns across Massachusetts may soon struggle to maintain the necessary fiscal management required to accurately account for and provide adequate internal controls on municipal funds, comply with existing mandates and statutes, collect and invest municipal revenues, maintain bond ratings, manage debt, and plan, support and deliver core services.

Section II: Perception vs. Reality - Generating Interest in Local Government

The negative stereotypes of government employment are ubiquitous. It is portrayed as stagnant, redundant work for inadequate compensation in an environment that discourages growth and innovation. The term “bureaucrat” is far more pejorative than empowering. All too often, the realities and benefits of public service are overshadowed by this perception. When these commonly held views are filtered through a lens of political division and argument, it is understandable why many young people and experienced professionals prefer to avoid a career in government altogether.

A private corporation suffering from such a negative image might seek to rebrand. To combat this perception, every effort should be made to highlight the universal appeal and quality of life benefits of public service. Such a career allows an individual a seat at the public policy table to address the challenges in his or her own community. These noble pursuits, coupled with the more practical enticements of defined pension benefits and health insurance while both as an active employee and as a retiree, are both attractive and compelling. While not all may be drawn to benefits that require decades of service to attain, some might. Viewed on the whole, a steady, fulfilling career in a field that can directly and positively benefit those around you can rival many alternatives.

Survey respondents listed pension benefits as less important to younger workers than to workers in general. State directors ranked pensions as the most important employee benefit for workers as a whole. But for those under 30, pensions were third most important. Pew's earlier survey of state and local workers mirrored these results. Only 33 percent of workers younger than 30 said retirement plans were extremely important to them compared with 51 percent of workers 50 and older.

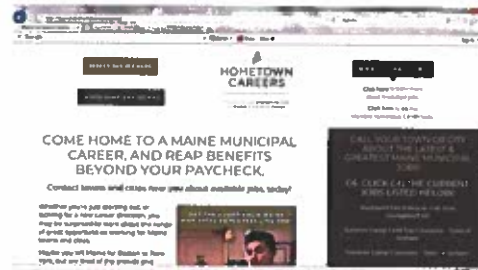
The Pew Charitable Trusts “Preparing for Retirement”

While Massachusetts is home to many institutions of higher education providing associates, bachelors and advanced degrees, the competition for talent in the areas accounting and finance is fierce. Municipalities must attract new employees that are also deeply desired by banking, consulting, technology and finance service companies. To generate interest in public service and dispel the stereotypes, an alternate narrative must target two distinct demographics: mid-career professionals looking for changes to their current workstyle (Baby Boomers/Gen-Xers), and people with limited experience or those entering the workforce for the first time (Millennials). Recruiting

the former will temporarily address the immediate need for skilled financial professionals, while engaging the latter will foster the next generation of public servants.

Efforts to reshape public opinion, at least at the local level, could take many forms. For example, statewide and local news outlets could feature opinion pieces and highlight the ongoing need for dedicated public servants. Association meetings with chief elected officials (mayors, selectmen, councilors) could feature surrogate speakers as advocates. An advertising campaign could develop a short video similar to the “Life Well Run” campaign by ICMA to be shown by community access channels. While these outlets may reach certain age groups, efforts must also be made to engage other demographics in more appropriate ways, particularly for those that rely more heavily on social media to receive information. If local government seeks to compete in the modern job market, it must learn from and reflect the Millennial recruitment efforts of its private sector and non-profit counterparts.

Other states have embraced online tools to highlight and promote public service employment. For example, the state of Maine’s municipal association has launched www.mainehometowncareers.org, a website designed to recruit Millennials into open municipal positions available across the Pine Tree State. The site provides first-hand accounts of current local officials, links to job postings, and detailed descriptions of those jobs. In Massachusetts, the MMA website currently features similar postings and efforts are underway to make this section more prominent and accessible. However, there currently exists no readily-available, modern website that serves as both a promotional tool and clearinghouse to inform and attract potential new hires outside the traditional platforms of government and the related associations.



Local government must also reexamine the way in which job openings are advertised. Currently, openings within a city or town can differ greatly due to a lack of available support and resources. For example, a small town with no full-time human resources staff might post an opening on that municipality’s website and end its recruitment efforts then. A different town may do the same, but also notify the related professional association (e.g., collectors/treasurers association, accountants/auditors). A city with dedicated human resources staff might utilize a job search engine and ask that the opening be posted on the MMA website. In the previously mentioned survey, very few of the 118 respondents indicated that they had ever used a professional recruiter to assist them in finding a qualified replacement. There exists no uniform approach or roadmap to effectively place potential applicants with available municipal finance positions.

To address this ongoing issue, leadership development programs and other job fair resources should be accessed more frequently. Many people attending these programs possess a natural inclination toward social justice and civic engagement. They also may be more willing to shift careers to something they see as honorable and fulfilling, particularly when the benefits of service are also tangible. In addition to engaging leadership forums, every effort should be made to allow cities and towns to leverage the immense reach of the Commonwealth’s centralized MassCareers job posting system. With thousands of job-seeking users, this system stands as an untapped resource to connect communities with qualified professionals nearby. Should any of these existing professionals find

employment within a municipality, instructional trainings and guidance should exist to ease their transition to the structure and regulations of municipal finance.

Inspiring the Next Generation

While addressing the immediate needs cities and towns have to fill municipal finance positions is apparent and important, the greater challenge lies in inspiring the next generation. Very few consider public service as a viable and attainable career path. The financial lure of private sector positions, the flexibility and immediate rewards of the gig economy and the wide-spread negative stereotypes of government careers often eliminate public service from even initial consideration. This problem is further exacerbated by careers paths that lack upward mobility in many areas, particularly in smaller communities. Potential candidates must often be willing to relocate to larger municipalities to take advantage of advancement opportunities. Those that do pursue municipal finance often must possess a drive and willingness to “stick it out”, which requires both foresight and patience.

Without the program, I wouldn't have been introduced to governmental accounting until my master's program.

I do think that this is a missed opportunity for governments as well as students. Academia has to begin introducing it earlier in the undergraduate programs.

Bayleigh Young - UMass Lowell Municipal Co-Op Student

Should cities and towns seek to develop such individuals, their best hope may lie in promoting and expanding civics instruction at local schools. In early, secondary and high school curriculums, students must learn the importance of local government and its role in their day-to-day lives. Given the Commonwealth's rich history, educators have a wealth of teachable examples to choose from and they might also consider inviting state and local officials to participate in a “Local Government Day” to support their efforts. At the high school level, a public finance and governmental accounting component should be included in any business-related accounting offerings.

A more concerted effort must be made to include governmental and fund accounting courses at both two- and four-year public and private higher education institutions. Public policy and administration programs should also include municipal finance components. Professional associations and the Department of Revenue's Division of Local Services (DLS) could also assist in developing training programs for course credit for students interested in municipal finance. Ultimately, many of these courses may be best suited for online learning platforms. To develop such a curriculum, interested educational institutions should collaborate to develop such modules, as well as certificate and degree programs.

Number and Percentage of Local Government and Business Degrees by Degree Type (2016 - Public and Private Institutions)

	Associate's degree	Bachelor's Degree	Post-baccalaureate Certificate	Master's Degree	Post-Master's Certificate	Doctor's Degree
Local Government and Business	2,623	17,378	220	14,059	123	2,480
% Local Government and Business	19%	26%	14%	36%	15%	29%
All Degrees	13,777	67,057	1,585	38,550	845	8,475

Lastly, there is an overwhelming need for internship programs, fellowships and practicum opportunities in local government. Connecting high school, community college course, and two and four year college offerings and the many job openings within municipalities would be mutually beneficial. Current internship opportunities remain scarce, as many communities with the most dire needs lack the resources to attract existing professionals, let alone the means to offer temporary paid positions to individuals who may or may not make a long-term commitment. This is why the course credit approach may be the best to take.

Certain opportunities do exist for students to learn and develop real-life skills in a community, such as the University of Massachusetts at Lowell's Professional Co-Op Program. However, these opportunities are limited. The development of an "internship toolkit" offered by established academic institutions and available to municipalities across the state would provide a structured framework for communities to foster the development of potential future employees while providing students with important municipal experience and course credit. Developing and promoting a clear pathway that educates and inspires future public servants, provides them with the skills and tools to perform, then guides them to job placements would ultimately benefit not just the municipalities that employ these future leaders, but the Commonwealth as a whole.

Section III: The Role of Professional Associations

Currently, there are multiple professional associations that represent municipal officials, including the Massachusetts Collectors/Treasurer's Association (MCTA), the Massachusetts Municipal Auditors and Accountants Association (MMAAA), the Massachusetts Government Finance Officers Association (MGFOA), the Massachusetts Municipal Managers Association (MMA), and the Massachusetts Municipal Personnel Association (MMPA). The primary role of these organizations is on-going professional development/continuing education. The Working Group explored what, if any, additional roles professional associations could play and/or what changes to their current roles and structures could be made to enhance their ability to help train the next generation of municipal officials.

The MCTA currently runs a robust certification program with two tracks – one for collectors and one for treasurers. To become a certified collector/treasurer, the individual must complete a three-

year program, which is a one-week program offered annually at UMass Amherst. The program is open to anyone who works in a municipal collector/treasurer office; however, only collectors/treasurers and assistant collectors/treasurers can take the exam and become certified.

The MMAAA also runs a robust certification program with three tracks: beginner, intermediate, and exam preparation. The program and examination to become a Certified Governmental Accountant (CGA) is based upon the individuals' level of education and experience. A one-week education program is offered annually at UMass Amherst that is open to anyone who has accounting responsibilities in a municipality; however, the individual must be a member of the association which limits the audience eligible to participate.

The purpose of the MGFOA is to enhance and promote the professional management of governmental financial resources by identifying, developing, and advancing fiscal strategies, policies, and practices for the public benefit.

The MMMA is a professional association dedicated to serving appointed chief and assistant municipal managers and administrators in Massachusetts cities and towns. The MMMA exists under its parent organization, the Massachusetts Municipal Association (MMA). Included in its mission statement is "[T]o provide professional development through education and specialized training opportunities." One of those is an annual "Boot Camp" for new or aspiring managers/administrators, which focuses on core issues such as finance, human resources, and labor.

The MMPA is committed to maintaining a standard of excellence in the field of municipal personnel administration. The Association is an affiliate group of the MMA and provides professional guidance to more than 200 cities and towns throughout Massachusetts in areas including municipal compensation and benefits, Civil Service procedures, collective bargaining, affirmative action, and training. They also run an annual "Boot Camp" for new or aspiring human resources professionals.

While not a professional association, the state's Division of Local Services (DLS), which is part of the Department of Revenue (DOR), supports local officials in all communities to achieve sound and effective fiscal management through guidance, training and oversight. Its bureaus are responsible for ensuring the fairness and equity of local property taxation, the accuracy and quality of local accounting and treasury management, interpreting state laws that affect local governance, distributing local aid, and maintaining a comprehensive databank on local finances. Another key part of DLS' mission is to provide various training and seminars to local officials including "What's New in Municipal Finance Law", "New Officials Finance Forum", and "Assessment Administration: Law, Procedures, and Valuation", better known as "Course 101". In fact, DLS teaches some of the classes at both the MCTA's and MMAA's annual schools held at UMass Amherst.

Increased Accessibility to Programs

A key question that was explored was whether the MCTA's and MMAAA's certification programs should be available to anyone who expresses interest in the field rather than to just current members. Doing so would help in three areas:

1. interested college students who want to prepare for the profession;
2. the municipal employee who aspires to advance their career; and

3. the mid-career person who wants to leave the private sector and enter into a career in local government

Both associations are open to exploring how to open up their programs to a larger audience, as they recognize the importance of their programs and how beneficial they can be as part of the effort to prepare the next generation of municipal finance officials. Initial thoughts include exposing college students to the associations' programs on a for-credit basis and collaborating with community colleges and universities to create a student member status. The MCTA is in favor of permitting non-office holding individuals to attend and take classes at the annual education week at UMass Amherst, along with other educational opportunities the Association offers, and may perhaps develop a discounted "student" membership classification for college students.

In addition, DLS is well-positioned to play a larger role in this effort. The concept of joint DLS-Professional Association "training teams" was discussed. All three entities have expertise, experience, and willingness to develop a program where a team is available to help new employees who cannot wait for the associations' annual schools to get trained (e.g., the newly elected collector/treasurer and the new local finance officer hired just after the schools hold their training). Also, DLS could provide a program where college students spend a portion of the summer learning about municipal finance and earn class credits.

Another outcome from this part of the Working Group was the recognition that the professional associations need to start working collaboratively with institutions of higher education, whether they are public or private, 2-year or 4-year.

Section IV: Removing Statutory Hurdles and Considering Alternative Delivery Models

While some aspects of this issue such as fostering and training the next generation of municipal finance professionals may take years to develop, there are certain steps that can be taken to immediately address and ameliorate the matter. Removing existing bureaucratic hurdles and encouraging innovative partnerships are two ways to improve current fiscal management operations in cities and towns across the state. The former will modernize and update policies and statutes to reflect the current employment landscape and the latter will ensure sustainable and accountable service models and financial structures in communities that may need it most.

Update Existing Laws to Empower Communities

Current pension laws restrict the ability of retired managers/administrators and finance officials to work for municipalities. Such an obstacle reduces an already dwindling pool of qualified people who can provide highly in-demand municipal finance services (interim town manager/administrator, interim town accountant, etc.) by limiting the amount of compensated time they can perform these services. In the current system, a retiree collecting a public pension can only work up to 960 hours per year and earn the difference between the current salary of the position they retired from and their pension. An example from the Public Employee Retirement Administration Commission (PERAC) illustrates these circumstances.

- Employee retired from his position as an accountant in July and is receiving a pension of \$30,000 a year. The employee then goes back to work part-time for his community's town manager after retirement.
- The current salary of the position Employee retired from is \$50,000 per year. Until December of the calendar year following his retirement, Employee is limited to the total salary (\$50,000) minus Employee X's pension total (\$30,000), or \$20,000 per year (or at 960 hours per year, whichever comes first).
- The following year, once Employee has been retired a full calendar year, s/he can earn the total salary (\$50,000) minus the pension total (\$30,000) plus \$15,000. This would raise Employee's potential total earnings to \$35,000 per year, while still prohibiting him/her from exceeding 960 hours of total service hours.

Similar regulatory barriers also exist should a retired public employee decide to form his or own company or seek work at an existing one. According to PERAC, "for persons who retire after July 1, 2009, earnings as a consultant or an independent contractor are limited. A retiree may not avoid the limitations by forming a company if the primary reason for the formation is to avoid the limitations." For example, a retired town accountant cannot go to work full-time for a Certified Public Accounting (CPA) firm that provides municipal accounting services, because s/he would be restricted to 960 total hours. While former municipal employees are subject to these rigid standards, it should be noted that such restrictions do not apply to public education employees, such as school superintendents and principals.

Hourly and wage caps exist for certain retired educational professionals. However, pursuant to M.G.L. c. 32, § 91(e), the earnings limitations for potential returning retirees in Massachusetts public schools are eased in the event of a "critical shortage" in a position as determined by the Department of Elementary and Secondary Education (DESE). To that end, DESE adopted regulation 603 CMR 7.14(13)(b), allowing the Commissioner to deem that a district has a "critical shortage" upon the request of a superintendent and demonstration that the district has made a good-faith effort to hire non-retirees and has been unable to find them. On a related note, the Massachusetts Teachers' Retirement System (MTRS) website states, "there are no restrictions on employment in the private sector, public employment in another state or employment with the federal government."

While removing these existing statutory hurdles would not provide a long-term solution to a lack of municipal finance professionals, it would allow for increased hiring flexibility in all municipalities. Should concerns exist about making such modification permanent, these measures could incorporate a sunset provision, thus allowing for at least a temporary, but immediate, positive impact on the current employment climate in cities and towns. Should the aforementioned suggestions prove helpful, it may also allow for the reconsideration other pension-related hurdles that hinder attracting mid-career employees from private sector. For example, a mid-career professional leaving the private sector for a public sector position may be deterred by the requirement to contribute to a defined-benefit system they may never access if they are already above the age of 55.

Long-term solutions through legislative reform do exist, particularly as they relate to current regulations on shared municipal services. Currently, the Ethics Commission's ruling regarding shared employees has deemed that a shared municipal employee is barred by G.L. c. 268A, § 17 from acting on matters in which the other participating municipalities also have a direct and substantial interest. This effectively eliminates the ability of municipalities to share a town administrator (or any other

official) whose duties would likely include discussing, recommending and implementing regional or joint solutions for delivery of municipal services. Such a limitation was recently addressed through special legislation for towns of Lee and Lenox, who are now sharing a town administrator, by amending Section 17 of M.G.L. Chapter 268A. The legislation stated, “a municipal employee of the town of Lee, the town of Lenox, or the town of Stockbridge shall not be prohibited from receiving or requesting compensation from, or from acting as an agent or attorney for, the town of Lee, the town of Lenox, or the town of Stockbridge; provided that the employee is acting within the scope of the employee's official duties pursuant to an inter-municipal agreement entered into pursuant to section 4A of chapter 40 of the General Laws.”

Amending the existing statute to allow for inter-municipal employee agreements would make what has been widely considered a local success in Western Massachusetts a viable option for municipalities across the state. As part of a recent supplemental budget bill filed by Governor Baker, such a change to general laws was proposed.

Supporting Alternative Delivery Models

Alternative delivery models warrant consideration in any municipality where the existing structure of their own part-time or full-time staff is no longer feasible. Contracting out to professional accounting service firms or exploring regionalization is not a panacea for all communities, but they are certainly viable options. Municipalities regularly pursue alternative delivery models due to a lack of qualified applicants for existing jobs or an immediate need that does not allow for a new employee's learning curve. These approaches can be either interim or permanent in nature and include a variety of services, such as auditor/accountant/comptroller, treasurer or treasury personnel positions (e.g., administration), accounts payable/payroll positions (e.g., clerical), school business manager, and human resources responsibilities. Outside professionals can also be hired to perform special projects such as chart of accounts redesign, financial system implementations, year-end support, state reporting, financial reconciliations (i.e., cash, accounts receivable, etc.) and specialized financial analysis. Collection firms currently exist that provide some services for municipalities and private banks have the potential to perform certain cash management functions.

For municipal finance needs, CPA firms can offer a wider pool of well-trained employees with readily available skillsets. Also, unlike when a municipal employee leaves service, there is no gap in service, since the CPA firms have multiple employees in these areas of expertise. Communities determine a level of service and pay for that service without the costs associated with employment benefits (i.e., active/retiree health insurance, pension, etc.). Although the hourly rate of a consultant may be higher than the traditional employee, the total consultant/outsourced costs over the long-term may be lower than an employee who retires with the full benefits package. Such an approach is also utilized for legal services in many communities where municipal legal duties are handled by outside counsel.

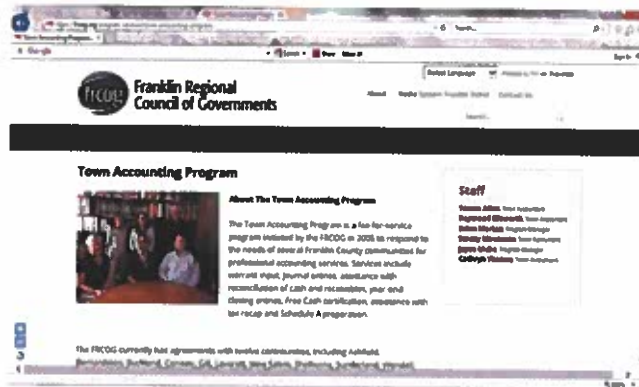
With the ability to work remotely, private firms also offer the opportunity for statewide support. For example, a small town in western Massachusetts has a 20 hour per week town accountant role. Typically, the town accountant in such an area performs multiple duties ranging from processing accounts payable to end-of-year reporting. In this instance, permanent outsourcing would most efficiently work with multiple consultants. A junior consultant could be used for the accounts payable processing, while a more senior consultant could be used for the financial reporting, budgeting and decision-making tasks. Many of these tasks could be performed remotely, but a senior

consultant would need to be onsite for periodic meetings with management, governance and as determined by individual contracts.

Of course, any local decision to pursue a private services model entails the associated fees commensurate with such services. Local officials may receive feedback from residents who prefer a more community-centric approach, even if greater efficiency means overall spending does not increase. In addition, as part of a finance team, a dedicated municipal employee familiar with finance is a valuable asset to a town manager or town administrator. This employee may, in turn, be more accessible to discuss financial issues as needed. Local accounting office employees also often acquire other tasks, such as purchasing, fiscal oversight and advisory duties for municipal departments, or special projects at no additional cost.

Additionally, there is a finite number of public accounting firms and they too face recruitment challenges, particularly when compared with the compensation offered to professionals performing annual audits. On a related note, CPA firms who provide “managerial\decision making duties” to a municipality cannot audit it, as CPA firms can only perform certain duties without compromising independence. Finally, because these entities operate on a for-profit basis, should demand for these services increase, it can be assumed that the cost of such services would follow suit. Therefore, communities considering any outside contract should perform a cost analysis when considering permanently outsourcing a position.

Another alternative model is the regionalization of service delivery. The Franklin Regional Council of Governments (FRCOG) has provided a successful accounting services model to its towns that could be replicated in other areas of the state. Whereas full-time employment opportunities may be scarce in smaller communities, combining the local needs of several towns allows an organization to offer full-time, benefited work that can then help attract a pool of more qualified candidates. One organization serving several towns allows for the development of similar procedures, policies and charts of accounts streamlines services and increases efficiency. For example, FRCOG utilizes its accounting software package for its operations, thereby eliminating individual expenditures for that software for its municipal clients. Such shared service models also remove programmatic and operations gaps that may occur at the local level due to a single employee’s vacation and sick leave and, in the event of hazardous weather or other issues, work can be done off-site. One field of potential collaboration is in local assessment duties. These responsibilities are currently contracted out to private firms in many communities, but pursuing the regionalization of these services could prove both more efficient and cost-effective.



Should communities pursue regionalization, they should be aware of all related outcomes and circumstances. For example, this model is still susceptible to retirements or resignations that would impact all members and leave them without service, at least temporarily. Municipalities should also make every effort to calculate the total costs of any employee (office space, benefit costs, etc.)

performing regionalized services because these costs are pooled and divided equally, not based upon municipally-specific duties and workload.

Conclusion

Both state and local governments face significant challenges in the coming years as they seek to identify, attract and retain professionals for the positions necessary to provide critical services, programs and infrastructure. A concerted and joint effort between state and local government, academia, professional associations and other partners is vital. Formal and informal partnerships must be strengthened where they exist and established where they do not. Each of these entities has an interest and commitment to addressing this important issue through practical steps, policy revisions and new initiatives. A roadmap to success will require specific guidance and direction. To that end, the following “Action Plan” provides clear and concrete recommendations and opportunities for collaboration across these constituencies.

Action Plan

The following represents 10 recommendations and action items as developed by the Local Government Workforce Skills Gap Working Group. They provide a set of recommendations with a suggested timeframe for implementations and key stakeholders.

Short-Term Actions

1. **Promotion of local government** – develop an overall strategy to promote careers in public service, including the use of a brief (1 min 15 sec) video highlighting the virtues and benefits of a career in public service. This should be developed as part of a broader campaign appealing to both millennials and mid-career finance professionals who may want to switch from the private sector to the public sector and should be broadcast on multiple platforms including social media. [Human Resources Division, Massachusetts Municipal Association]
2. **Recruitment** – better utilize modern technologies to make potential job candidates aware of job openings in a comprehensive fashion rather than having 351 separate systems. Included is the use of the Executive Office of Labor and Workforce Development’s existing Jobquest website to connect active jobseekers with available positions in local government and enhanced recruitment tools on the MMA website. [Human Resources Division, Executive Office of Labor and Workforce Development and Massachusetts Municipal Association]
3. **Including external candidates in training** – the two major professional associations that represent municipal accountants, collectors and treasurers should expand its reach by encouraging non-members to attend their annual professional development programs. Additionally, to enhance awareness and build a pipeline of future members, the associations should collaborate with community colleges and universities to create a student member status. [Massachusetts Collectors & Treasurers Association and Massachusetts Municipal Auditors & Accountants Association]

4. Mentorship programs – develop a joint team of experts that can assist newly appointed or elected municipal finance officials. Existing resources such as the DLS New Officials Finance Forum provide one-day seminars on policies, practices and procedures in local government. More long-term programs that formally support and foster the next generation through mentorship, professional development and career guidance are needed. [Division of Local Services, Massachusetts Municipal Association, Massachusetts Collectors & Treasurers Association, Massachusetts Municipal Auditors & Accountants Association, Massachusetts Government Finance Officers Association]
5. Course credits – a stronger relationship should be developed between public and private colleges/universities that offer finance/accounting programs and/or Masters in Public Administration programs, the Massachusetts Municipal Association, and the professional associations that represent municipal accountants, collectors and treasurers that include providing work-based learning opportunities (internships, co-ops, apprenticeships) for course credit. This collaboration should result in formalized programs and real-life opportunities in geographically diverse settings as well as an “internship toolkit” available to interested cities and towns. [Community College Executive Office, Massachusetts Municipal Auditors & Accountants Association, Massachusetts Collectors & Treasurers Association, Executive Office of Education, and Division of Local Services]
6. Regional services – evaluate and explore avenues for direct services for Regional Planning Agencies (RPA’s), such as restructuring to the Council of Government (COG) model. The Franklin Regional COG (FRCOG) has developed a successful regional financial management model that could be employed in other parts of the state. [Massachusetts Association of Regional Planning Agencies]

Medium-Term Actions

7. Civics education – a comprehensive strategy should be implemented that develops the future local leaders of Massachusetts, including:
 - a. In collaboration with local municipalities, continue to advocate for local support of current efforts to embed civics as a component of the social studies/history curriculum required of all students in the Commonwealth. The roles, responsibilities, and structure of Massachusetts local government should serve as a foundational focal point of the civics component. [Executive Office of Education, Department of Elementary and Secondary Education]
 - b. A statewide Local Government Day, highlighting the key services provided by municipalities and bringing together young students with their local leaders. [Executive]
 - c. High School Business and Financial Services Innovation Pathway Program, as well as Business Technology vocational programs, should include review of local finance as components of the subject framework. To increase access for high school students’ exposure to the possibility of a career in local government finance, professional associations should collaborate with DESE and EOE to develop strategies to

partner with additional communities to establish Innovation Pathway and/or Business Technology programs. [Executive Office of Education]

8. Outsourcing services – CPA firms should consider expanding their accounting services program, so that municipalities have another viable service delivery option to consider. [MA Society of CPAs]
9. Legislative changes – consideration should be given to filing legislation that addresses three issues [Executive]:
 - a. Addressing the Ethics Commission’s opinion that a shared municipal employee is barred by G.L. c. 268A, § 17 from acting on matters in which the other participating municipalities also have a direct and substantial interest. This effectively eliminates the ability of municipalities to share a town administrator, or other official, whose duties would likely include discussing, recommending and implementing regional or joint solutions for delivery of municipal services.
 - b. Expanding the “critical shortage” exception to the 960 hours of work for retirees that DESE now applies to utilizing experienced teachers and school administrators, to also apply for municipalities’ employment of town managers/administrators and finance professionals. This could be sunsetted after a period of 5 years.
 - c. Addressing PERAC’s ruling that, for persons who retire after July 1, 2009, earnings as a consultant or an independent contractor are limited. They have rules that a retiree may not avoid the limitations by forming a company, if the primary reason for the formation is to avoid the limitations. This also applies to a retired municipal employee who goes to work for a private company, not just in the case of the former employee forming a company.

Long-Term Actions

10. Higher-education curriculum – an introduction to public finance/accounting should be a component of finance/accounting classes in state-funded institutions of higher education, both 2-year and 4-year programs. Private colleges and universities should also consider the same as part of their curriculum. [Executive Office of Education, Massachusetts Community College Executive Office, Private Education Institutions]
 - a. To address a lack of centralized demand, community colleges should work together to develop online public finance/accounting classes, as well as certificate or degree programs. [MA Community College Executive Office]

The Local Government Workforce Skills Gap Report is the product of a collaborative effort of a working group convened by Lieutenant Governor Karyn Polito. The following group members provided professional insights and suggestions that made this report possible.

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